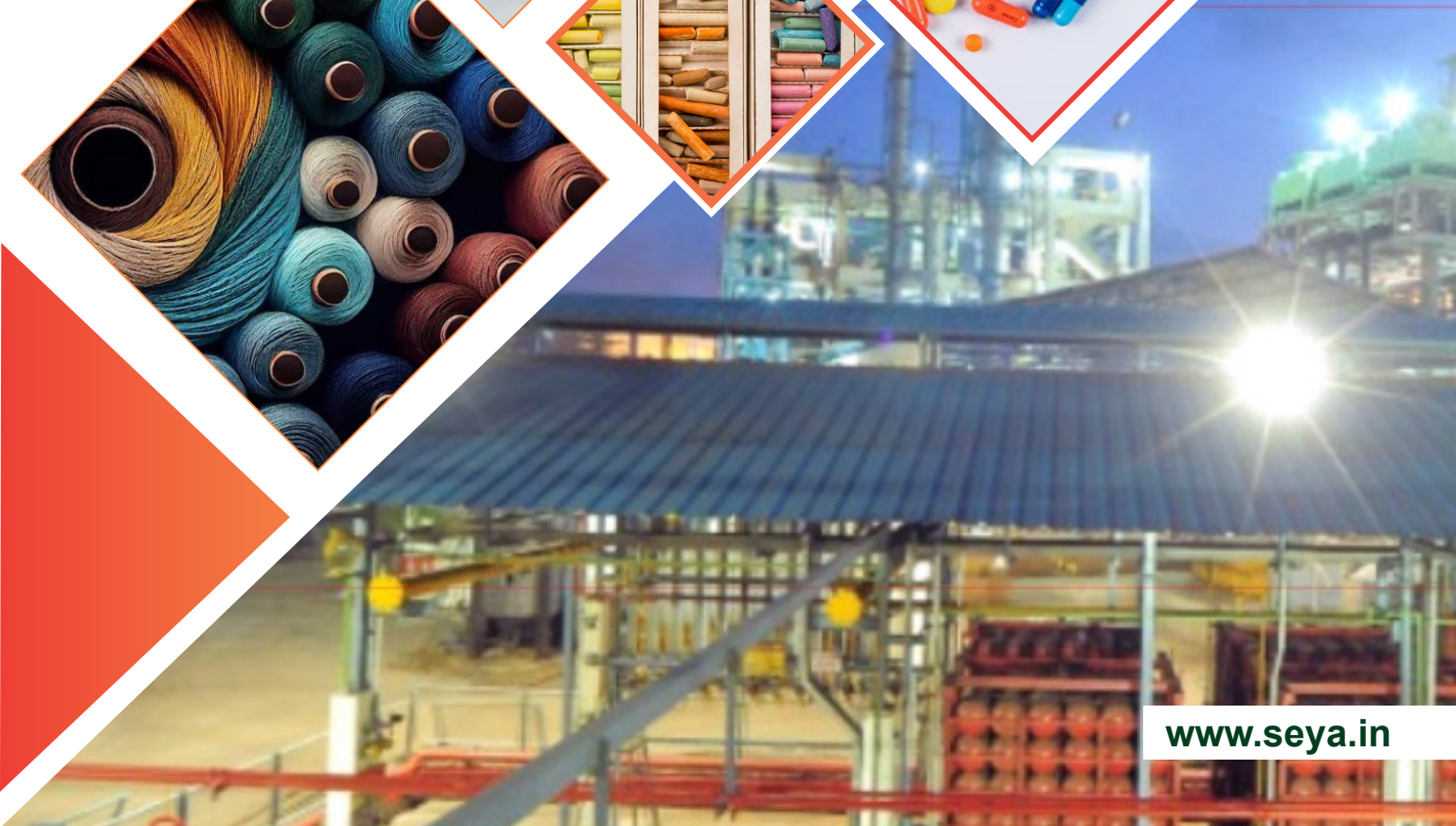




SEYA
INDUSTRIES LTD.

ANNUAL REPORT 2022-23



Corporate Information

Board of Directors & Senior Management

Mr. Ashok G Rajani – Chairman & Managing Director
Mr. Asit Kumar Bhowmik – Executive Director
Mr. BSP Rao – Executive Director
Mr. Ronen Joshi – Independent Director
Mr. Amit Pandya – Independent Director
Mrs. Monisha Bhavnani – Independent Director
Mr. Amrit Rajani – Chief Financial Officer
Ms. Manisha Solanki – Company Secretary

Auditors

A A Mohare & Co
(Chartered accountant) – Statutory Auditors

Manish Shukla & Associates
(Cost Accountant) – Cost Auditor

Subhash Purohit & Associates
(PCS) – Secretarial Auditor

Registrar & Transfer Agent

Universal Capital Securities P Ltd
C-101, 247, LBS Marg,
Vikhroli West, Mumbai – 400083
☎: 022-28207203
✉: info@unisec.in

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As per the various circulars of MCA and SEBI issued from time to time, Notice of the AGM along with the Annual Report for the Financial Year 2022-23 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 2022-23 will also be available on the company's website www.seya.in in the website of the stock exchange that is BSE limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

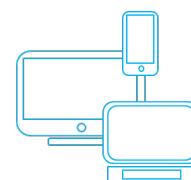
Those members who have still not register their e-mail Ids are requested to do so by writing to RTA at info@unisec.in or to the Company at corporate@seya.in

For a healthy and Greener life.....

Thirty Third Annual General Meeting

Day & Date : Saturday, September 30, 2023
Time : 11:00 a.m.
Venue : T-13/T-14, MIDC Tarapur,
Boisar, Palghar,
Maharashtra – 401506
Book Closure : Sunday, September 24, 2023 to
Saturday, September 30, 2023
(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

Visit Company's official website to
download this Annual Report

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY THIRD 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, SEPTEMBER 30, 2023, AT 11:00 A.M. TO TRANSACT FOLLOWING BUSINESS:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2023, together with the Reports of the Board of Directors and Auditors thereon. To consider and if thought fit, to pass the following resolution **as an Ordinary Resolution.**

"RESOLVED THAT the Audited financial statements of the company including Balance Sheet, Statement of Profit and Loss, Cash Flow statement and statement of changes in equity for the financial year ended March 31, 2023, along with auditor's report thereon be and is hereby received, considered and approved and adopted."

- To appoint a director in place of Mr. Siva Prasad Rao Buddi (DIN: 08891339), who retires by rotation and being eligible, seeks re-appointment. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT Mr. Siva Prasad Rao Buddi (DIN: 08891339) who retires by rotation at this annual general meeting, in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment, be and is hereby re-appointed as Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

- 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. Thacker Butala Desai (Firm Registration No. 110864W), be and is hereby appointed as Statutory Auditors of the Company, in place of M/s. A. A. Mohare & Co., Chartered Accountant (Firm Registration No. 114152W), to hold office from the conclusion of this 33rd Annual General Meeting until the conclusion of the 34th Annual General Meeting (AGM), 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."

- Ratification of remuneration of Cost Auditor for F.Y.2023-24 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 ₹65,000/- 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, 2024

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."

- Re-appointment of Mr. Ashok G Rajani as Managing Director of the Company and in this regard, to consider and of thought fit, to pass the following resolution **as a Special Resolution**

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof] and such other approvals permissions and sanctions as may be required, consent of the Company be and is hereby accorded to the re-appointment and terms of remuneration of Mr. Ashok G Rajani (DIN: 01839535) as the Managing Director & CEO of the Company for a period of 5 years commencing from September 25, 2024 upto September 24, 2029 (both days inclusive), upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during aforesaid period) as set out in explanatory statement annexed to this Notice with liberty to the Board of Directors (hereinafter referred to as 'the Board', which terms shall be deemed to include the Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and remuneration such manner as may be agreed to between the Board and Mr. Ashok G Rajani.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to do any acts, deeds, matters and things to give effect to this resolution."

NOTES:

- 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.
- 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.
- 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 September 28, 2023. 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. 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.
6. 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.
7. In compliance with circulars issued by various government authorities including Ministry of Corporate Affairs and Securities Exchange Board of India (SEBI) Notice of the AGM along with the Annual Report for the Financial Year 2022-23 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 2022-23 will also be available on the company's website www.seya.in the website of the stock exchange that is BSE limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
8. 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 form.
9. 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@unisec.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.
10. The register of members and share transfer books of the Company shall remain closed from **Sunday, September 24, 2023, to Saturday, September 30, 2023**, both days inclusive.
11. 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.
12. Non-resident Indian Members are requested to inform their 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.
13. 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.
14. 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.
15. 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.
16. 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.
17. 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.
18. 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.
19. A Route Map showing directions to the venue of the 33rd Annual General Meeting and nearby prominent landmark is given at the end of this Notice.
20. 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

21. 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, September 27, 2023, (9.00 a.m. IST) and ends on Friday, September 29, 2023, (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, September 23, 2023, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5:00 p.m. on September 29, 2023. 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. September 23, 2023.

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:

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

- A. Individual Shareholders holding securities in Demat mode with CDSL:
 - (i) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or visit www.cdslindia.com and click on Login icon and select New System Myeasi.
 - (ii) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.
 - (iii) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
 - (iv) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
- B. Individual Shareholders holding securities in Demat mode with NSDL:
 - (i) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsd.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.
 - (ii) If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com>. Select "Register Online for IDeAS "Portal or click at <https://eservices.nsd.com/SecureWeb/IdEasDirectReg.jsp>

- (iii) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

C. Individual Shareholders holding securities in Demat mode log in through their Depository Participants:

- (i) You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Individual Shareholders holding securities in Demat mode with CDSL

Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Individual Shareholders holding securities in Demat mode with NSDL

Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

D. Login method for remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form:

- (i) The Shareholders should log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" module
- (iii) Enter your user ID:
- For CDSL: 16 Digits beneficiary ID;
 - 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

- (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 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.

- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) 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.
- (xvi) 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 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.
 - 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 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.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; pcssubhashpurohit01@gmail.com and corporate@seya.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

E. Process for those shareholders whose email/mobile no. Are not registered with the Company/Depositories.

- (i) For Physical shareholders: Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id
- (ii) For Demat shareholders: Please update your email id & mobile no. with your respective Depository Participant (DP).
- (iii) For Individual Demat shareholders – Please update your email id & mobile no. with your respective

Depository Participant (DP) which is mandatory while e-voting.

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 under help section or write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33

Please note that:

1. Mr. Subhas Purohit (Membership No. ACS 36558) of M/s. Subhash Purohit & 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 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, September 30, 2023.

By Order of the Board of Directors
Seya Industries Ltd

Manisha Solanki

Company Secretary and Compliance Officer
Palghar, August 14, 2023

T-14, MIDC Tarapur, Boisar, Dist. Palghar – 401 506

✉ : corporate@seya.in 🌐 : 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. A.A. Mohare & Co., Chartered Accountant (Firm Registration No. 114152W), was appointed as the Statutory Auditors of the Company in 32nd AGM for a period of one year i.e. upto the Conclusion of the 33rd AGM their term is getting expired in this AGM.

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on August 14, 2023 has approved the appointment of M/s Thacker Butala Desai, Chartered Accountants (Firm Registration No: 110864W) as Statutory Auditors of the Company in place of retiring Auditor M/s. A.A. Mohare & Co.,

M/s. Thacker Butala Desai, Chartered Accountants, 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.

The incoming Statutory Auditors are equipped with tools, methodologies and processes to meet the expectations of all stakeholders.

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, on the recommendation of the Audit Committee, has approved the appointment of 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, 2024 at a remuneration of ₹65,000/- 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, 2024, 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. 4 of the accompanying Notice.

Item No. 5

At the AGM held on September 28, 2018, the Members of the Company had approved of the re-appointment and terms of remuneration of Mr. Ashok G Rajani, Managing Director of the Company for a period of 5 years from September 25, 2019, upto September 24, 2024 (both days inclusive)

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company ("the Board") in their meeting held on August 14, 2023 has, subject to the approval of the Members of the Company, re-appointed Mr. Ashok G Rajani for a period of 5(five) years from the expiry of his present term which will expire on September 24, 2024, at the remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

It is proposed to obtain the member's approval for re-appointment of Mr. Ashok G Rajani as Managing Director of the Company in terms of applicable provisions of Companies Act, 2013.

Mr. Rajani be paid in a Salary scale of ₹ 100,000/- per month to ₹ 1,000,000/- per month with authority to the Board to Fix his salary within the above-mentioned scale including all perquisites and allowances.

The Principal terms and conditions of Mr. Ashok G Rajani's appointment as the Managing Director & CEO (hereinafter referred to as 'Mr. Rajani' or 'MD & CEO')

Period of Appointment: From September 25, 2024 upto September 24, 2029 (both days inclusive)

Salary: in the scale of ₹100,000/- per month to ₹1,000,000/- per month. The Annual increments which will be effective 1st April each year (if any) will be decided by the Board based on the recommendations of the Nomination and Remuneration committee and will be merit based and take into account the Company's Performance as well.

Expenses incurred for travelling, board and lodging including for their trips, any Medical assistance provided including for his family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

Insurance: The Company may take an appropriate Director's and Officers' Liability Insurance Policy and pay the premiums for the same. It is intended to maintain such insurance cover for the entire period of appointment, subject to the terms of such policy in force from time to time.

Other Terms of Appointment

- The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may in its discretion deem fit, irrespective of limits stipulated under Schedule V of the Act or any amendments made hereafter in this regard, in such manner as may be agreed to between the Board and the MD & CEO, subject to such approvals as may be required.
- This appointment may be terminated by either party by giving to the other party Six months' remuneration in lieu of the Notice.

Mr. Rajani satisfies all the conditions set out in Part – I of Schedule V of the Act as also conditions set out under Section 196 (3) of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Having regard to the qualification, experience and knowledge, the Directors are of the view that the re-appointment of Mr. Rajani as MD & CEO will be beneficial to the functioning and future growth of the Company and the remuneration payable to him is commensurate with his abilities and experience.

He, being a Managing Director, shall abide by the provisions contained in Section 166 of the Act, with regard to duties of Directors. Managing Director shall adhere to the Company's Code of Business conduct & Ethics for Directors and Management Personnel. This shall be treated as a written memorandum setting out the terms of re-appointment of Mr. Ashok G Rajani under Section 190 of the Act.

Mr. Rajani and his relatives may be deemed to be interested in the resolutions set out in the item no.5 of the Notice to the extent of their shareholding interest if any, in the Company.

Save and except above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution as set out in item no. 5 of the Notice **as a special Resolution.**

By Order of the Board of Directors
Seya Industries Ltd

Manisha Solanki
Company Secretary and Compliance Officer
Palghar, August 14, 2023

T-14, MIDC Tarapur, Boisar, Dist. Palghar – 401 506

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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. Sivaprasad Rao Buddi	Mr. Ashok G Rajani
Date of Birth	July 01, 1958	April 8, 1955
Age	64 Years	63 Years
Date of Appointment/re-appointment	September 24, 2020	September 24, 2019
Qualification	M. Tech (Chemical Engg.)	B. Tech (Chemical Engg.) from LIT Nagpur
Expertise in specific functional areas	Chemical Manufacturing & Process Management	Overall Management of Operations, Finance, Projects, strategy and General Management
Directorships in other public limited Companies held (excluding foreign Companies and Section 8 Companies)	None	None
Membership of Committees / Chairmanship in other public Limited Companies	None	None
No of Board Meeting Attended during the year	4	4
No. of Shares held in the Company	NIL	1980329

DIRECTOR'S REPORT

To the Members of Seya Industries Ltd

The Directors hereby presents their Thirty Third Annual report together with the Audited Financial Statements for the Financial Year (FY) 2022-23

Financial Performance

₹ in Lakhs

Financial Results	Year Ended 31-Mar-23	Year Ended 31-Mar-22
Total Revenue	3,711.22	6,565.28
Profit / (Loss) Before Interest, Depreciation & Taxes	(815.92)	1,065.57
Profit / (Loss) Before Tax	(2,612.60)	(741.39)
Profit / (Loss) After Tax	(2,467.98)	(628.19)
Earnings Per Share – Basic (₹)	(9.29)	(2.36)
Earnings Per Share – Diluted (₹)	(9.29)	(2.36)

Performance review

During the year under review, Revenue from operation decreased from ₹ 6,565.28 to ₹ 3,711.22 Lacs due to decrease in capacity Utilisation and unit price realisation of all Products due to downturn global economic scenario and recessionary trends particularly in US and Europe. Profit before tax stood at (-)₹ 2,612.60 Lakhs and Profit after tax was (-)₹ 2,467.98.

State of Company Affairs

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 had been severely impacted due to recessionary trends in the US and Europe markets and particularly in regard to the Products manufactured by the Company. As a result, the revenues continue to be materially impacted. 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.

The revenue has decreased mainly on account of decrease in price realizations and reduction in sales volume of downstream products which were earning better margins compared to previous year. However, Operational Expenses have increased during the year on account of an increase in raw material cost, power & fuel cost and especially legal expenses being incurred towards litigation. Since March 2022, the momentum has slowed down since company experienced further increases in raw material prices in the backdrop of Russia-Ukraine War and lockdown in China after resurgence of Covid. The gross margins were relatively impacted as compared to previous year on account of volatility in raw material prices. The company envisages the situation to improve from H2FY24 onwards. We are taking several actions to mitigate the effect of recessionary market trends on our business including but not limited to reduction in unit costs and 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.

Dividend

For the year under review, given a negative profit for the year, the Board of Directors prudently decided to not to declare dividend.

Share Capital

During the period under review there was no change in the Share Capital of the Company.

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.

Finance, Term Loans and Working Capital

During the earlier years certain Lenders had allegedly classified the credit facilities of the Company as Non-Performing Asset (NPA) and initiated formal legal communication with a view to protect their interest. The Company has contested the same in Court and continues to defend such action by the Lenders. In accordance with the prudential norms by the Reserve Bank of India, the lender banks/ FI/Others have not charged interest on credit facilities extended to the Company upon the classification of the same as NPA. Accordingly, the Company is not making provision for interest on borrowings. 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 certain lenders in relation to their failure to comply with committed lending obligations and outstanding, the Company has not provided for interest costs on certain loans outstanding amounting to ₹2073.42 Lakhs for the year ending in respect of Operating Assets and ₹ 5947.75 Lakhs in respect of Project Assets, for the reporting period. Accordingly, the Principal Outstanding, Finance Costs, Profit/(Loss) & Liabilities towards Borrowings from Banks/ FI/Others have been reported excluding the said amounts and are subject to confirmation from Lenders. 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 by continuously monitoring actual cash flows. The credit facilities from Lenders in terms fund and non-fund based working capital lines are presently not available to the Company due to on-going dispute with Lenders as mentioned above. The Company monitors funding options available in the 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.

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.

Directors and Key Managerial Personnel

Directors

In Accordance with the provision of the Act and the Articles of Association of the Company, Mr. Siva Prasada Rao Buddi is liable to retire by rotation and being eligible offered himself for reappointment.

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 Directors 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 33rd Annual General Meeting.

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. 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

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 & Committees

During FY 2022-23, Four (4) 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 2022-23. 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, 2023:

- a. In the preparation of the Annual accounts the applicable accounting standards have been followed and that there are no material departures;
- b. 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;

- c. 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;
- d. They have prepared annual accounts on a 'going concern basis.'
- e. 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
- f. Proper system has been devised to ensure compliance with provisions of all applicable laws and that such systems are adequate and operating effectively.

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](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 recommends 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 2022-23, your Company did not meet the applicability criteria specified u/s. 135(1) of the Companies Act, 2013.

The CSR Policy is available on the Company's website.

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

There were no material changes and commitments which adversely affected the financial position of the Company after the end of Financial Year to the date of report except as described in note no. 30.23 of the accompanying financial statements.

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, SEBI has passed an interim order cum show cause notice dated March 20, 2023 under the provisions of the SEBI Act, 1992, giving certain directions to the Company, Managing Director, Executive Directors and Chief Financial Officer of the Company as Noticee therein.

The company has contested and challenged the allegations and direction contained therein and filed an appeal in Hon'ble Securities Appellate Tribunal (SAT). Vide Order dtd June 07, 2023, SAT disposed of the appeal with the direction to keep in abeyance Paragraph 32(b) of SEBI's Interim Order cum SCN.

Secretarial Standards of ICSI

During the year under review, 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, with respect to Meetings of Board and its Committees and General Meetings, respectively.

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

Term of M/s. A. A. Mohare & Co., Chartered Accountant (Firm Registration No. 114152W), present statutory Auditor of the Company is expiring with effect from ensuing Annual General Meeting.

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 M/s. Thacker Butala Desai (Firm Registration No. 110864W), as the Statutory Auditors of the Company and to hold the office from the conclusion of this Annual General Meeting till the conclusion of 34th Annual General Meeting at a remuneration to be mutually agreed by the Board of Directors and the Auditors.

The Company has received a written consent and certificate from M/s. Thacker Butala Desai (Firm Registration No. 110864W), 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.

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 2023-24 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. Subhash Purohit & Associates, 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.

Report on Secretarial Auditors for the year ended March 31, 2023, contains few remarks, the Board of Directors would like to state following:

Maintenance of Structural Digital Database as per Regulation 3(5) & 3(6) of SEBI (prohibition of Insider Trading) Regulation, 2015 – the Company was under IBC and financial constrain, the Company is not in position to purchase the high-cost software, hence, the database is maintained in excel form. However, the Company shall make all endeavor to Comply with the provisions in full at the earliest, once it seems viable for the Company.

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.

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

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.

Listing

The Company's equity shares continue to be listed at BSE and NSE. However, due to disruption of Company's Operation and resulting Cash flows from the onset of COVID-19 pandemic and after events, certain listing fees are pending to be paid to the Stock Exchanges.

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, 2023, 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 2021-22

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 meeting the eligibility criteria as on Balance sheet date and hence no amounts were required to be 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.

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.

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.

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 workplace 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 2022-23:

No. of Complaints received	:	0
No. of Complaints Disposed-off	:	0

Annual Return

Pursuant to Section 134(3)(a) and 92(3) of the Act, the Annual return has been placed on the website of the Company www.seya.in

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

Palghar, August 29, 2023

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
Palghar, August 29, 2023

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 The Company's CSR policy is to remain a responsible corporate entity mindful of its social responsibilities to all stakeholders including consumers, shareholders, employees, local community and society at large. The Company has in place a CSR Policy which provides guidelines to conduct its CSR activities The CSR Policy has been posted on the website of the Company at <http://www.seya.in/wp-content/uploads/2011/06/CSR-Policy-SEYA.pdf>
2. Composition of the CSR Committee:
Mr. Ashok G Rajani – Chairman
Mr. Monisha Bhavnani– Member
Mr. Sivaprasada Rao Buddi– Member
3. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). – Not Applicable
4. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any- Not Applicable
5. Details of CSR Spend / Unspent during the financial year: The Company did not meet the applicability criteria as prescribed u/s. 135(1) of the Companies Act, 2013
6. Amount spent in Administrative Overheads: Nil
7. Amount spent on Impact Assessment, if applicable: Not Applicable
8. Details of unspent CSR amount for the preceding three financial years: Not Applicable
9. Details of CSR amount spent in the Financial year for ongoing projects of the preceding financial year(s): Not Applicable
10. In case of creation or acquisition of capital assets, furnish the details relating to the assets so created or acquired through CSR spent in financial year (asset wise details)
 - a. Date of creation of assets: Not Applicable
 - b. Amount of CSR spent for creation or acquisition of capital assets: Not Applicable
 - c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
 - d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Applicability criteria as per sec 135(1), not met.

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

ASHOK G RAJANI
Chairman & Managing Director
Palghar, August 29, 2023

ANNEXURE – III

FORM NO. MR-3

Secretarial Audit Report

For the Financial Year ended March 31, 2023

[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, 2023 complied with the majority 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, 2023 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, 2018 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally 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:

- Factories Act, 1948
- Public Liability Insurance Act
- The Air (Prevention and Control Pollution) Act, 1981
- The Water (Prevention and Control of Pollution) Act, 1974
- The Environment (Protection) Act, 1986

I further report that during the period under review during the audit period, the Company does not have any events having a major bearing on its affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc (except in respect of matters specified in Annexure - A)

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- b) Notice has been given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

Subhash Purohit

Proprietor, Subhash Purohit & Associates
ACS No.: 36558 CP No.: 24861
UDIN: A036558E000889696
PR No.3353/2023

Mumbai, August 29, 2023

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

Annexure – "A"

Sr. No.	Regulations	Provisions	Observations / Remarks of Practicing Company Secretary
Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015			
1.	Regulation 33	The Financial Results for the Quarter ended has to be submitted within 45 Days from the end of the quarter	Financial Results for the June 22 and September 22 was filed on November 14, 2022. BSE and NSE imposed penalty for the same.
Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015			
1.	Regulation 3(5) & 3(6)	Board to ensure Structured Digital Database (SDD) is maintained in non-tamperable format	Company have maintained SDD in Excel

Annexure "B"

To,
The Members,
Seya Industries Limited
Boisar, Palghar – 401506
Maharashtra

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

- 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.
- 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.
- I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- Wherever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
- 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.
- 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.

Subhash Purohit

Proprietor, Subhash Purohit & Associates
ACS No.: 36558 CP No.: 24861
UDIN: A036558E000889696
PR No.3353/2023
Palghar, August 29, 2023

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
- Energy Audit and implementation of recommendations therein
- Recovery and utilization of Flash steam from Process
- Recovery of Low-Pressure Steam from Distillation Column Condensers and usage of same as Process Steam
- 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
- Installation of Continuous systems replacing Batch systems, wherever possible

- 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

- 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	2022-23	2021-22
-Capital Expenditure	-	-
-Revenue Expenditure	-	-
-Total R&D Expenditure (% of Net Sales)	-	-

D. FOREIGN EXCHANGE EARNINGS AND OUTGO: ₹ in lakhs

Particulars	2022-23	2021-22
Foreign Exchange Earned	5.84	96.00
Out-go of Foreign Exchange	-	-

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 2022-23, the percentage increase in remuneration of Key Managerial personnel:

Name of the Directors / KMP	Ratio to Median Remuneration of employee	% increase in Remuneration over Previous year
Mr. Ashok G Rajani (Chairman & Managing Director)	8.65	-47.62
Mr. Asit Kumar Bhowmik – Executive Director	3.54	-58.17
Mr. BSP Rao – Executive Director	7.28	-12.10
Mr. Amrit Rajani (Chief Financial Officer)	NA	NIL
Ms. Manisha Solanki (Company Secretary)	NA	NIL

- (b) The percentage increase in the median remuneration of the Employee in the financial year: 12.88
- (c) Number of permanent employees on the rolls of the Company as on March 31, 2023: 120 Employees
- (d) Average Percentile increase in Remuneration of employees other than Managerial Personnel was 20.50% and there is average decrease in remuneration of Managerial Personnel of 41.46% during the period under review.

The average increase in remuneration of both managerial and non-managerial personnel was 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
Palghar, August 29, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS ENVIRONMENT

Global

In FY 2022-23, the global economy continued to grapple with several macroeconomic pressures. The continued war between Russia and Ukraine, the impact of supply chain disruptions and mounting inflationary pressures affected countries globally. The sudden surge of COVID in China dampened growth prospects further, as global inflation remained high at an escalated 8.7%. The global economy demonstrated tentative signs of a soft landing in early 2023. The recent financial sector turmoil and sticky inflation have posed a risk to sustained growth. The slowdown is most pronounced in advanced economies, especially in the Eurozone and the United Kingdom. Emerging Market and Developing Economies (EMDEs) today are struggling just to manage the wherewithal to create jobs and deliver essential services to their most vulnerable citizens.

After growing 3.1% last year, the global economy is set to slow substantially in 2023, to 2.1%, amid continued monetary policy tightening to prevent high inflation, before a tepid recovery in 2024, to 2.4%. Tight global financial conditions and depressed external demand are expected to weigh on growth across EMDEs.

Inflation has been persistent but is projected to decline gradually as demand weakens and commodity prices moderate, provided longer-term inflation expectations remain anchored.

Further, Global financial conditions are also tightened as a result of policy rate hikes and recent periods of financial instability. Many banks experienced substantial unrealised losses due to the sharp rise in policy interest rates. To boost market confidence and limit contagion to the broader financial system, authorities have responded with emergency liquidity facilities. The U.S. authorities also introduced an expanded deposit guarantee for the banks that failed in March. Central banks have nonetheless reaffirmed intentions to maintain, or increase, the tightness of monetary policy until inflation shows a clear trend toward targets.

Unexpected persistence in core inflation or further commodity price shocks could result in greater-than-expected monetary tightening and hence increase the risk of a repeat financial stress. In the longer term, the slowdown in the fundamental drivers of growth may be further worsened by trade destruction and aggravated climate change.

The global economy is increasingly vulnerable to shocks arising from climate change. Extreme weather events that inflict significant economic damage including droughts, floods, wildfires, and windstorms are becoming more frequent. In the near term, increased prevalence and severity of climate-related disasters would inflict substantial human costs, through failed harvests, damaged infrastructure, generalised disruptions to activity, and worsened government fiscal positions. Changes in climate may further increase food insecurity in regions with large numbers of subsistence farmers, who lack the resources to easily adjust production.

Further, another major factor in the negative trend of long-term growth is the rising number of restrictions on international trade which suggests that long-term growth could also be weakened by growing geopolitical and economic fragmentation. Further increases in geopolitical tensions could result in finance, trade, labor, and commodity markets being increasingly segmented into regional blocks. Reducing technological diffusion and the efficiency of capital and resource allocation, would result in lower productivity, raise prices, and make export-led development more challenging to achieve. It could also make the financial sector more volatile by reducing the scope for risk diversification. Hence, the global economy is in rough

shape and the extraordinary series of severe economic shocks and serious policy misjudgments are both the reason for the same.

Domestic

India sustained its position as the world's fastest-growing major economy after remaining mostly insulated from the gloomy global outlook in FY 2022-23. Throughout this year, the domestic economy demonstrated remarkable resistance to global headwinds. In a world ravaged by multifaceted uncertainties, India emerged as a beacon of hope registering a strong GDP growth of 7.2%. While India has not been completely immune to global volatility, strong private consumption and increased capital creation sustained the economic momentum. While the Central Banks brought down spiraling inflation through gradual monetary tightening, it cast a shadow on industrial activity which dropped considerably. The drop was well cushioned as the agriculture and service sectors reported strong growth in FY23.

In the fiscal year under review, there was a consistent rise in GST collections, electronic toll collections and the volume of E-Way bills

generated. Indicators of the services sector (UPI transactions, high credit demand) also point towards sustained expansion. Notwithstanding the fact that the post-pandemic private investment recovery is still in its nascent stage, there are early signs that suggest that India is well-positioned for a robust investment upcycle in both the manufacturing and services sectors. Overall, India's demand remains conducive to economic growth. India remains bullish about the next fiscal year on the back of its underlying and overall macroeconomic stability. However, it remains cautious about emerging geopolitical and geo-economic concerns.

Low labour productivity is affecting the competitiveness of "Made in India" goods and their participation in global value chains. Employment and wage estimates suggest improving labour market conditions in rural areas, while export-oriented service firms report increasing difficulties in filling vacancies. Creating good jobs is the most promising pathway to reduce poverty, which is particularly high in the female population. Increasing investment in education and vocational training, and updating labour laws, would help to achieve this objective.

There are green shoots of economic revival, marked by an increase in rural growth during the last quarter, and an appreciable decline in consumer price index inflation to less than 5% in April 2023. India is expected to grow around 6-6.5% (as per various sources) in FY24, catalysed in no small measure by the government's 35% capital expenditure growth. The growth could also be driven by broad-based credit expansion, better capacity utilisation, and improving trade deficit.

Hence, broad-based credit growth, improving capacity utilisation, government's thrust on capital spending and infrastructure should bolster investment activity. Accordingly, manufacturing, services, and infrastructure sector firms are optimistic about their business outlook. The downside risks are protracted geopolitical tensions, tightening global financial conditions, and slowing external demand.

CHEMICAL INDUSTRY OVERVIEW AND OUTLOOK

Global

The global chemicals market grew from US\$4,700.13 billion in 2022 to US\$5,079.29 billion in 2023 at a Compound Annual Growth Rate (CAGR) of 8.1%. The Russia-Ukraine war disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term. The war between these two countries has led to economic sanctions on multiple countries, a surge in commodity prices, and supply chain disruptions, causing inflation across goods

and services and affecting many markets across the globe. The chemicals market is expected to grow to US\$6,851.59 billion in 2027 at a CAGR of 7.8%. (Source: Chemicals Global Market Report 2023)

The industry is focusing on meeting the growing global demand and enhancing sustainability through carbon reduction projects and advanced recycling and recovery. The biggest risk to the outlook is persistent inflation and continued increase in interest rates that could prolong and deepen the downturn, but other risks may include escalation of wars, financial instability, and supply chain disruptions. China's chemical industry is expected to recover after the lifting of COVID-19 restrictions. Sectors such as pharmaceuticals and agricultural chemicals are expected to lead the growth. (Source: Chemical Processing, American Chemistry Council, C&E)

Across the globe, we are witnessing pressure on chemical value chains - with Europe facing supply-driven inflation, and North America dealing with a demand-driven downturn due to consumer sentiment and a decrease in willingness to pay. To ensure future competitiveness, chemical players are taking a closer look at their geographic footprints. Over the last few years, the industry has seen a shift in the preferred site of production - Asia, and especially China, is increasingly becoming the go-to region due to cheaper labor and energy costs combined with high demand growth from customer industries in the region.

Moving into 2023 and beyond, energy-intensive industries, such as the chemical sector, will concentrate their investments in regions with reliable and competitive energy supply more than ever before. While this might not work in Europe's favour in the short term, the increasing supply of renewable energy and advancements in green technologies could strengthen European players' competitiveness in the long term as low renewable energy costs spark activity and ESG regulations regarding emissions or human rights move up the agenda. Likewise, North America could be a strong contender for business investment in the future.

Domestic

The Indian chemical industry remained robust despite significant challenges, emerging as a notable economic sector on the global stage. It contributed immensely to the success of several government initiatives such as "Make in India" and the "Atmanirbhar Bharat Abhiyaan". India's chemical industry covers more than 80,000 commercial products such as bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers, and fertilisers. Globally, India is the fourth largest producer of agrochemicals after the United States, Japan and China. India accounts for 16-18% of the world's production of dyestuffs and dye intermediates. Indian colorants industry has emerged as a key player with a global market share of 15%. The country's chemicals industry is de-licensed, except for a few hazardous chemicals. India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at the global level (excluding pharmaceuticals). Moreover, according to the CRISIL report, the specialty chemicals market in India would grow faster than China, increasing its market share to 6% by 2026 from 3-4% in fiscal 2021. A shift in the global supply chain brought on by the China+1 strategy and a resurgence in domestic end-user demand will fuel significant revenue growth of 18-20% in 2022 and 14-15% in 2023. (Source: Report By IBEF- India Brand Equity Foundation)

A 2024 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports, and attract investments in the sector. The government plans to implement a production-link incentive system with 10-20% output incentives for the agrochemical sector so as to create an end-to-end manufacturing ecosystem through the growth of clusters. Under the Union Budget 2023-24, the government allocated in H1 ₹ 73.45 Crore (US\$ 20.93 million) to

the Department of Chemicals and Petrochemicals.

The Union Budget 2023-24 proposed to exempt Basic Customs Duty (BCD) on denatured ethyl alcohol to support the Ethanol Blending Programme and facilitate the government's endeavour for transition to greener energy. The Budget also exempts customs duty on several chemicals, which will prompt Indian chemical companies to enhance their production capacities. This exemption in the duty of raw materials will promote exports of specialty chemicals in the global market. The Budget's emphasis on green growth supports the long-term commitment to accomplishing the transition to eco-friendly and affordable energy alternatives. The enhanced budgetary allocation of ₹ 60 billion in H1 under the reform oriented, result-oriented capital expenditure (Capex) programme is projected to allow the state to improve its infrastructure as well as operational efficiencies

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) Agro-chemicals, 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 demand recovery and higher realisations owing to lowering of crude oil prices are expected to drive revenue growth.

Domestic

India's specialty chemicals industry, which is currently seeing an expansion drive by major players, expects to see robust growth in the next few years. India's specialty chemicals industry is projected to grow at a CAGR of more than 12% from the year 2020 to 2025. The specialty chemicals market represents 22% of India's overall chemicals and petrochemicals market and is valued at US\$32 billion.

In terms of trade, specialty chemicals account for a significant portion of more than 50% of all chemical exports. By 2040, its net exports are expected to rise by around ten times, from about US\$2 billion in 2021 to US\$ 21 billion. Indian specialty chemicals industry is characterised by a large unorganised market, which in some sub-segments such as base ingredients, is estimated to be larger than the organised market. Gujarat and Maharashtra have emerged as the most preferred manufacturing destinations for leading chemical manufacturers, with 15 out of the top 25 specialty chemical companies in India having their manufacturing units in these states. Some of the factors that have contributed to the emergence of the chemical sector in these states include (a) excellent international connectivity by way of ports, which facilitates better movement of raw materials and finished goods, (b) abundant availability of skilled manpower (c) business-friendly policies and (d) presence of adequate infrastructure facilities.

Agrochemicals is the largest subsegment of the Indian specialty chemicals market. At US\$ 9.2 billion, it is the fourth largest agrochemical production market globally. Agrochemicals in India are currently a US\$ 5.5 billion market. By 2040, it could account for almost 40% of India's overall chemicals exports and nearly 13% of the global agrochemical market. Dyes and Pigments is the second largest sub-segment of the Indian specialty chemicals industry. Given the large volume of demand from end-user markets such as textiles, this segment is expected to continue to grow at 10% CAGR over the next 5 years. (Source: Report By FICCI And Avendus Capital Private Limited)

The Indian specialty chemicals sector will see revenue growth of 6-7% in fiscal 2024, with higher domestic demand (60% of total revenue) driving up volume growth amid macroeconomic headwinds in the US and Europe subduing exports. (Source: CRICIL Report)

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.

Impact of COVID-19 & Ukraine-Russia war

The Operations of the Company had been severely impacted due to Covid -19 pandemic which ended in Feb-22 but again got impacted due to Ukraine Russia war. The Company had resumed its operation in a phased-wise manner and was coping-up with the after effects of the COVID pandemic but due to the start of the Ukraine-Russia war, the Company has been facing the challenges on account of rising Energy Prices, Rising Raw Material costs, fall in demand and steep fall in unit prices of the Products, thereby severely affecting both the Topline and Bottomline of the Company. As mentioned in earlier year, the Company had received notices of Force Majeure from certain suppliers and customers and similarly the Company had also issued notices of Force Majeure to customers and suppliers. 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. Both Covid-19 & Ukraine-Russia war has also had a significant impact on its customers and their ability to meet their committed obligations. The Management in process of evaluating the possible effects that may result from the same 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. The Management has taken several steps to reduce unit costs and increase liquidity by making operations more efficient and nimble, putting on hold discretionary expenses, deferring certain capital expenditures, etc. In order to sustain operations, actions to cut employee costs through pay cuts, leave without pay and reduction in workforce are also implemented.

FINANCIAL PERFORMANCE

Net Sales during the year was ₹ 3,711 lakhs as compared to ₹6565 Lakhs in PY, reporting a decrease by 43.5% on account of lower sales volume & capacity utilisation and also lowering of average Unit selling prices of Products were higher in the previous year.

₹ in Lakhs

	FY 23	FY 22	Change	% Change
Revenue from Operations	3,711	6,565	(2,854.06)	(43.5%)

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.

Capital Employed

₹ in Lakhs

Particulars	FY-23
Gross Block	87,122
Less: Adjustment as per IND-AS 16 w.r.t. representation of Fair market value of Land	(31,421)
Adjusted Gross Block:	55,701
Capital Employed in Manufacturing operations	34,567
Un-employed Capital (Land for future expansion)	21,140

Profitability

EBITDA for FY23 was negative at ₹(671) lakhs compared to ₹1,694 lakhs in PY. The decrease in EBITDA was due to reduction in average unit Sales prices of products, rising raw material & energy costs and lower capacity utilisation due to slack demand as compared to previous year.

Profit before Tax (PBT) was at negative at ₹(2,613) lakhs compared to ₹(113) lakhs in PY. Profit after Tax (PAT) was at negative at ₹(2,468) lakhs as compared to ₹(628) lakhs in PY22. Despite the above challenges, your Company was able to recover and sustain its traction towards profitable operations

₹ in Lakhs

	FY 23	FY 22	Change	% Change
Earnings before Interest, Depreciation & Tax	(671)	1,694	(2,365)	(139.6%)
Profit Before Tax	(2,613)	(113)	(2,500)	(2212.0%)
Profit After Tax	(2,468)	(628)	(1,840)	(293.0%)

During the period under review, there has been no transfer to the General reserve. Securities Premium A/c, Capital Redemption Reserve and other Reserves. There has been reduction profit loss account due to loss. Total reserves and surplus decreased by a 2.99% to reach the level of ₹80,451.88 Lakhs as compared to previous year of ₹82,919.86 Lakhs.

₹ in Lakhs

	FY 23	FY 22	Change	% Change
General Reserves	2,013.53	2,013.53	-	
Profit & Loss Account	13,873.76	16,341.74	(2,468)	(15.10%)
Securities Premium Account	33,143.59	33,143.59	-	
Capital redemption Reserve	15,126.17	15,126.17	-	
Other Reserves	16,294.83	16,294.83	-	
Total Reserves & Surplus	80,451.88	82,919.86	(2,468)	(2.98%)

Earnings per Share (EPS) was at ₹(9.29) in FY23 as compared to ₹(2.36) in FY22. Given the impact on profitability, the Board prudently decided to conserve cash for the quarters ahead. The Diluted EPS was also at ₹(9.29).

	FY 23	FY 22	Change	% Change
Basic EPS (₹)	(9.29)	(2.36)	(6.93)	(293.15%)
Diluted EPS (₹)	(9.29)	(2.36)	(6.93)	(293.15%)

Raw material cost stood at ₹2,174 Lakhs compared to ₹2,979 Lakhs in PY, a decrease by 27.03% inline with lower capacity utilisation and on account of increase in average price of raw materials. 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 ₹1.88 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, in respect of Operating Assets. The Company continues to believe in the merits of the litigation. Refer Note No. 30.1 of the accompanying Financial Statements

Depreciation and Amortisation Expenses increased to ₹1,795 Lakhs from ₹1,791 Lakhs Lakhs (Y-o-Y) due to post commissioning Depreciation expense of maintenance capex which were commissioned during the year.

Employee Benefit Expenses decreased to ₹578 Lakhs from ₹597 Lakhs (Y-o-Y) due reduction in employees to cut down on costs and make operations more nimbler.

Other Expenses were decreased to ₹1,422 Lakhs vs. ₹2,103 Lakhs (Y-o-Y) due to lower capacity utilisation while there being continuing impact of increase in energy prices and increase in prices of all other items on a/c of inflation.

₹ in Lakhs

	FY 23	FY 22	Change	% Change
Raw Material Cost	2,173.70	2,978.98	(805.28)	-27.03%
Finance Cost	1.88	15.93	(14.05)	-88.18%
Depreciation & Amortisation Expenses	1,794.80	1,791.03	3.77	0.21%
Employee Benefit Expenses	577.90	597.11	(19.21)	-3.22%
Other Expenses	1,421.70	2,102.65	(680.95)	-32.39%

Key Financial Ratios

	FY 23	FY 22	% Change	Reason
Debtors Turnover Ratio	137.35	17.16	700.32%	On A/c of Reduction of Turnover and Impairment of Trade Receivables and Change in Credit Terms to Customers
Inventory Turnover Ratio	4.96	2.96	67.55%	Lower Capacity utilisation
Interest Coverage Ratio	N.A.	106.32	N.A.	Refer Note no. 30.1 of Financial Statements
Current Ratio	0.35	0.58	(39.42%)	On A/c of Impairment of Trade Receivables
Return on Networth	-7.64%	-1.02%	(2,607.56)	On A/c of Loss due to reduction in Margins, Increase in Unit prices of Raw Materials, Power & Fuel and Reduction in Unit Selling Prices of Finished Products across industry
Operating Profit Margin(EBIT%)	-70.35%	-0.28%	(4,642.50)	
Net Profit Margin(PAT%)	-66.50%	-9.56%	(595.50%)	
Debt : Equity ratio	0.83	0.81	3.30%	Impact of lowering of Reserves due to Losses

SWOT ANALYSIS

The present per capita consumption in India is increasing 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

In order to make the operations more nimble and efficient and create more liquidity to manage the increasing working capital demands on account of volatility in raw material prices and increasing energy prices and production costs, the management has put on hold all the capacity expansion projects temporarily. The Management envisages to re-start these projects as and when funds are available from Lenders.

De-bottlenecking & Efficiency Improvement

Considering the restriction imposed on all industries in MIDC Tarapur on permitted Effluent discharge, the Company is on priority working on upgrading its Effluent Treatment Plant to Zero Liquid Discharge(ZLD) to permanently circumvent restriction imposed by NGT and support its capacity ramp-up. The de-bottlenecking and efficiency improvement exercises under implementation are expected to boost production volumes and margins. The estimated capital expenditure is being met through internal accruals.

Mega Green-Field Project Under Implementation

In order to address cost issues of raw materials and its price volatility and high energy costs, your company was implementing a Mega Greenfield Expansion Project which would have resulted in reduction in energy and fixed costs, yield better cash flows and aid in debt reduction, all of which would have resulted in long-term value creation for its stakeholders. The Company has already invested more than Rs. 6 Bn in Capex and 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. However, due to failure on part of Lenders in keeping their commitment for Lending obligations the Company has kept the Project temporarily on hold. The Company has filed representation in Hon'ble High Court. 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. Reference is drawn to Note No. 30.1 of the accompanying Financial Statements

Mitigant

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

• **Litigation Risk**

Reference is drawn to Note No. 30.23 (xii) of the accompanying Financial Statements, in respect of NCLT matter

Mitigant

Reference is drawn to Note No. 30.1 of the accompanying Financial Statements

• **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. COVID-19 and Ukraine-Russia war has 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 and Russia-Ukraine war has led to a temporary slowdown and the Company is proactively dealing with the situation

• **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 restricted to operate its Plant at 30~40% capacity utilisation, which had severely impacted Company's revenue and profitability and also led to loss of Customers.

Mitigant

The Company had completed the Basic & Detailed Engineering for setting-up its own ZLD-ETP and has also 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, 2023 stands at 120. 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.

Recessionary trends in Europe, UK and US arising post pandemic and Russia-Ukraine war have dampened the demand and consumption. It is expected that consumption will pick up gradually. 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.

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.

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, 2023, the Board comprise six members, Three Non-Executive Independent Director (NEID) including a Woman Director and Three Executive Directors. The Company has Executive Chairman, and the number of Independent Directors is 50% of the total number of Directors. the Company is in

compliance with the provisions of Section 149(4) of the Companies Act, 2013 read with Regulation 17(1)(a) and 17(1)(b) of the Listing Regulations. Managing Director and Independent Directors are not liable to retire by Rotation

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, 2023, Mr. Ashok G Rajani holds 19,80,329 Equity Shares of the Company. Apart from him no other directors hold any shares in the Company.

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	4	4	Yes	-	-
Mr. Asit Kumar Bhowmik – Executive Director	4	3	Yes	-	-
Mr. Ronan Joshi – Independent Director	4	4	Yes	-	-
Mr. Amit Pandya – Independent Director	4	4	No	-	-
Mr. Siva Prasad Rao Buddi – Executive Director	4	4	Yes	-	-
Mrs. Monisha Bhavnani – Independent Director	4	4	No	-	-

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.

Since the term of Mr. Ashok G Rajani as the Chairman & Managing Director is upto September 24, 2024 the Board of Directors, at their meeting held on August 14, 2023 has recommended to the shareholders for their approval at the ensuing Annual General Meeting by way of Special Resolution, the re-appointment of Mr. Ashok G Rajani as the Chairman & Managing Director of the Company for further period of five (5) years from September 25, 2024 till September 24, 2029.

There is no provision for payment of severance fees. The Company does not have any Stock Options Scheme.

Board Procedure

The Board meets at regular intervals to discuss agenda items set for meeting including performance, policies and the strategies. All the necessary documents and information pertaining to the matters to be considered at each Board and Committee meetings, are made available to enable the Board and Committee members to discharge their functions effectively.

Meetings held

The Board met Four times on the following dates during the Financial Year (FY) 2022-23.

May 30, 2022	August 30, 2022
November 14, 2022	February 14, 2023

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

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 other circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties save and except as referred in Note 30.23.

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.

None of the Independent Director of the Company is holding any equity shares of the Company

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, 2023, 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

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 table below summarises the broad list of core skills/ expertise/ competencies identified by the Board of Directors, as required in the context of the Company's business / sector and the said skills are available with the Board members.

List of Core skills / expertise / Competencies identified by the Board of Directors		Name of Directors who have such skills / expertise / competence
Industry Experience	Experience in Speciality Chemicals	All Executive Directors
Operations / Sales & Marketing	Experience in sales and Marketing and understanding local and Global market scenario	All Executive Directors, Mrs. Monisha Bhavnani
Finance & Banking	Financial Management and Financial Reporting	Mr. Ashok G Rajani, Mr. Ronen Joshi, Mr. Amit Pandya
Behavioural Skills	Attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company	All Directors
Other Skills	Decision making, communication, Leadership, Risk Management & Stakeholder relationship	All Directors

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, 2023, 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. Ronen Joshi - NEID (Chairman)	4	4
Mr. Amit Pandya – 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 2022-23 Four Meetings of Audit and Risk Management Committee were held on the following dates:

May 30, 2022	August 30, 2022
November 14, 2022	February 14, 2023

During FY 2022-23 The gap between two meetings exceeded one hundred and twenty days. Refer note on Meetings of Board and committees in Board's report

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.

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 2022-23 Two meetings of NRC were held on May 30, 2022, and February 14, 2023. All the members were present for the meetings of the Committee.

Composition

The Nomination and Remuneration Committee comprised of following members viz,

Name of the Director	Designation in the Committee
Mr. Ronen Joshi	Chairman
Mr. Ashok G Rajani	Member
Mrs. Monisha Bhavnani	Member
Mr. Amit Pandya	Member

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 of ₹10,000 fees for every Meeting of the Board attended.

Remuneration Paid to Executive Directors (FY 22-23) ₹ in lakhs

Director	Salary*
Mr. Ashok G Rajani – Managing Director	22.00
Mr. Asit Kumar Bhowmik – Executive Director	9.00
Mr. Siva Prasada Rao Buddi – Executive Director	18.51

* 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. Ashok G Rajani (ED)	Member
Mr. Ronen Joshi (NEID)	Chairman
Mr. Amit Pandya (NEID)	Member

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, one meeting was held on February 14, 2023, requisite quorum was present in the meeting

Status of Investor Complaints

Complaints as on April 1, 2022	0
Received during the year:	0
Resolved During the year:	0
Pending as on March 31, 2023	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
T-14, MIDC, Tarapur Industrial Area, Boisar, Palghar-401506
✉: corporate@seya.in

Mr. Ronen Joshi, Chairperson of the SRC, was present at the last AGM held on September 30, 2022

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.

As required under the Act and Rules made thereunder, No CSR activities were required to be undertaken by the Company during the year ended March 31, 2023. Report connected to same is annexed to the Directors' Report.

Compositions

The CSR Committee comprised of members viz,

Name of the Directors	Designation in the Committee
Mr. Ashok G Rajani (ED)	Chairman
Mrs. Monisha Bhavnani (NEID)	Member
Mr. Siva Prasad Rao Buddi (ED)	Member

Meetings

During the period under review, one meeting was held on February 14, 2023. All the Committee members were present in 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 2022-23, 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 <https://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 Marathi and English newspaper 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) 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 details of the AGM held in last three years are given below:

Year	Date	Time	Special resolution passed
2019-20	26-Dec-20	11:00 a.m.	-
2020-21	-	-	-
2021-22	30-Sep-22	11:00 a.m.	1

- There was No Extra-Ordinary General Meeting held during the Last three years
- 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, September 24, 2023 to Saturday, September 30, 2023 (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. However, due to disruption of Company's Operation, certain listing fees are pending to be paid to the Stock Exchanges.

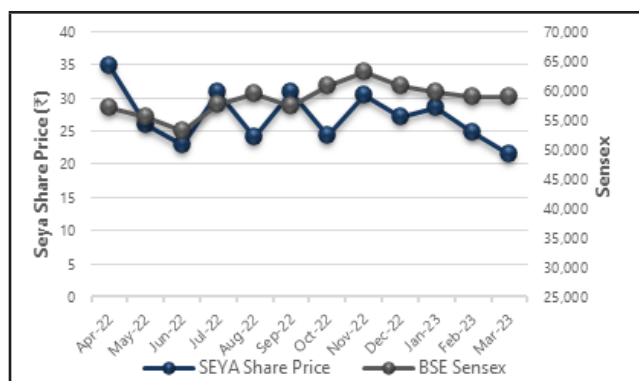
Market Price Data

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

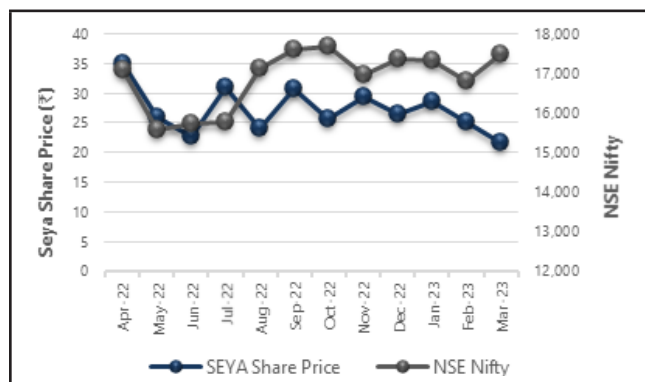
Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-22	44.00	34.45	43.10	34.80
May-22	34.80	25.80	35.60	25.65
Jun-22	27.30	22.15	27.50	22.40
Jul-22	30.85	22.25	30.85	22.00
Aug-22	29.35	24.00	29.35	24.00
Sep-22	35.00	22.80	34.80	22.80
Oct-22	29.95	24.05	30.60	24.20
Nov-22	34.05	25.55	34.05	26.65
Dec-22	28.75	26.00	28.90	25.15
Jan-23	34.75	26.10	35.20	27.70
Feb-23	29.80	24.85	29.50	25.05
Mar-23	29.60	22.53	29.45	21.60

[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



Performance of SEYA's share price in comparison to NSE Nifty



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.

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, 2023

No. of Shares held	No. of shares	% of shares	No. of shareholders	% of shareholders
< 500	1984108	7.47	13827	88.96
501-1000	641118	2.41	802	5.16
1001-2000	599537	2.26	401	2.58
2001-3000	354231	1.33	139	0.89
3001-4000	287702	1.08	81	0.52
4001-5000	310338	1.17	66	0.42
5001-10000	747696	2.81	103	0.66
> 10001	21645810	81.47	124	0.80
Total	26570540	100.00	15543	100.00

Category of Shareholding as on March 31, 2023

Category	No. of Shares	Percentage %
Promoter & Promoter Group	17138506	64.50
Individual Shareholders	7589649	28.56
Alternate Investment Fund	503059	1.89
Banks	13400	0.05
Others	1095922	4.99
Total	26570540	100.00

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	2022-23	2021-22
% of Shares held in physical form	5.39	12.88
% Electronic form with CDSL	56.20	52.87
% Electronic form with NSDL	38.41	34.25

Foreign Exchange Risk and Hedging Activities

The Company does not have material exposure of foreign Exchange and any commodity, accordingly, no hedging activities for the same is carried out. Therefore, there is no disclosure to offer in terms of SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2018/000000141 dated November 15, 2018.

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
T-13/T-14, Tarapur Industrial Area, MIDC, Boisar,
Dist. Palghar – 401506.
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**
C-101, 247, LBS Marg, Vikhroli West, Mumbai - 400083
☎022-28207203-05 ☎: 022-28207207
✉info@uniseq.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 Subhash Purohit & Associates, Practising Company Secretary has conducted a Secretarial Audit of the Company for FY 2022-23. The Secretarial Audit Report forms the Part of the Board's Report.

Certificate from Practising Company Secretary

- Mr. Subhash Purohit of M/s Subhash Purohit & Associates, Practising Company Secretaries have issued a certificate confirming that None of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by SEBI / Ministry of Corporate Affairs or any such Statutory authority.
- In accordance with the SEBI Circular dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from Mr. Subhash Purohit of M/s Subhash Purohit & Associates, Practising Company Secretaries confirming compliance with applicable SEBI Regulations, Circulars and Guidelines for the year ended March 31, 2023

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 by the Directors and Senior Management.

All Directors and members of Senior management have affirmed their adherence to the provisions of the Code. A declaration to that effect signed by the Managing Director is Annexed with this report.

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

Statutory Compliance, Penalties and Strictures

The Company has complied with the majority of requirements of the Stock Exchanges / SEBI/ and Statutory Authority on all matters related to capital markets during the last three years. Penalty / strictures that were imposed on the company by these authorities is disclosed in Director's Report.

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

Permanent Account Number (PAN) and KYC details

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD- 1/P/ CIR/2023/37 dated March 16, 2023, which is issued in suppression of Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2021/655 dated November 3, 2021, has made it mandatory for all holders holding shares in physical form to furnish the following documents / details

to the RTA: a) Permanent Account Number b) Contact details, postal address with PIN, mobile number, E-mail address c) Bank account details (bank name and branch, bank account number, IFS code) d) Specimen signature. For furnishing the above-mentioned details, Shareholder shall send the hard copy of Form ISR-1 and/or ISR-2, available on the website of the Company as well as on the website of Registrar and Share Transfer Agent.

As a part of the effective Shareholder management and grievances redressal processes, various Shareholders' request received by the Company and RTA are processed promptly within the prescribed timeline. Pursuant to Regulation 40(9) of the Listing Regulations, certificates, on half yearly basis have been issued by a Company Secretary in-Practice for due compliance of share transfer formalities by the Company within timelines as required under the applicable provisions.

Shareholders are informed that in case of any dispute against the Company and/or its RTA on delay or default in processing your requests, as per SEBI Circular dated May 30, 2022, an arbitration can be filed with the Stock Exchanges for resolution.

Reconciliation of Share Capital Audit

Pursuant to Regulation 76 of SEBI (Depositories and Participants) Regulation, 2018, certificates have been received from a Company Secretary in Practice for timely dematerialisation of shares and for reconciliation of the share capital of the Company on a quarterly basis. The said reconciliation report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

CEO / CFO Certification

The Managing Director (CEO) and Chief Financial officer of the Company give annual certification on Financial Reporting and internal controls to the Board in terms of requirements of the Listing Regulations.

Utilisation of funds raised through Qualified Institutions Placement

During the period under review no funds were raised through Qualified Institutions Placements.

Fees paid to Statutory Auditor

During FY 2022-23, total fees of ₹ 2.50 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.

Details of Shares lying in suspense account:

Particular	Number of shareholders	Number of Shares
Unclaimed shares as on April 1, 2021	-	-
Number of shareholders approached for transfer of shares from suspense account	-	-
Number of shareholders to whom shares transferred from suspense account	-	-
Unclaimed shares as on March 31, 2022	-	-

Mandatory requirements

The Company has complied with majority of the applicable mandatory requirements of Listing Regulations relating to Corporate Governance reason for non-compliance if any discussed in Board's Report.

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, 2023.

For **Seya Industries Ltd**

Ashok G Rajani
Managing Director
Palghar, May 30, 2023

PRACTISING COMPANY SECRETARIES CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
SEYA INDUSTRIES LTD
T-14, MIDC, Tarapur,
Palghar, Maharashtra - 401506

We have examined the compliance of the conditions of Corporate Governance by Seya Industries Ltd ('the Company') for the year ended on March 31, 2023, as per the relevant provisions 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, we certify that the Company has complied with majority the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023, except in respect of matters specified in Annexure - A

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.

Subhash Purohit

Proprietor,
Subhash Purohit & Associates
ACS No.: 36558 CP No.: 24861
UDIN: A036558E0000889762
PR No.3353/2023
Thane, August 29, 2023

Annexure – A

S r . No.	Regulations	Provisions	Observations / Remarks of Practicing Company Secretary
Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015			
1.	Regulation 33	The Financial Results for the Quarter ended has to be submitted within 45 Days from the end of the quarter	Financial Results for the June 22 and September 22 was filed on November 14, 2022. BSE and NSE imposed penalty for the same.
Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015			
1.	Regulation 3(5) & 3(6)	Board to ensure Structured Digital Database (SDD) is maintained in non-tamperable format	Company have maintained SDD in Excel

PRACTISING COMPANY SECRETARIES CERTIFICATE ON DIRECTORS ELIGIBILITY

To
The Members of
SEYA INDUSTRIES LTD
T-14, MIDC, Tarapur,
Palghar, Maharashtra – 401506

This is to certify that on verification of declarations made by the Directors and records maintained by Seya Industries Ltd (“the Company”), none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies, by the Securities Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority, as per the requirements of point 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Subhash Purohit
Proprietor,
Subhash Purohit & Associates
ACS No.: 36558 CP No.: 24861
UDIN: A036558E000889850
PR No.3353/2023

Thane, August 29, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of

SEYA INDUSTRIES LTD

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of Seya Industries Ltd ('the Company'), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income and the Cash Flow Statement for the year then ended, Statement of changes in Equity and a summary of significant accounting policies and other explanatory information (hereinafter referred to as '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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023 and its Loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards 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 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. 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. We have relied on Management Representation regarding the existence and valuation of all the Assets (viz. Fixed Assets, Investments, Trade Receivables, Stock, Bank Accounts, Other Assets, Receivable from Related Parties) & Liabilities (viz. Provisions, Borrowings, Statutory & Other Liabilities including disclosures related to MSME vendors). We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Description of Key Audit Matters

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Legal Matters</p> <p>Refer Note No. 30.1, 30.23(xi)</p> <p>There is a high level of judgement required in estimating the level of provisioning</p>	<p>Principle Audit Procedures:</p> <p>We used our expertise to gain an understanding of the current status of the cases and tracked changes in the disputes by reading relevant documents received by the Company, to establish that the provisions had been appropriately adjusted to reflect the latest external developments. Our procedures included the following:</p> <ul style="list-style-type: none"> • testing key controls surrounding litigation, regulatory and tax procedures; • performing substantive procedures on the underlying calculations supporting the provisions recorded; • where relevant, reading external legal opinions obtained by the management; • discussing open matters with the Companies litigation, general counsel teams; • assessing the Management's conclusions through understanding precedents set in similar cases; and Based on the evidence obtained, while noting the inherent uncertainty with such legal and tax matters, we satisfied ourselves that the level of provisioning at March 31, 2023 is appropriate. We validated the completeness and appropriateness of the related disclosures through assessing that the disclosure of the uncertainties in note 30.1 & 30.23(xi) of the financial statements was sufficient.

<p>Revenue recognition</p> <p>Revenue recognition is significant audit risk.</p> <p>Risk exists that – Revenue is recognized without transfer of control over goods and is not in accordance with Ind AS-115</p>	<p>Our audit consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> We evaluated the design and performed walk through of internal controls relating to revenue recognition. We selected sample of sales transactions and tested the operating effectiveness of the internal controls relating to revenue recognition. We carried out a combination of procedures involving enquiry and observation, performance and/or inspection. We have tested samples of sale transactions to their respective underlying invoices and related documents. We have performed cut-off procedures for revenue transactions at year-end in order to conclude on whether they were recognised in accordance with Ind-AS 115
<p>Defined benefit obligation</p> <p>The valuation of the retirement benefit schemes in the Company is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition rates.</p> <p>Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation</p>	<p>We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit. We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, premeasurements, benefits paid, and any other amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.</p>

Emphasis Of Matter

We invite attention to footnote to Note No. 30.1 to the Standalone Financial Statements on non-provision of interest accrued on Borrowings from Lenders ie. Banks/Fl/Others for reasons stated thereunder. The total interest not provided for in respect of Operational Assets is INR 2,073.42 lacs and in respect Project Assets is INR 5,947.75 Lacs, the same is, however subject to confirmation by the Lenders.

Our opinion on the Standalone Financial Statements is not modified in respect of above stated matters.

Material Uncertainty in relation to Going Concern

We invite attention to:

- Note No. 30.23(xi)-Other Statutory Information to Standalone Financial Statements which provides for material uncertainty in respect of the outcome of application filed by one of the financial creditor for initiation of Corporate Insolvency Resolution Process ('CIRP') u/s 7 of the IBC, 2016 with a view to protect their interest.
- Note No. 30.16(B) & a Loss of INR 2,467.98 Lacs posted by the Company during the year ended March 31, 2023 (PY Loss INR 628.19 Lacs) and that, as of that date, the Company's current liabilities exceeded its current assets by INR 5,884.89 lacs

In spite of the above events or conditions which may cast a doubt on the ability of the company to continue as a going concern, the management is of the opinion that, considering the:

- Engagement with the Lenders to arrive at a mutual one-time settlement/resolution of all matters,
- Effective steps being taken by the Management to reduce the Losses on account of lower capacity utilisation and Excess of Current Liabilities on account Impairment of Trade Receivables.
- Positive Net worth of INR 83,108.94 Lacs of the Company.
- Company's Management's focus on reducing unit costs and increasing liquidity by making operations more efficient and nimbler, putting on hold discretionary expenses, deferring

certain capital expenditures, cutting employee cost through pay cuts and reduction in workforce, etc in order to sustain operations and the same being steadily ramped up in a phase-wise manner;

A going concern basis of accounting is appropriate and that on the basis of above the Company may revive its operations.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.
- Our opinion on the 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 financial statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.
- When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.

Management's Responsibility for the Standalone IND AS Financial Statements

The Management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and accounting principles generally accepted in India. 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 judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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 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.

Board of Directors including the Chief Executive Officer 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 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 control 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 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 financial statements, including the disclosures, and whether the 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 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 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 therefore the key audit matter. We describe this matter in our auditor's 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 Section 143(3) of the Act, based on our audit, 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 purposes of our audit.
 - b) In our opinion, proper books of account 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, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows 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 Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer note no. 30 to the standalone financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) a) The Management has represented that, to the best of its knowledge and belief that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) The Company has not declared any dividend during the year under review.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order

For **A A Mohare & Co.**
Chartered Accountants
Firm Registration No.: 0114152W
CA Amit Mohare
Partner
Membership No. 148601
UDIN No. 23148601BGWJJR8319
Mumbai, May 30, 2023

“ANNEXURE A” TO INDEPENDENT AUDITOR’S REPORT

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

Report on the Internal Financial Controls 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 Ltd ('the Company') as of 31st March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is 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 ('ICAI'). 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 on Audit of Internal Financial Controls over Financial Reporting ('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, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 that 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 judgment, 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 authorizations 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, the Company excluding Branches 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 31st March 2023, 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 ICAI, which is subject to the possible effect of the matters described in the Basis for Emphasis of Matter section above.

For **A A Mohare & Co.**
Chartered Accountants
Firm Registration No.: 0114152W
CA Amit Mohare
Partner
Membership No. 148601
UDIN No. 23148601BGWJ8319
Mumbai, May 30, 2023

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that in respect of:

(i) Tangible & In-Tangible assets:

- a) (A) The Company has maintained proper records showing full particulars, including quantitative and situation of Property Plant & Equipment.
- (B) The Company has maintained proper records showing full particulars of Intangible Assets.
- b) The Company has a regular program of physical verification of its Property Plant & Equipment and Capital work-in-progress by which Property Plant & Equipment are verified in reasonable intervals. In accordance with this program, certain Property Plant & Equipment were verified during the year and no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) Inventories & Working Capital:

- a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- b) The accounts of the company with the Lenders are Non-Performing Assets (NPA) and no working capital limit is renewed during the year on the basis of security of current assets and no quarterly returns or statements were submitted to the Banks. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) Investments, Guarantee, Security, Advances or Loans given:

The Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii) of the Order are not applicable to the Company.

(iv) Loans to Directors:

The Company has complied with Sections 185 and 186 of the Companies Act, 2013 ("the Act").

(v) Deposits accepted:

The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act from the Public. Thus, clause (v) of para 3 of the order is not applicable to the Company.

(vi) Maintenance of Cost Records:

We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central

Government for the maintenance of cost records under Section 148(1) of the Act, However, we have not carried out any detailed examination of such records.

(vii) Deposit of Statutory liabilities:

- a) Amounts deducted/accrued in the books of account in respect of undisputed material statutory dues have generally been regularly deposited by the Company with the appropriate authorities, save and except the delays caused on account of the COVID-19 pandemic
- b) Undisputed statutory dues outstanding for more than six months from their due dates are towards Employers' share of contribution towards Provident Fund/ESIC amounting to INR 26.70 lacs. The same were outstanding due to on-going COVID-19 pandemic and its resurgence during the year under review, which had adversely affected Company's operation and resulting Cash flows. However, the Management is confident to clear same shortly.
- c) According to the information and explanations given to us, there are no statutory dues which have not been deposited on account of any dispute as on 31st Mar 2023
- d) No amount was pending to be transferred to Investor Education and Protection Fund.

The aforesaid details are provided based solely on the details made available by the company which could not be independently verified.

(viii) Un-recorded Income:

The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) Default in Repayment of Borrowings:

- a) Attention is invited to Note No. 30.1 of the accompanying Standalone Financial Statement of the Company for the year ending 31st March 2023, wherein the Company has contested the action of the Lenders in classifying the Credit facilities of the Company as Non-Performing Asset(NPA) due to non-fulfilment of the committed Lending obligation by the Lenders as the reason for the alleged default on part of the Company towards non-payment of its committed obligation. The total amount of Principal outstanding in respect of Terms loans & Working Capital Loan, in default is INR 62065.49 Lacs & INR 7696.65 Lacs, respectively and the total amount of Interest not provided for, during the reporting period, in respect of the same is in aggregate INR 8021.17 Lacs.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or any other lender.

(x) Funds raised & Utilisation:

- a) The company has not obtained any new term loans during the year. Accordingly, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- b) Neither any funds were raised on short-term basis nor any short-term funds have been used for long-term purposes by the company.
- c) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- d) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

- e) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- f) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) under Section 42 and Section 62 of the Companies Act, 2013 and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) Fraud & Whistle-blower Complaint:

- a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management
- b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us, there are no whistle blower complaints received by the Company during the year.

(xii) Compliance by Nidhi Company:

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of Para 3 of the Order is not applicable to the Company.

(xiii) Transactions with Related Party:

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements under Note 30.12.2 as required by the applicable accounting standards.

(xiv) Internal Audit System:

- a) As informed by the management, the company has an internal audit system commensurate with the size and nature of its business.
- b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) Non-Cash dealings with Directors:

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order and provisions of section 192 of the Companies Act, 2013 are not applicable to the Company

(xvi) Registration under section 45-IA of the Reserve Bank of India Act 1934

- a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

- b) In our opinion and according to the information and explanations given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities
- c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India
- d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) Cash Losses:

The Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year

(xviii) Resignation of Statutory Auditor:

There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) Material Uncertainty on meeting liabilities:

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date, save and except as already stated in this report and outcome in matters sub-judice. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) Transfer to fund specified under Schedule VII of Companies Act, 2013:

According to the information and explanations given to us and based on our examination of the financial statement of the company the provisions of Section 135 of the Act is not applicable to the Company and hence, the requirement to report on clause 3(xx) of the Order is not applicable to the Company.

(xxi) Qualifications or adverse auditor remarks in other group companies:

The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **A A Mohare & Co.**
Chartered Accountants
Firm Registration No.: 0114152W

CA Amit Mohare
Partner
Membership No. 148601
UDIN No. 23148601BGWJRR8319
Mumbai, May 30, 2023

BALANCE SHEET

As at March 31, 2023

₹ in Lakhs

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	68,831.45	70,560.25
(b) Capital Work-in-Progress		79,620.58	79,695.02
(c) Financial Assets			
(i) Loans & Advances	5	73.11	73.11
(d) Current Tax Assets (Deferred Tax)	13 (e)	1,867.07	1,722.45
(e) Other Non-Current Assets	6	7,903.70	6767.77
Total Non-Current Assets		1,58,295.91	1,58,818.61
CURRENT ASSETS			
(a) Inventories	7	748.84	2,219.59
(b) Financial Assets			
(i) Trade Receivables	8	30.31	437.13
(ii) Cash and Cash Equivalents	9	89.78	154.67
(iii) Bank Balances other than (ii) above	10	60.86	60.24
(iv) Loans	11	18.42	58.08
(c) Other Current Assets	12	2,269.79	2,615.91
Total Current Assets		3,218.00	5,545.62
TOTAL ASSETS		1,61,513.91	1,64,364.23
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	14	2,657.05	2,657.05
(b) Other Equity	15	80,451.88	82,919.86
Total Equity		83,108.94	85,576.91
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	69,265.49	69,041.80
(ii) Other financial liabilities	17 (a)	36.49	242.46
(b) Provision	18 (a)	-	-
Total Non-Current Liabilities		69,302.09	69,284.26
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	7,696.65	7,618.47
(ii) Trade Payables			
(a) Total Outstanding dues of Micro & Small Enterprises		-	-
(b) Total Outstanding dues other than Micro & Small Enterprises	20	11.69	259.05
(iii) Other Financial Liabilities	17 (b)	338.69	453.60
(b) Other Current Liabilities	21	1,033.20	1,050.00
(c) Provisions	18 (b)	22.67	121.94
Total Current Liabilities		9,102.89	9,503.06
Total Liabilities		78,404.98	78,787.32
TOTAL EQUITY AND LIABILITIES		1,61,513.91	1,64,364.23
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 **A A Mohare & Co.****Chartered Accountants**

Firm Registration No.: 0114152W

CA Amit Mohare

Partner

Membership No. 148601

Mumbai, May 30, 2023

For and on behalf of Board of Directors

Ashok G Rajani

Chairman & Managing Director

DIN: 01839535

Amrit Rajani

Chief Financial Officer

Amit C Pandya

Independent Director

DIN: 08878579

Manisha Solanki

Company Secretary

STATEMENT OF PROFIT & LOSS

For the period ended March 31, 2023

₹ in Lakhs

	Note	For the Year March 31, 2023	For the Year March 31, 2022
INCOME			
(a) Revenue from operations	22	3,711.22	6,565.28
(b) Other Income	23	903.94	765.60
Total Revenue (I)		4,615.16	7,330.89
EXPENDITURE			
(a) Cost of Material Consumed (Including Purchases of Stock-in-Trade)	24	2,173.70	2,978.98
(b) Change in Inventories of Finished Goods, Stock in Process & Stock in Trade	25	1,257.77	(41.49)
(c) Employee Benefit Expenses	26	577.90	597.11
(d) Finance Cost	27	1.88	15.93
(e) Depreciation and Amortisation Expenses	28	1,794.80	1,791.03
(f) Other Expenses	29	1,421.70	2,102.65
Total Expenses (II)		7,227.76	7,444.20
Profit/(loss) before exceptional items and tax (III= I- II)		(2,612.60)	(113.31)
Exceptional Items (IV)		-	628.08
Profit/(loss) before tax (V = III – IV)		(2,612.60)	(741.39)
Tax Expenses (VI)			
Current Tax	13 (c)	-	-
Deferred Tax (Net)	13 (a)	(144.62)	(113.20)
PROFIT AFTER TAX (VII = V – VI)		(2,467.98)	(628.19)
Other comprehensive income:			
Items that will not be reclassified to Statement of Profit and Loss			
(i) Remeasurements of the Defined Benefit Obligations		-	0.45
(ii) Tax effect of remeasurement of defined benefit liabilities / assets		-	-
Total other comprehensive income (VIII)		-	0.45
Total Comprehensive Income for the period (VII + VIII)		(2,467.98)	(627.74)
Earnings per Equity Share of face value of ₹ 10 each			
Basic (₹)		(9.29)	(2.36)
Diluted (₹)		(9.29)	(2.36)
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 **A A Mohare & Co.**

Chartered Accountants

Firm Registration No.: 0114152W

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Mumbai, May 30, 2023

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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, 2022	2,657.05	2,657.05
Balance as of March 31, 2023	2,657.05	2,657.05

B. OTHER EQUITY

₹ in Lakhs

	Reserves and Surplus				Total
	Securities Premium	General Reserve	Retained Earnings	Capital Redemption Reserve	
Balance as at April 1, 2021	33,143.59	18,308.36	16,969.48	15,126.17	83,547.60
Profit for the Year	-	-	-	-	-
Other comprehensive income for the Year (net of tax)	-	-	(627.74)	-	(627.74)
Balance as at March 31, 2022	33,143.59	18,308.36	16,341.74	15,126.17	82,919.86
Profit for the Year	-	-	(2,467.98)	-	(2,467.98)
Balance at the end of year March 31, 2023	33,143.59	18,308.36	13,873.76	15,126.17	80,451.88

As per our report attached

For **A A Mohare & Co.****Chartered Accountants**

Firm Registration No.: 0114152W

CA Amit Mohare

Partner

Membership No. 148601

Mumbai, May 30, 2023

For and on behalf of Board of Directors

Ashok G Rajani

Chairman & Managing Director

DIN: 01839535

Amrit Rajani

Chief Financial Officer

Amit C Pandya

Independent Director

DIN: 08878579

Manisha Solanki

Company Secretary

CASH FLOW STATEMENT

For the period ended March 31, 2023

₹ in Lakhs

	2022-23	2021-22
A: CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) after Tax as per Statement of Profit and Loss		(2,467.98)
Non-cash adjustment to reconcile Profit Before Tax to Net Cash Flows		(627.74)
Depreciation and Amortisation	1,794.80	1,791.03
Finance Cost	1.88	15.93
Interest Income	(0.97)	(1.42)
Other Comprehensive (Income)/expense	-	(0.45)
Other Non-Operating Income	(902.97)	(762.94)
Exceptional Item	-	628.08
	892.75	1,670.24
Operating Profit before Working Capital changes		(1,575.23)
Adjustment for (increase)/decrease in Operating Assets	2,118.73	1,792.74
Adjustment for increase/(decrease) in Operating Liabilities	(478.35)	(1,622.62)
	1,640.38	170.12
Cash Generated from Operations		65.15
Net Cash from Operating Activities (A)		1,212.61
B: CASH FLOW FROM INVESTING ACTIVITIES:		
Capital Expenditure on Property, Plant & Equipment, including Capital Advances & Payable for Capital Expenditure	8.45	109.93
Other Non-Current Liability	(205.96)	(1,615.85)
Other Non-Current Assets	(1,135.93)	(2.00)
Other Non-Operating Income	902.97	762.94
Interest Received	0.97	1.42
Other Bank Balances	(0.63)	58.16
	(430.13)	(685.41)
Net Cash Flow from / (used in) Investing Activities (B)		
C: CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long-term Borrowings (Net-off repayment)	223.80	(444.46)
Proceeds from Short-term Borrowings (Net-off repayment)	78.18	-
Finance Cost	(1.88)	(15.93)
Dividend Paid on Preference Shares	-	0.45
	(300.00)	(460.39)
Net Cash Flow From / (used in) Financing Activities (C)		
Net Increase / (Decrease) In Cash and Cash Equivalent (A + B + C)	(64.89)	67.27
Cash and Cash Equivalents at the Beginning of the Year	154.67	87.40
Cash and Cash Equivalents at the End of the Year (Refer Note No. 9)	89.78	154.67
Reconciliation of Cash & Cash Equivalents		
Balance with Bank:		
In Current Accounts	89.78	154.67
Cash on Hand	0.00	0.00
Cash and Cash Equivalents at the End of the Year (Refer Note No. 9)	89.78	154.67

Note: The Cash Flow Statement has been prepared under the Indirect Method set out in Ind AS 7 'Cash Flow Statement'

As per our report attached

For **A A Mohare & Co.**

Chartered Accountants

Firm Registration No.: 0114152W

CA Amit Mohare

Partner

Membership No. 148601

Mumbai, May 30, 2023

For and on behalf of Board of Directors

Ashok G Rajani

Chairman & Managing Director

DIN: 01839535

Amrit Rajani

Chief Financial Officer

Amit C Pandya

Independent Director

DIN: 08878579

Manisha Solanki

Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

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.

3. 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

The Ministry of Corporate Affairs (MCA) on 23rd March, 2022 through companies (Indian Accounting Standards) Amendment Rules, 2022 has notified the following amendments to IND AS which are applicable on 1st April 2022:

3.1. Ind AS 16 – Property, Plant and equipment –

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The amendment prohibits an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in the profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

3.2. Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (examples depreciation charge). The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its financial statements.

3.3. Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

3.4. Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company is in the process of assessing the impact of the amendment in its financial statements.

3.5. Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 %' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company is in the process of assessing the impact of the amendment in its financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures \$	Vehicles	Total
Gross Block						
Balance as at April 1, 2021	53,467.26	2,801.57	30,313.24	30.16	400.47	87,012.69
Additions	-	-	43.58	-	-	43.58
Disposals	-	-	-	-	-	-
Balance as at March 31, 2022	53,467.26	2,801.57	30,356.82	30.16	400.47	87,056.27
Additions	-	0.28	59.72	-	6.00	66.00
Disposals	-	-	-	-	-	-
Balance as at March 31, 2023	53,467.26	2,801.85	30,416.54	30.16	406.47	87,122.27
Accumulated Depreciation						
Balance as at April 1, 2021	-	1,008.76	13,525.65	28.20	142.39	14,705.00
Depreciation for the year	-	109.62	1,648.28	1.96	31.17	1,791.03
Disposals	-	-	-	-	-	-
Balance as at March 31, 2022	-	1,118.38	15,173.94	30.16	173.54	16,496.02
Depreciation for the Year	-	109.63	1,653.98	-	31.19	1,794.80
Disposals	-	-	-	-	-	-
As at March 31, 2023	-	1,228.01	16,827.92	30.16	204.74	18,290.82
Net Block						
Balance as at March 31, 2022	53,467.26	1,683.18	15,182.58	-	226.93	70,560.25
Balance as at March 31, 2023	53,467.26	1,573.83	13,588.62	-	201.73	68,831.45

\$ Includes Office Equipment

CAPITAL WORK IN PROGRESS

₹ in Lakhs

	Total
Balance as at March 31, 2022	79,695.02
Balance as at March 31, 2023	79,620.58

5. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good		
Security Deposit	73.11	73.11
TOTAL	73.11	71.11

6. OTHER NON-CURRENT ASSETS

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
Other Long-Term Receivables	7,903.70	6,767.77
TOTAL	7,903.70	6,767.77

7. INVENTORIES

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
Raw Materials (including Packing Material & Goods in Transit)	63.12	276.10
Work-in-Progress	640.52	1,845.12
Finished Goods	28.17	81.35
Stores and Spares	17.03	17.03
TOTAL	748.84	2,219.59

8. TRADE RECEIVABLES

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
Current		
Unsecured, Considered Good	30.31	437.13
TOTAL	30.31	437.13

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.

9. CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
Cash on hand	1.96	9.01
Balances with Banks		
In Current Accounts	87.82	145.66
TOTAL	89.78	154.67

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.

10. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
Deposits with Banks with Maturity more than 3 Months but less than 12 months	60.86	60.24
TOTAL	60.86	60.24

Footnotes

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

11. LOANS

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good		
Loans to Employees	10.70	10.84
Advances to Suppliers of Goods & Services	7.73	47.24
TOTAL	18.42	58.08

12. OTHER CURRENT ASSETS

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good		
Balance with Government Authorities	2,259.34	2,605.01
Prepaid Expenses	10.45	10.90
Other Assets	-	-
TOTAL	2,269.79	2,615.91

13. INCOME TAXES

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

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
Current Income Tax on Profit for the year	-	-
Deferred Taxes (expenses) / benefits	(144.62)	(113.20)
TOTAL	(144.62)	(113.20)

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

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
Deferred Tax relating to items recognised in OCI during the year		
Net (gain) / loss on remeasurement of defined benefits plan	-	(0.45)
Income Tax Charged to OCI	-	-

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

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
Accounting Profit Before Income Tax	(2,612.60)	(113.31)
Enacted tax rate in India (%)	-	-
Computed Tax Expenses	-	-
Add: Tax effects of amounts which are not deductible in calculating taxable income	-	-
Less: Tax effects of amounts which are deductible in calculating taxable income	-	-
Income Tax Expenses	-	-

d. Deferred Tax

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liabilities		
On difference between Book Balance and Tax Balance of Depreciation	1,535.07	1,679.06
On Expenditure deferred in Books but allowable for Tax Purpose	699.75	699.75
Allowance under Section 43B	46.09	44.12
On difference between write-off of preliminary expenses in Books and as per Tax Expenses earlier allowed under 43B, now written back	12.80	12.80
	(29.45)	(29.45)
Total of Deferred Tax Liabilities	2,264.26	2,406.28
Deferred Tax Assets		
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	5.63
Assets arising due to provisions of Income Tax Act, 1961	1,106.86	1,104.25
Total of Deferred Tax Assets	1,120.47	1,117.87
Adjustment as per Ind AS	46.01	46.01
Total of Deferred Tax Assets as per Ind AS	1,166.48	1,163.88
Net Deferred Tax Assets / (Liability) as per Ind AS	(1,097.78)	(1,242.40)
Increase / (Decrease) in Deferred Tax	(144.62)	(113.20)

e. Reconciliation of deferred Tax Assets / (Liabilities)

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
Opening Balance[Deferred Tax Asset / (Liability)]	(1,242.40)	(1,355.60)
Less: Increase / (Decrease) in Net Deferred Tax recognised in statement of Profit & Loss	(144.62)	(113.20)
Add: MAT Credit Entitlement(Asset)	2,964.85	2,964.85
Net Deferred Tax Assets / (Liabilities)	1,867.07	1,722.45

14. EQUITY SHARE CAPITAL

₹ in Lakhs

	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital				
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
Total Authorised Capital	179,803,000	17,980.03	179,803,000	17,980.03
Issued, Subscribed and Paid-up Capital				
Equity Shares of ₹ 10 each	26,570,540	2,657.05	26,570,540	2,657.05
Total Issued, Subscribed and Paid-up Capital	26,570,540	2,657.05	26,570,540	2,657.05

Footnote

i. The Company has Authorised Capital of Equity and Preference Shares, however the Company has no outstanding Non-Convertible Redeemable Preference Shares.

ii. **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. No preferential amounts exist as on the Balance Sheet date.

iii. **The details of shareholders holding more than 5% of equity share**

Name of the shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	%	No. of Shares	%
Mr. Ashok G Rajani	1,980,329	7.45	1,980,329	7.45
Mrs. Shalini A Rajani	2,762,430	10.40	2,762,430	10.40
Whiz Enterprise Pvt Ltd ⁱ	6,501,918	24.47	6,501,918	24.47

Footnote

i. The holding is subject to outcome of certain transfer process for which the Company has received intimation.

15. OTHER EQUITY

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
Reserves & Surplus		
Retained Earnings	13,873.76	16,341.74
General Reserve	18,308.36	18,308.36
Securities Premium Reserve	33,143.59	33,143.59
Other Reserves		
Capital Redemption Reserve	15,126.17	15,126.17
TOTAL	80,451.88	82,919.86

Movement in other equity

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
Retained Earnings		
Balance at the beginning of the year	16,341.74	16,969.48
Add: Profit attributable to owners of the Company (Profit for the year)	(2,467.98)	(627.74)
<i>Items of other comprehensive Incomes recognised directly in retained earnings</i>		
Remeasurement of post-employment benefits, obligations (Net of Tax)	-	-
Dividends	-	-
Balance at the end of the year	13,873.76	16,341.74
General Reserve		
Balance at the beginning of the year	18,308.36	18,308.36
Additions / (Deduction)	-	-
Balance at the end of the year	18,308.36	18,308.36
Footnote:		
The General reserve represents amount appropriated out of retained earning based on the provisions of the Companies Act prior to its amendment.		
Securities Premium Reserves		
Balance at the beginning of the year	33,143.59	33,143.59
Additions / (Deduction)	-	-
Balance at the end of the year	33,143.59	33,143.59
Footnote:		
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		
Capital Redemption Reserves		
Balance at the beginning of the year	15,126.17	15,126.17
Additions / (Deduction)	-	-
Balance at the end of the year	15,126.17	15,126.17

16. NON-CURRENT BORROWING

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
Secured		
Banks ¹	32,407.01	32,407.01
Others ² (Others/FI)	29,658.48	29,434.79
Non-Convertible Debentures	-	-
Loans and Advance from Promoters, Related Parties ³	7,200.00	7,200.00
TOTAL	69,265.49	69,041.80

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 in 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 until March 2027[Refer Note 30.1]
-Borrowings from Others are repayable as per agreed terms in single tranche at the end Mar-2030.
- 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, 2023	As at March 31, 2022
(a) Non-Current		
Other Payables for Goods & Services	36.49	242.46
Total Other Non-Current Financial Liabilities (a)	36.49	242.46
(b) Current		
Employee Benefit	-	28.61
Other trade payable for Goods & Services	225.95	312.24
Others	112.73	112.73
Total Other Current financial liabilities (b)	338.69	453.59
TOTAL (a+b)	375.18	696.05

18. PROVISIONS

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
(a) Non-Current		
Other Provision	-	-
Total Non-Current Provisions (a)	-	-
(b) Current		
Provisions for Employees benefit obligations	14.92	76.15
Other Provisions	7.75	45.79
Total Current Provisions (b)	22.67	121.94
TOTAL (a+b)	22.67	121.94

19. CURRENT BORROWINGS

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
Secured		
From Bank [Refer Note 30.1]	7,696.65	7,618.47
TOTAL	7,696.65	7,618.47

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, 2023	As at March 31, 2022
Dues of Micro, Small and Medium Enterprises	-	-
Dues of other creditors other than Micro, Small & Medium Enterprises	11.69	259.05
TOTAL	11.69	259.05
Of the Above:		
-Acceptances	-	25.77

Footnote

- The average credit period on goods purchased, ranges between 30 days to 180 days. For ageing schedule related to Trade payables Refer to note no 30.16(B)

21. OTHER CURRENT LIABILITIES

₹ in Lakhs

	As at March 31, 2023	As at March 31, 2022
Statutory Remittances	60.03	74.63
Others	891.37	891.37
Unclaimed Dividend	81.80	84.01
TOTAL	1,033.20	1,050.01

22. REVENUE FROM OPERATIONS

₹ in Lakhs

	2022-23	2021-22
Sale of Products	3,711.22	6,565.28
TOTAL	3,711.22	6,565.28

23. OTHER INCOME

₹ in Lakhs

	2022-23	2021-22
Interest Income On		
Deposits with Banks	0.71	1.06
Other Interest	0.26	0.36
Export Incentive	-	1.25
Other Non-Operative income	-	-
Gain due to Foreign Exchange fluctuation	-	-
Liability / Provisions no longer required written back	4.01	2.60
Other Miscellaneous Income	898.96	760.34
TOTAL	903.94	765.60

24. COST OF MATERIALS CONSUMED (Including Stock in Trade)

₹ in Lakhs

	2022-23	2021-22
Raw materials at the beginning of the year	225.03	34.03
Add: Purchases (Including Stock in Trade)	2,007.26	3,169.98
Less: Raw materials at the end of the year	58.60	225.03
TOTAL	2,173.70	2,978.98

25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROCESS & STOCK IN TRADE

₹ in Lakhs

	2022-23	2021-22
A. Opening Balance		
Work in Process	1,845.12	1,833.33
Finished Goods	81.35	51.65
	1,926.47	1,884.97
B. Closing Balance		
Work in Process	640.52	1,845.12
Finished Goods	28.17	81.35
	668.69	1,926.47
NET (INCREASE) / DECREASE IN INVENTORIES (A – B)	1,257.77	(41.49)

26. EMPLOYEE BENEFIT EXPENSES

₹ in Lakhs

	2022-23	2021-22
Salaries & Wages	572.42	554.92
Contributions to Provident and other Funds	-	36.46
Staff Welfare Expenses	5.49	5.73
TOTAL	577.90	597.11

27. FINANCE COST

₹ in Lakhs

	2022-23	2021-22
Interest Expenses on		
Borrowings [Refer note no 30.1]	-	-
Trade Payables	-	5.47
Others	0.71	2.42
Others		
Bank Charges	0.22	0.13
Other Borrowing Cost	0.95	7.92
TOTAL	1.88	15.93

28. DEPRECIATION AND AMORTISATION

₹ in Lakhs

	2022-23	2021-22
Depreciation of Plant, Property & Equipment (Note No.4)	1,794.80	1,791.03
TOTAL	1,794.80	1,791.03

29. OTHER EXPENSES

₹ in Lakhs

	2022-23	2021-22
Consumption of Stores and Spares	-	0.38
Consumption of Packing Material	10.64	10.99
Power & Fuel charges	1,087.58	1,528.32
Rent	-	-
Payment to Auditors		
Statutory Audit Fees	1.30	4.00
Taxation Matters	0.50	1.00
Company Law Matters	0.50	1.00
Other services	0.20	0.20
	2.50	6.20
Insurance	4.21	3.04
Sales Promotions, Discounts & other Selling expenses	26.18	41.60
Repairs and Maintenance – Plant & Machinery	55.37	107.06
Miscellaneous Expenses	235.21	405.05
TOTAL	1,421.70	2,102.65

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, 2023	As at March 31, 2022
Contingent Liabilities		
<i>Financial Instruments</i>		
Letter of Credit	-	-
Bank Guarantees		
-Financial	-	25.77
-Performance	-	25.11
Capital Commitments		
<i>Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital Advances):</i>		
- Property, Plant & Equipment	-	-
TOTAL	-	50.88

Footnote:

During the prior period certain Lenders had 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 continued 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, the Company has, basis of legal advice, not provided for interest costs on certain loans outstanding, amounting to INR 2,073.42 Lacs in respect of Operating Assets and INR 5,947.75 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 Promoter, in Aug-21, had entered into a settlement agreement with S C India Credit Fund through its Manager S. C. India Manager Pvt. Ltd in relation to settlement of the Amounts pertaining to the NCD's raised by the Company. The Company has been complying with the settlement terms and due payments are being made as per agreed terms.

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: ₹NIL (Previous Year: NIL)****30.6. Amounts remitted in foreign currency during the year on account of dividend: NIL (Previous year: NIL)****30.7. Earnings in Foreign Exchange: ₹ 5.84 Lakhs (Previous Year: ₹96.00 Lakhs)****30.8. Details of Consumption of Imported and Indigenous items**

₹ in Lakhs

	2022-23		2021-22	
	₹ in Lakhs	%	₹ in Lakhs	%
Indigenous				
Raw Material	2,007.26	100	3,169.98	99.99
Spare Parts	-	-	0.38	0.01
	2,007.26	100	3,170.36	100
Imported				
Raw Material	-	-	-	-
Spare Parts	-	-	-	-
TOTAL	2,007.26	100	3,170.36	100

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, 2023 for Defined Benefit Plan. (Disclosure as per IND AS-19)

Reconciliation of Opening and Closing Balances of Defined Benefits Obligation

₹ in Lakhs

	2022-23	2021-22
Balance at the beginning of the year	36.35	34.97
Current Service Cost	5.55	4.78
Interest Cost	2.54	2.20
Actuarial (gain) / losses	(24.22)	(0.45)
Benefits Paid	(1.22)	(5.15)
Balance at the end of the year	19.00	36.35

Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets

₹ in Lakhs

	2022-23	2021-22
Balance at the beginning of the year	21.43	25.06
Expected Return on Plan Assets	(0.11)	(0.07)
Interest Income	1.47	1.53
Contribution by the Company	-	-
Benefits Paid	(1.22)	(5.15)
Balance at the end of the year	25.06	21.43

Assets and Liabilities Recognised in the Balance Sheet

₹ in Lakhs

	2022-23	2021-22
Present Value of Defined Benefit obligations	34.97	36.35
Fair value of Plan Assets	25.06	21.43
Amounts Recognised as Assets / (Liability)	(9.91)	(14.92)

Expenses Recognised in the Statement of Profit and Loss

₹ in Lakhs

	2022-23	2021-22
Current Service Cost	5.55	4.78
Net interest Cost	1.06	0.67
Expense Recognised	6.61	5.46

Expenses Recognised in Other Comprehensive Income (OCI)

₹ in Lakhs

	2022-23	2021-22
Actuarial (Gain) / Loss recognised for the period	(24.22)	(0.45)
Return on Plan Assets excluding interest income	0.11	0.07
Total Actuarial (Gain) / Loss recognised in OCI	(24.10)	(0.45)

Major Category of Plan Assets

	2022-23		2021-22	
	₹ 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)	21.57	100	21.43	100

Actuarial Assumption

	2022-23	2021-22
Discount Rate	7.29	7.10
Rate of Increase in Compensation	4%	4%
Expected Average remaining Services	10.28	16.67
Retirement Age	58 Years	58 Years
Employee Attrition Rate	1% of all Ages	1% of 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

	2022-23	2021-22
Discount Rate - Increase of 1%	17.87	33.19
Discount Rate - Decrease of 1%	20.30	40.15
Salary Growth Rate - Increase of 1%	20.32	40.20
Salary Growth Rate - Decrease of 1%	17.84	33.11

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

- The Leave benefit Scheme is a defined Benefit Plan and is unfunded. Hence, there are no Plan Assets attributable to the Obligation
- Principal Actuarial Assumption

	2022-23	2021-22
Discount Rate	7.29	7.10

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

	2022-23	2021-22
Contribution to Provident Fund and Other Funds	-	36.46

Expected Contribution for the Next Year

₹ in Lakhs

Contribution to Provident Fund and Other Funds	-
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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, 2023	As at March 31, 2022
Total Equity (A)	83,108.94	85,576.91
(i) Non-Current Borrowings (including Current Maturities)	69,265.49	69,041.80
(ii) Current Borrowings	7,696.65	7,618.47
Total Borrowings (B) (i + ii)	76,962.14	76,660.27
Less: Cash and Cash Equivalent	89.78	154.67
Less: Other Bank Balance	60.86	60.24
Net Borrowings (C)	76,811.50	76,445.36
Total Capital (D=A + B)	1,60,071.08	1,62,237.18
Net Borrowing as a % of Total Equity (C / A)	92.42%	89.33%
Net Borrowing as a % of Total Capital (C / D)	47.99%	47.12%

The Interest Coverage Ratio for the reporting period was as follows

₹ in Lakhs

	2022-23	2021-22
Earnings before Interest Depreciation and Tax (EBIDTA)	(815.91)	1,693.65
Interest	1.88	15.93
Interest Coverage Ratio (x)	N.A.	106.32

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 Lakhs

Revenue	2022-23	2021-22
In India	3,711.22	6,469.28
Outside India	-	96.00
Total	3,711.22	6,565.28

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 Ms. Manisha Solanki – Company Secretary
Relatives of Key Managerial Personnel	Mr. Amrit Rajani – Son of Mr. Ashok Rajani
Entities in which either of KMP or their Relatives can exercise significant influence	

30.12.2. Related Party Transactions during the year ended March 31, 2023 and Balances Outstanding as on that day

₹ in Lakhs

Nature of Transaction	KMP		Entities in which KMP/ Relatives of KMP have significant influence	
	2022-23	2021-22	2022-23	2021-22
Remuneration to Directors & KMP	84.63	84.63	-	-
Leasing arrangements	-	-	-	-
Secured Loans [Refer Note No. 16(3)]	7,200.00	7,200.00	-	-
Balances outstanding at the end of the year:	7,200.00	7,200.00	-	-

Key Managerial Personnel Compensation

₹ in Lakhs

	2022-23	2021-22
Short Term Employee Benefits	84.63	84.63
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

	2022-23	2021-22
Nominal Value of Equity Shares (₹)	10/-	10/-
Net Profit available for equity shareholders (₹ in Lakhs)	(2,467.98)	(628.19)
Weighted average Number of shares Outstanding for basic EPS	26,570,540	26,570,540
Weighted average Number of shares Outstanding for diluted EPS	26,570,540	26,570,540
Basic Earnings Per Share (₹)	(9.29)	(2.36)
Diluted Earnings Per Share (₹)	(9.29)	(2.36)

30.14. Research and Development Expenses

₹ in lakhs

	2022-23	2021-22
Capital Expenditure	-	-
Revenue Expenditure	-	-
Total R&D Expenditure	-	-
(% of Net Sales)	-	-

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, 2023	As at March 31, 2022
Financial Assets		
Trade Receivables	30.31	437.13
Loans	10.70	10.84
Cash & Cash Equivalents	89.78	154.67
Bank Balance other than Cash & Cash Equivalents	60.86	60.24
Other Financial Assets	80.84	120.35
Total Financial Assets	272.49	783.23
Financial Liabilities		
Borrowings	76,962.24	76,660.27
Trade Payables	11.69	259.05
Other Financial Liabilities	1326.58	1662.04
Total Financial Liabilities	78,300.50	78,581.36

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. [Refer Note 30.1] 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, 2023 would have been decreased/increased by ₹0.20 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.

(iii) Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and is recognised as financial assets and liabilities, denominated in a currency that is not its functional currency. The exposure to foreign currency risk of the Company at the end of the reporting period was NIL.

(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, Russia-Ukraine conflict and current recessionary trends have unprecedentedly impacted people and the economy at large. At our Company, we are putting in all efforts 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, developing our financial strength & contributing to society. Due to on-going economic situation, operations in most our locations including manufacturing plants, warehouses, offices etc had to be scaled down.

While the current situation has also adversely affected the chemical industry 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 in relation to the carrying amounts of Trade receivables, Inventories, its assets comprising Property, Plant and Equipment, Intangible assets, Financial assets but has not yet concluded on adjustments required to be made to the carrying values of such assets as at March 31, 2023, accordingly, the management has not accounted for any Impairment/Write-off on account of Loss of certain receivables of the company and certain Non-current liabilities, under exceptional item. The same however is not affecting continuing operations. The impact assessment is a continuing process.

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 arising from above 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 Outstanding receivable in terms of credit worthiness, credit quality, individual credit limits of majority of its customers which are periodically monitored. The historical experience of collecting receivables of the Company is supported by low level of past default, however the impact of the on-going situation needs continuous evaluation by the management. The credit risk as at balance sheet date is perceived to be moderate, however expected to improve going forward.

₹ in Lakhs

Trade Receivable ageing schedule	Outstanding for following periods from Payment Due Date						Total Outstanding
	Not Due	< 6 months	6 months – 1 year	1 – 2 years	2 – 3 years	> 3 years	
As at March 31, 2023							
Un-disputed Trade Receivables(considered good)	0.69	-	-	-	-	20.07	30.31
Disputed Trade Receivables(considered good)	-	-	-	-	-	9.54	-
TOTAL	0.69	-	-	-	-	29.61	30.31
As at March 31, 2022							
Un-disputed Trade Receivables(considered good)	10.41	396.62	0.69	0.42	3.11	16.32	427.59
Disputed Trade Receivables(considered good)	-	-	-	-	-	9.54	9.54
TOTAL	10.41	396.62	0.69	0.42	3.11	25.86	437.13

₹ in Lakhs

Trade Payable ageing schedule	Outstanding for following periods from Payment Due Date						Total Outstanding
	Not Due	< 6 months	6 months – 1 year	1 – 2 years	2 – 3 years	> 3 years	
As at March 31, 2023							
MSME	-	-	-	-	-	-	-
Others	0.33	8.48	0.39	-	-	2.48	11.69
TOTAL	0.33	8.48	0.39	-	-	2.48	11.69
As at March 31, 2022							
MSME	-	-	-	-	-	-	-
Others	225.41	12.97	6.54	4.32	9.82	-	259.05
TOTAL	225.41	12.97	6.54	4.32	9.82	-	259.05

(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 monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility. The company faces acute liquidity risks on account of pandemic induced factors. The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2023

₹ in Lakhs

	< 1 Year	1-8 Years	Total
Borrowing	7,696.65	69,265.49	76,962.14
Trade Payables	11.69	-	11.69
Other Financial Liabilities	1,290.08	36.49	1,326.58
TOTAL	8,998.42	69,301.98	78,300.50

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2022

₹ in Lakhs

	< 1 Year	1-8 Years	Total
Borrowing	7,618.47	69,486.25	77,104.72
Trade Payables	546.25	-	546.25
Other Financial Liabilities	499.88	1,858.31	2,358.19
TOTAL	8,664.60	71,344.56	80,009.16

₹ in Lakhs

CWIP ageing schedule	Amount in CWIP for a period of:					Total
	< 6 months	6 months – 1 year	1 – 2 years	2 – 3 years	> 3 years	
As at March 31, 2023						
Projects in Progress	42.02	-	-	-	79,578.56	79,620.58
Projects temporarily suspended ¹	-	-	-	-	-	-
TOTAL	42.02	-	-	-	79,578.56	79,620.58
As at March 31, 2022						
Projects in Progress	396.62	0.69	0.42	3.11	16.32	918.08
Projects temporarily suspended ¹	139.37	34.55	6,218.20	12,576.26	60,726.65	78,776.95
TOTAL	139.37	34.55	6,218.20	12,576.26	60,726.65	79,695.02

Footnote

- The construction of the Mega Greenfield Expansion project undertaken by the Company has been temporarily kept on hold predominantly due to failure of Lenders in fulfilling their committed lending obligations. Also, the Management has taken several actions like (i) reduction in unit operating costs (ii) increasing liquidity by making its operations more efficient and nimble (iii) putting on hold discretionary expenses and (iv) deferring certain capital expenditures, etc.

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 2022-23, the CSR provisions were not applicable, since the Company did not meet the criteria as stipulated u/s. 135(1) of the Companies Act, 2013.

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, 2023 forms an integral part of the financial statements of the Company.

30.21. The Operations of the Company were severely impacted materially due to Covid-19 pandemic and its resurgence during previous years. However, the Company continued to incur committed expenditure with respect to its Employees, Plant & Other related expenditures. While the pandemic situation, Russia-Ukraine conflict and now the economic landscape cross the world and more particularly in US and European countries has adversely affected the economy at large, the chemical industry has also been affected in segments. This has significantly impacted Company's profitability. The Management is evaluating all the possible effects resulting from such situation in relation to the carrying amounts of Trade receivables, Inventories, its assets comprising Property, Plant and Equipment, Intangible assets, Financial assets but has not yet concluded on adjustments required to be made to the carrying values of such assets as at March 31, 2023, accordingly, the management has not accounted for any Impairment/Write-off on account of Loss of certain receivables of the company and certain Non-current liabilities, under exceptional item. The same however are not affecting continuing operations. The impact assessment is a continuing process given the uncertainties associated with its nature and duration. In developing such assumptions and estimates relating to the uncertainties in relation to the recoverable amounts of these assets, the management is using internal and external sources of information to the extent available. The Impact of the same may be evident at a future date, however the same may not affect continuing operations.

Several actions have been taken by the Company Management to mitigate the effects of Covid-19, Russia-Ukraine conflict & Challenging economic Landscape on Company's business by reducing unit costs and increasing liquidity by making operations more efficient and nimbler, putting on hold discretionary expenses, deferring certain capital expenditures, etc. In order to sustain operations, actions to cut employee costs through pay cuts, leave without pay and reduction in workforce have also been taken during the period under review. The Management continues to carry out the impact assessment on Company's 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.

30.23. Other Statutory Information

- (i) There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (ii) The Company has not been declared a wilful defaulter by any bank or financial institution.
- (iii) The Company has not identified any transaction with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 and has no balances outstanding from struck of Companies.
- (iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (v) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vi) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities(Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

- (viii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (ix) Title deeds of all the Immovable Property are held in name of the Company.
- (x) The Code on Social Security, 2020 and Code of wages, 2019 relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Codes have been published in the Gazette of India. However, the date on which the Codes will come into effect has not been notified. The Company will assess the impact of the Codes when it comes into effect and will record any related impact in the period the Codes become effective.
- (xi) Pursuant to the Settlement Agreement and Civil Appeal filed by the Promoter in Hon'ble Supreme Court in context to initiation of Corporate Insolvency Resolution Process ('CIRP') u/s 7 of the IBC, 2016, by SC Credit Fund, SC India Manager Private Limited and Beacon Trusteeship Limited (acting for and behalf of SC Credit Fund) (collectively, "Counter parties"), the Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench, had vide its order dated 18th April, 2023 favourably adjudicated and allowed the application filed under Section 12A of the I&B Code, 2016 seeking withdrawal of the petition admitted u/s. 7 of the I&B Code against our Company. Accordingly, the CIRP proceedings against our Company stands withdrawn.
- (xii) One of the Lenders of the Company has filed a fresh application for initiation of Corporate Insolvency Resolution Process ('CIRP') u/s 7 of the IBC, 2016 with a view to protect their interest. The Company has contested and continues to defend such action by the Lender. Meanwhile the Company also continued to engage with the lender with a view to arrive at a resolution.

As per our report attached

For **A A Mohare & Co.**

Chartered Accountants

Firm Registration No.: 0114152W

CA Amit Mohare

Partner

Membership No. 148601

Mumbai, May 30, 2023

For and on behalf of Board of Directors

Ashok G Rajani

Chairman & Managing Director

DIN: 01839535

Amrit Rajani

Chief Financial Officer

Amit C Pandya

Independent Director

DIN: 08878579

Manisha Solanki

Company Secretary

SEYA INDUSTRIES LTD

CIN: L99999MH1990PLC058499

Registered Office: T-14, MIDC, Tarapur, Boisar, Dist. Palghar- 401506

✉ : info@seya.in, 🌐: www.seya.in

ATTENDANCE SLIP

33rd Annual General Meeting on Saturday, September 30, 2023, at 11:00 a.m.
at T-14, MIDC, Tarapur Industrial Area, Boisar (West), Palghar- 401506

Folio No.	DP ID No.	Client ID No.
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I / We hereby record my/our presence at the THIRTY THIRD ANNUAL GENERAL MEETING of the Company at T-14, MIDC, Tarapur Industrial Area, Boisar (West), Palghar- 401506, at 11:00 a.m. on Saturday, September 30, 2023.

Name of the Member: _____ Signature _____

Name of the Proxy holder: _____ Signature _____

Notes: 1. Only Member /Proxy holder can attend the Meeting.

2. Please complete the Folio No. / DP ID No. / Client ID No. and name of the Member/Proxy holder sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.

3. A Member/Proxy holder should bring copy of the Annual Report for reference at the meeting.

SEYA INDUSTRIES LTD

CIN: L99999MH1990PLC058499

Registered Office: T-14, MIDC, Tarapur, Boisar, Dist. Palghar - 401506

✉ : info@seya.in, 🌐: www.seya.in

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s): _____

Registered Address: _____

E-mail ID: _____ Folio No./Client ID No.: _____ DP ID No. _____

I / We, being the Member (s) of _____ shares of the Seya Industries Ltd, hereby appoint:

1. Name: _____ E-mail ID: _____

Address: _____

_____ Signature _____ or failing him/her;

2. Name: _____ E-mail ID: _____

Address: _____

_____ Signature _____ or failing him/her;

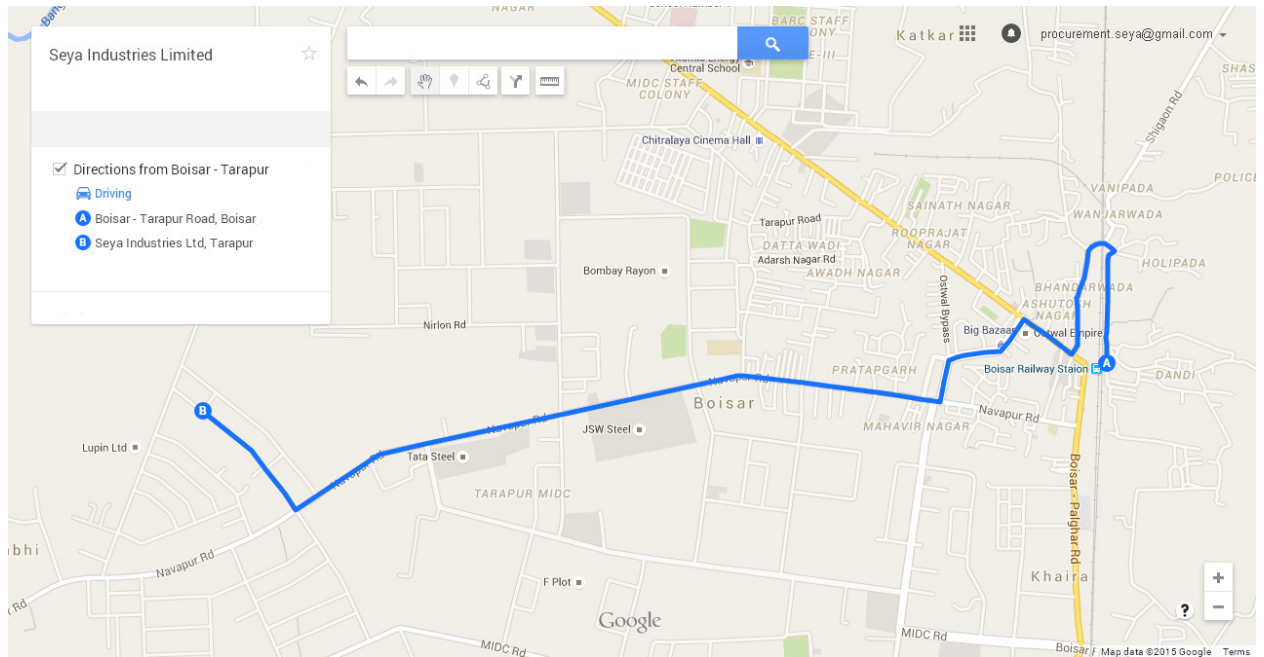
3. Name: _____ E-mail ID: _____

Address: _____

_____ Signature _____

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Saturday, September 30, 2023 at 11:00 a.m. at T-14, MIDC, Tarapur, Boisar, Palghar - 401506 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

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 *
Ordinary Business		
1. Receive, Consider and adopt Audited Financial Statements of the Company for the financial year ended on March 31, 2023, together with Reports of Board of Directors and Auditors thereon		
2. Re-Appointment of Mr. Siva Prasad Rao Buddi (DIN: 08891339) who retires by rotation		
3. Appoint Statutory Auditors and fix their remuneration		
Special Business		
4. Ratification of Remuneration to be paid to Cost Auditor for FY 2023-24		
5. Re-appointment of Mr. Ashok G Rajani (DIN: 01839535) as Managing Director of the Company		

Signed this _____ day of _____ 2023

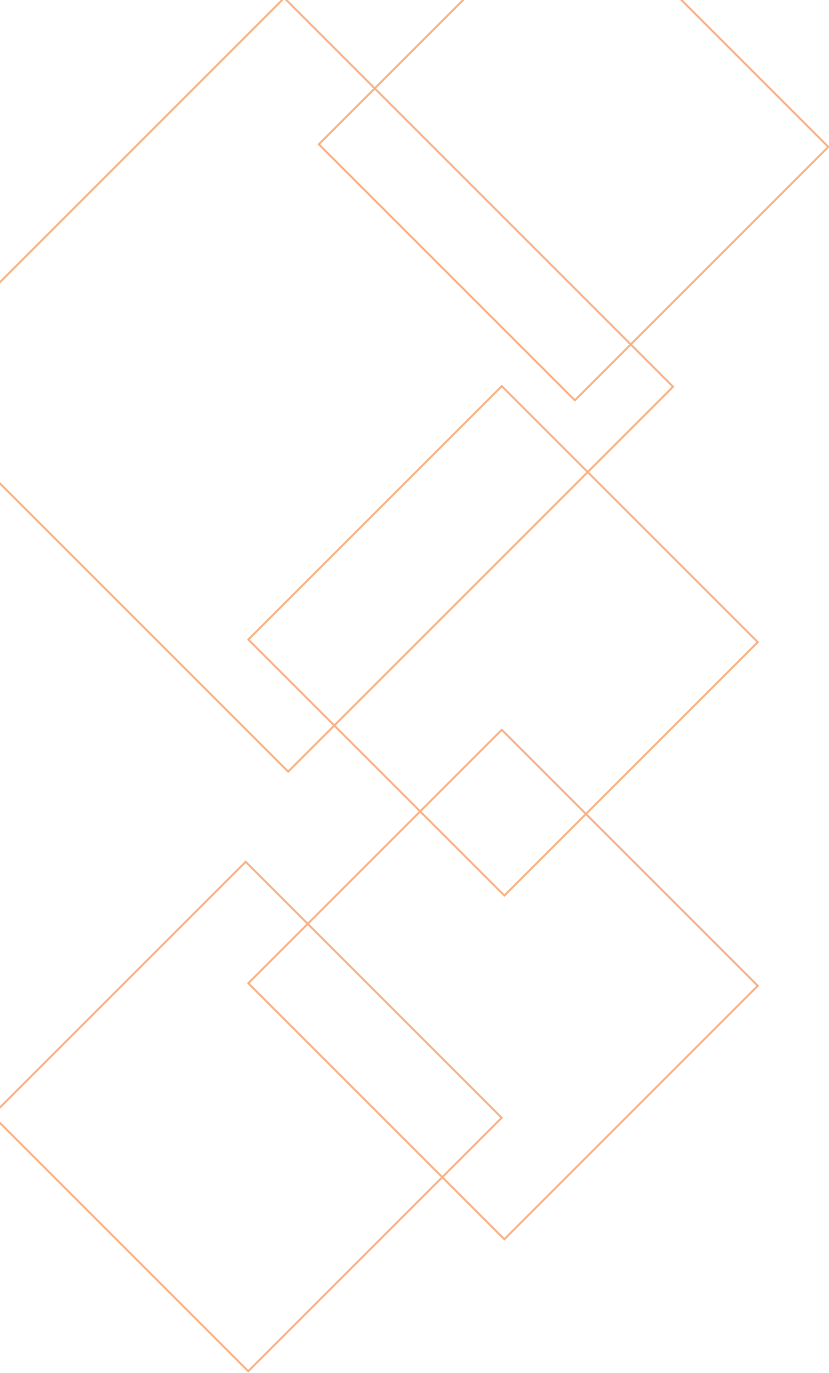
Signature of Shareholder: _____

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.



Registered Office:

T-14 MIDC, Tarapur,
Boisar, Palghar - 401506, Maharashtra.
CIN: L99999MH1990PLC058499
BSE: 524324 | NSE: SEYAIND