

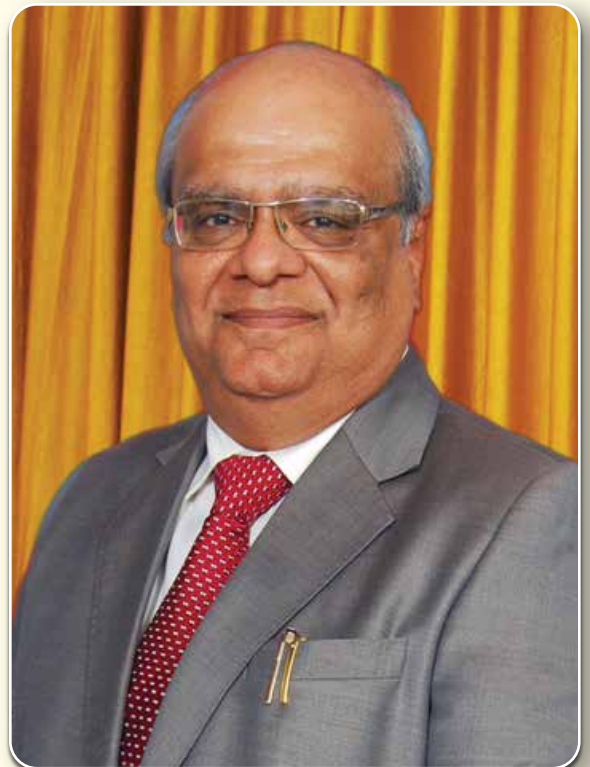


**SEYA**  
**INDUSTRIES LTD.**



*"Do not go where the path may lead, go instead where there is no path and leave a trail. Don't give up the beginning is always the hardest"*

*- Late Shri Ghanshyamdas R Rajani*



*"We are what we repeatedly do.  
Excellence, then, is not an act,  
but a habit "*

*- Shri Ashok Ghanshyamdas Rajani  
Chairman & Managing Director*

# CHAIRMAN'S

## LETTER

*Dear Valued Shareholders,*

It gives me immense pleasure to welcome you to the 24<sup>th</sup> Annual General Meeting of your Company.

I am sure you must be sharing my sense of satisfaction on robust growth of your Company. This performance is even more heartening given the challenging environment in the global economy and the slow down in India, despite which our business grew well ahead of its own competition of last year.

The global economic situation showed signs of strengthening, with US economy speeding up and the environment in the Eurozone showing early signs of improvement. GDP growth in China and India were low as compared to the high growth rates in the past. However, both these economies continue to hold a great promise for leading global growth in future.

---

***As the new government has come with a clear mandate from Indian Populace, driving the country forward in a pragmatic and transparent way, there are good signs as we move into the fiscal 2014–15. As per International rating agency "Fitch", India's economic growth will accelerate to 5.5% in F.Y. 2014-15 and 6.5% in FY16.***

---

The priority of new government will be to restore the pace of economic growth and curb inflation while keeping the focus on fiscal consolidation.

Our prime minister has rightly put focus on 3S: Skill, Scale and Speed. The combination of the three will unleash the employment potential in the industry in years to come.

### **Chemical Industry**

The chemical industry is critical for the economic development of any country, providing products and enabling technical solutions in virtually all sectors of the economy.

With Asia's growing contribution to the global chemical industry, India emerges as one of the focus destinations for chemical companies worldwide. With the current size of approximately \$108 bn, the Indian chemical industry accounts for less than 3% of the global chemical industry.

The Indian chemicals industry, which earned revenues in the range of \$ 155-160 bn in 2013-14, is likely to grow at a rate of 11-12% in the next two to three years. Owing to reduced industrial output, commodity and bulk chemicals are likely to experience slow growth, while the specialty chemicals segment is expected to show considerable growth.

The specialty chemicals sector is characterised by requirements for high-value products, high-volume requirements with expanding customer base, a product-driven market, and addition of new participants at various levels of the value chain. Overall, the market is likely to grow at a Compound Annual Growth Rate (CAGR) of 13-14%.

Indian specialty chemicals market is currently valued at approximately US\$23 bn and has shown a strong growth at 14% per annum over the last 5 years. While the growth rate is encouraging due to small base, the consumption and overall penetration levels of specialty chemicals and additives are still very low in India. With increasing consumption and high growth in end use industries several specialty chemicals would see a point of inflection in next 3-7 years. Studied estimates show that Indian specialty chemicals market has the potential to reach US\$60-70 bn by 2020. The success of this sector, however, will depend on how well it's key challenges are addressed such as high dependence on imports, small installed capacities, low focus on technology up-gradation and the availability of vocationally trained manpower. The sector with linkage to knowledge based initiatives, in which India has a natural advantage, coupled with the fast surging domestic demand, has potential of making the country a global manufacturing hub of quality specialty chemicals.

---

***The scenario for the future shows that with current initiatives of industry & government, the Indian chemical industry could grow at 11% p.a. to reach size of \$224 bn by 2017. However, the industry could aspire to grow much more and its growth potential is limited only by its aspirations.***

---

In such an optimistic scenario, high end-use demand, based on increasing per capita consumption, improved export competitiveness and resultant growth impact for each sub-sector of the chemical industry could lead to an overall growth rate of over 15% p.a. and a size of \$290 bn by 2017 (below 6% of global industry). This has a potential for further upside in the future considering India's increasing competitiveness in manufacturing.

Product customisation and understanding of unique customer needs has been one of the key success levers for the Indian chemical industry. In terms of production value, the specialty chemicals sector forms about 18-20% of the total chemical production in India.

Though increasing regulatory requirements and raw material price fluctuations have posed challenges for manufacturers, exports have been increasing at a rate of 8-9%. The growth is likely to continue due to a good and established customer base for specialty and niche products.

### **Your Company's progress**

In my last year's speech I have mentioned that "Unless commitment is made, there are only promises and hopes... but no plans. Success results from implementing these plans born from commitment".

It gives me pride that we stood at our commitment recording our highest performance growth in history in spite of highly volatile and uncertain global economic environment achieving a glorious result from our plan despite the enormous hardships and challenges.

---

***Your Company has already laid a firm foundation to propel its march towards achieving a higher growth rate than the national average. The net Total Income for the year increased by from ₹5,470 Lakhs to ₹13,285 Lakhs. Profit before Depreciation, Amortization and Tax increased from ₹579 Lakhs to ₹1,475 Lakhs. Profit before Tax increased to ₹588 Lakhs as compared from ₹225 Lakhs (YOY) and Profit after Tax increased to ₹336 Lakhs from ₹182 Lakhs (YOY).***

---

Our clients are one of our most important stakeholders and we strive to be consistently relevant to their business needs.

Our vendor partners constitute another important stakeholder group. We manage our supply chain responsibly and work with our suppliers to achieve business efficiencies.

Our biggest assets are our employees. I am delighted and heartened by their continuing diligent hard work, passion, commitment to excellence and having brought the Company to this promising level thereby differentiating ourselves in the marketplace and in realization of our aspirations.

Our bankers, our investors, and business associates and above all our shareholders have continued to repose their faith in the Company and we are encouraged by their

unstinting support. The success of the last year belongs to each of them as well.

---

***Although we exceeded our initial guidance and feel encouraged as our growth rate doubled, we believe that the results are below the benchmarks that we set for ourselves. To be on the path of industry-leading performance, we have embarked on three strategic initiatives — to increase sales effectiveness, to improve our delivery efficiency and to enhance our cost competitiveness.***

---

### **Looking ahead ....**

Your Company has embarked on forward and backward integration, which is a major strategic move. As committed last year, the project work for downstream products is completed. Commercial production is also started. Your Company has generated majority of (almost 71%) the total revenue, from its downstream products.

With wind in our sails I feel buoyant of achieving our targets of being a leader in our industry and highest quality downstream products manufacturer in the near future. It is my strong belief that with this type of performance, your Company will definitely achieve its visions and be the market leader in specialty chemicals sectors in years to come.

### **Conclusion**

As we move towards new horizons, I draw strength from Team **SEYA** and from their dedication to take your Company to even greater glory in the coming years.

Before I conclude, I would like to extend my thanks to Team **SEYA**, Customers, Vendors and other Stakeholders, without whom our continued growth momentum would not have been possible. I would also like to thank my fellow Board Members for their unstinted support and encouragement.

Yours sincerely,

ASHOK G RAJANI

# SEYA AT A GLANCE

## BOARD OF DIRECTORS

### Mr. Ashok G Rajani

Chairman & Managing Director

### Mr. Asit Kumar Bhowmik

Executive Director

### Mr. Virendra Singh Khurana

Independent Director

## COMPANY SECRETARY & COMPLIANCE OFFICER

CS Manisha Solanki

## STATUTORY AUDITORS

M/s. Jagiwal and Co.

Chartered Accountants, Mumbai

## PRIMARY BANKERS

Bank of Baroda

Central Bank of India

## SOLICITORS

S. K. Srivastava & Co.

Ashok M Saraogi

## REGISTERED OFFICE & WORKS

T-14, MIDC, Tarapur, Boisar,

Dist. Thane – 401 506

## CORPORATE OFFICE

502, Ghanshyam Chamber,

B-12, Off Link Road, Andheri (West), Mumbai – 400053

☎ 022-26732898 / 94 | ☎ 022-66779569

✉ info@seyain, 🌐 www.seyain

## REGISTRAR & SHARE TRANSFER AGENT

Universal Capital Securities Private Limited

21, Shakti Niwas, Opp. Satya Saibaba Temple,

Mahakali Caves Road, Andheri (East),

Mumbai – 400093

☎ 022-28207203 / 05 | ☎ 022-28207207

✉ info@unisec.in

## ACROSS THIS REPORT

Financial Highlights	4
Management Discussion and Analysis Report	5
Director's Report	11
Corporate Governance Report	18
Independent Auditor's Report	24
Balance Sheet	27
Statement of Profit and Loss	28
Cash Flow Statement	29
Notes to Financial Statements	30
Notice	46

## AGM

Saturday, September 27, 2014 at 11:00 a.m.

## VENUE

T-14, MIDC, Tarapur, Boisar, Thane – 401506

## BOOK CLOSURE

September 25, 2014 to September 27, 2014

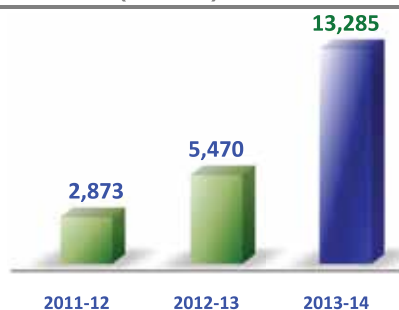
**FORWARD-LOOKING STATEMENTS:** Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have 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 known 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 results of new information, future events or otherwise.



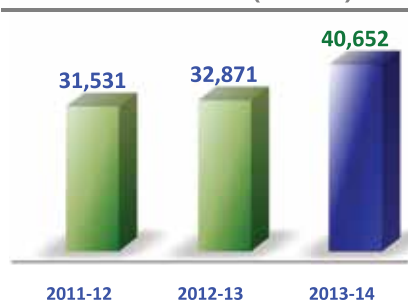
# FINANCIAL

## HIGHLIGHTS

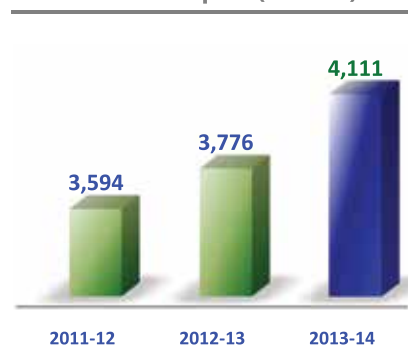
Turnover (₹ Lakhs)



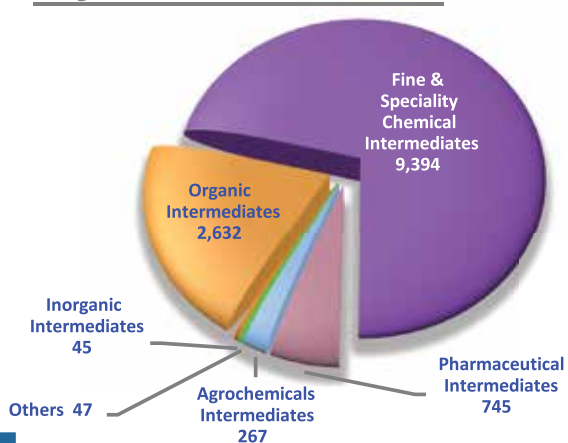
Fixed Assets - Gross (₹ Lakhs)



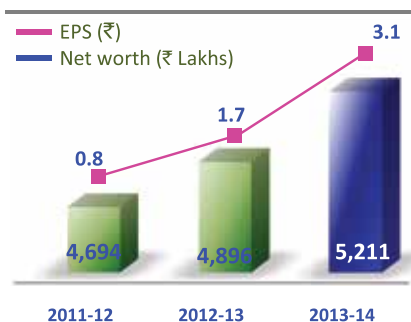
Reserves & Surplus (₹ Lakhs)



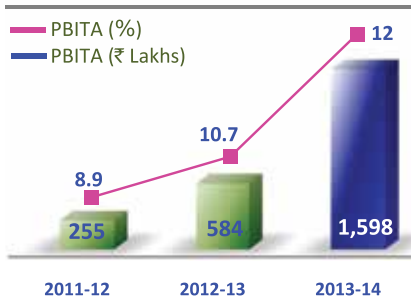
Segment Revenue (₹ Lakhs)



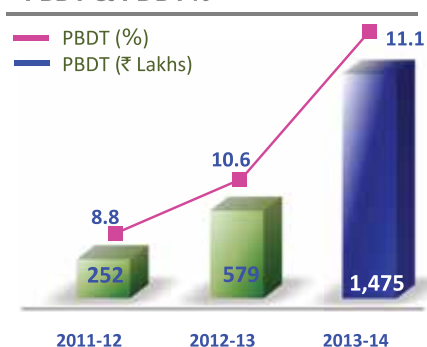
Net worth & EPS



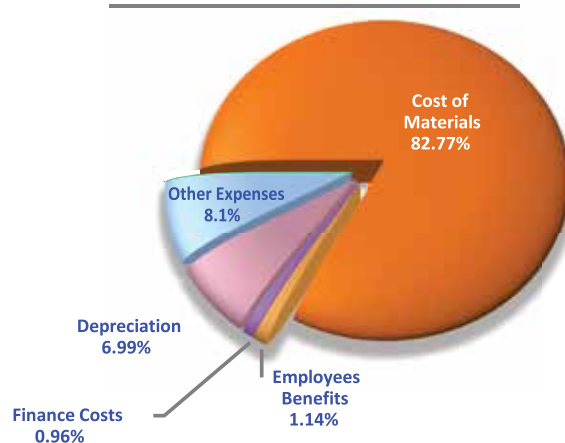
PBITA & PBITA %



PBDT & PBDT %



Distribution of Costs(%)



### ECONOMY AND BUSINESS ENVIRONMENT

#### Global

The world economy is expected to grow by 3.6% in 2014. Both advanced and emerging economies are expected to record higher growth in 2014. The key to the revival in advanced economies is the upturn in the domestic economies of the US and the UK that are projected to grow by 2.8% and 2.9%, respectively, in 2014. Global economic activity has improved over the last year.



The euro zone has emerged from recession although the picture there is still mixed. China's slowdown in growth rate looks to be moderating and US economic data continues to show a strengthening recovery. With expectations for global economic growth, corporate earnings and credit availability improving, over the longer term, globalization, demographic shifts and technology will continue to drive economic growth.

With improving economic conditions, growth in chemical volumes globally is likely to improve to 3.8% in 2014. According to the American Chemistry Council (ACC), Asia Pacific (including India), Middle East, and Africa will lead this growth. Due to the competitive advantages accruing from shale gas development, North America will also witness slow but steady growth. Strengthening production volumes is likely to improve capacity utilization in 2014.

#### Domestic

As per the Central Statistical Organisation, India's GDP grew by 4.7% in FY 2013-14 compared to 4.5% in FY 2012-13. Estimates indicate a GDP growth in FY 2014-15 in the range of 5-5.5%. The new Government elected in May 2014 is expected to lead to a surge in investor confidence and a subsequent revival of the economy in the second half of FY 2014-15. The new Government has indicated that its top priority would be to get the economy back to a high growth trajectory and also to control the current

inflationary trend. While this will undoubtedly require the introduction of certain fiscal disciplinary measures, the areas that are expected to receive urgent attention include irrigation and agricultural productivity, manufacturing and exports. India is the tenth largest economy based on GDP at current prices and is the third largest in terms of GDP based on Purchasing Power Parity. Our country which has been consistently rated among the world's top three investment destinations by international bodies is now the world's most attractive investment destination. With the opening up of foreign direct investment (FDI) in several sectors, India is today an eye-catching destination for overseas investors.



A clear directive in the recently held parliament election, the new government in India is expected to implement wide ranging economic reforms without many of the impediments faced by the previous government. This same sentiment is reflected with the optimism on the stock exchange and the rupee that has already strengthened against the US dollar and other currencies. The relaxation of norms by the government has created a vast opportunity for foreign players, who are competing for a greater role in the Indian market. Sectors projected to do well in the coming years include automotive, technology, life sciences, specialty chemicals and consumer products.

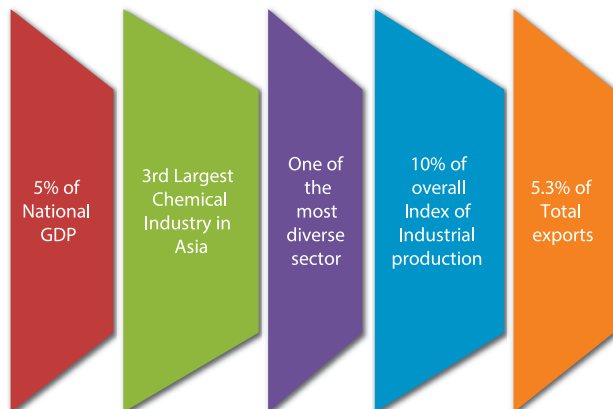
Improved consumerism; modern retailing; rising literacy, backed by government spending on education; and the growing use of documentation is expected to sustain demand for writing and printing paper which in turn will increase demand for chemicals. Outbound shipments have grown on the back of high-value engineering goods, drugs and pharmaceuticals, specialty chemicals and textile products. Pharma rose 10.4% to touch US\$1.3 bn. The recent clearance of a number of stalled projects has boosted the present economic growth. Moderate improvement in the global economic activity is expected to bolster the export demand.

## INDUSTRY STRUCTURE AND RECENT DEVELOPMENTS

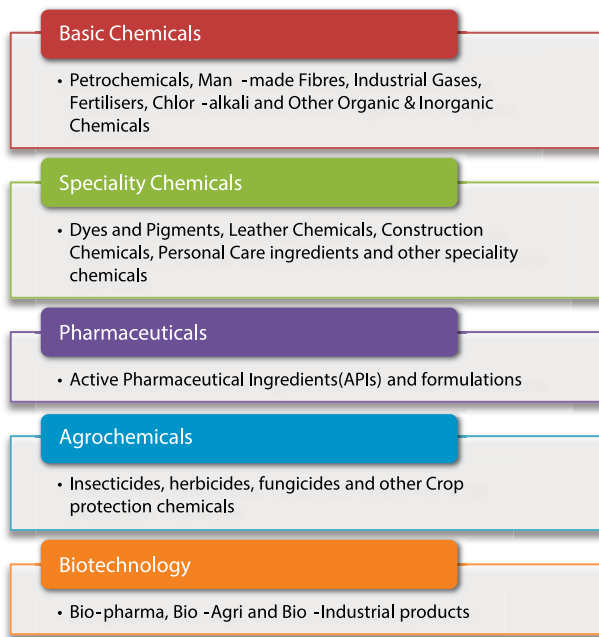
The Chemical Industry is one of the oldest industries in India. It not only plays a crucial role in meeting the daily needs of the common man, but also contributes significantly towards industrial and economic growth of nation. It is one of the most diversified of all industrial sectors covering thousands of commercial products. This Industry occupies a pivotal position in meeting basic needs and improving quality of life. The industry is the main stay of industrial and agricultural development of the country and provides building blocks for several downstream industries.

The Chemical Industry has in past traditionally grown in the developed countries of the west. However, changing market dynamics over the last 10 years has resulted in global chemical production moving increasingly to Asia from the west. This trend is likely to continue in the future as growth in the chemical industry in Asia unfolds.

The growth story for the Indian chemical industry remains intact. India's chemical industry has come a long way, growing from US\$28 bn in FY 2003 to US\$42 bn in FY2009. The industry has bounced back strongly, after the downturn of 2008-09, and is growing at about 11.5%. At present, the Indian chemical industry is the second largest producer in Asia in terms of volume after China. India produces approximately US\$136 bn worth of chemicals, which accounts for 5% of the global chemical industry while the domestic chemical industry's exports account for about 13% of the nation's total exports. The domestic industry comprises of both large and small scale units. Being a capital intensive industry, they have longer gestation periods, yet there has been significant capacity addition within the industry and players have started focusing on higher R&D investments. India has a strong outlook for key end-user industries and the demand for chemical products is expected to grow at a robust 8-9% over the next five years.



Indian chemical industry could grow at 15% p.a. to reach size of \$ 290 bn by 2017. The Chemical Industry in India is a key constituent of Indian economy, accounting for about 7% of the GDP. The Indian Chemicals Industry could be broadly classified in to the following segments:



Certain sectors of India's chemical industry such as agricultural chemicals and Speciality chemicals are likely to grow strongly in FY 2014-15. The agrochemical industry is expected to grow at 8% to about US\$3.2 bn by FY 2017-18. The key drivers of this growth are increasing demand for food grains, limited farmland availability, low productivity, growth of horticulture and floriculture, increasing exports, patent expiry, availability of credit facilities, improvement in rural infrastructure and greater awareness and implementation of Information Technology. The industry's exports are also expected to grow by 15% to US\$5.8 bn by FY 2016-17.

Specialty chemicals, a segment with higher than average overall chemical industry growth rate and by definition closer to the customer industries like automotive, construction and others, are a key contributor to this changing global scenario.

The specialty chemicals sector is characterized by the need for high-value products, high-volume requirements with expanding customer base, a product-driven market and addition of new participants at various levels of the value chain. Specialty chemicals market has expanded at a CAGR of about 12% over FY07-11; the figure is expected to rise to 13% over the next three years to reach US\$45 bn by FY17. The huge potential of domestic demand and low per capita consumption in each of its industry segments compared to world average provide a strong potential for overall performance.

The global colourant industry, which comprises dyes,



pigments and intermediates, is estimated to be about US\$27 bn. It has been growing at 2-3% annually since FY 2002-03. India forms about 14% of this market with approximately 65% of its products from this segment exported in the FY 2011-12. The domestic segment has been growing at 10% annually over the last five years and its exports have also grown at 14.5% per annum over the last decade. This segment is expected to touch US\$4.6 bn by 2016-17 from US\$2.6 bn in 2011-12.

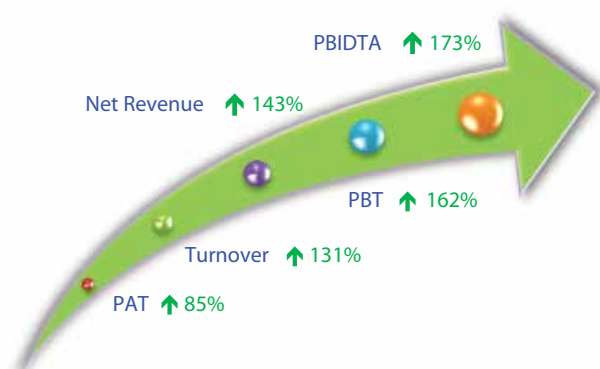
## COMPANY PERFORMANCE

Your Company has demonstrated the highest performance in its history inspite of highly volatile and uncertain economic environment in FY 2013-14. Your Company has achieved record growth in profit after tax (**PAT**) of 84.67% which is highest PAT, the Company has ever achieved.

During the Financial Year (FY) in retrospect, your Company clocked record sales of **₹13,718 Lakhs** demonstrating solid triple digit growth of **131.36%** as against ₹5,929 Lakhs (YOY). The Net Revenue for the period under review increased to **₹13,285 Lakhs** as compared to ₹5,470 Lakhs (YOY) posing a growth of **142.86%**

Profit Before Interest, Depreciation, Tax and amortization (**PBIDTA**) was up by **173.49%** from ₹584 Lakhs to ₹1,598 Lakhs

On a like-for-like basis, Profit before Tax (**PBT**) was at **₹587.94 Lakhs**, higher by **161.84%**, as compared to ₹224.54 Lakhs (YOY), clearly validating strong growth across all business segments



**Raw material cost** stood at **₹10,509 Lakhs** compared to ₹4,026 Lakhs, an increase of **161.03%** over last year mainly due to increased volumes. Raw material prices remained stable as moderate global demand and balanced Rupee against the dollar during the year thereby containing fluctuation in prices.

**Employee Benefit Expenses** increased to **₹145 Lakhs** from ₹117 Lakhs (YOY) due to induction of new employees for Forward Integration Products Production Plants which was commissioned during the year.

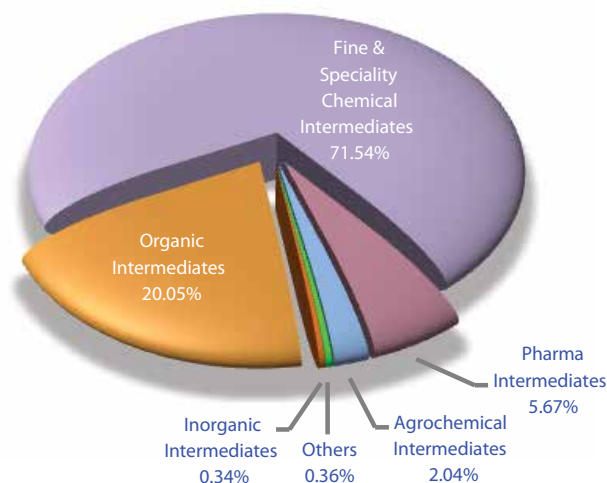
**Finance cost** was higher at **₹122 Lakhs** due to post commissioning interest cost against Long Term Loan and Short Term Working Capital Loan availed from Banks & Institutions for Forward Integration Products Production Plants which were commissioned during the year under review.

**Depreciation and Amortisation Expenses** increased to **₹888 Lakhs** from ₹354 Lakhs (YOY) due to post commissioning Depreciation expense of Forward Integration Products Production Plants which was commissioned during the year.

Your Company has delivered strong and consistent record of revenue and profit growth yet again, demonstrating resilience in the current uncertain environment

## SEGMENT-WISE PERFORMANCE

For better understanding of Company's business, the Company has classified its business segments based on the respective end use of its products into Inorganic, Organic, Fine & Speciality, Pharmaceuticals & Agrochemical Intermediates, which does not have any financial impact and for which necessary Segment wise statement has been shown as per Accounting Standard-17(AS-17) in the Notes forming part of Financial Statements which from an Integral part of this Annual Report.



### Inorganic Intermediates

Revenues from the Inorganic Intermediates segment end-users stood at ₹45 Lakhs for FY 2013-14 compared to ₹27 Lakhs for FY 2012-13. This segment contributed 0.34% of total revenue during the year. The Inorganic Intermediates segment grew by 68% during the year due to higher off-take and demand in the sector.

### Organic Intermediates

Revenues for Organic Intermediates segment end-users stood at ₹2,632 Lakhs for FY 2013-14 compared to ₹2,303 Lakhs for FY 2012-13. This segment contributed 20% of

total revenue during the current year. Expansion in margins was supplemented by higher efficiencies due to higher operating capacities, consolidation in prices of some key raw materials and improved realisations. The Organic Intermediates segment demonstrated momentum in performance as several key products continued to benefit from increased demand.

### Fine & Speciality Chemicals

Revenues from Fine & Speciality Chemicals segment end-users stood at ₹9,394 Lakhs in FY 2013-14 compared to ₹1,127 Lakhs in FY 2012-13. This segment contributed 72% of total revenue during the year. The Fine & Speciality Chemicals Intermediates segment demonstrated highest momentum in performance as several end-user segments continued to benefit from increased demand thereby enforcing the bright future prospectus for this segment.

### Pharmaceuticals Intermediates

Revenues from Pharmaceuticals Intermediates segment end-users stood at ₹745 Lakhs in FY 2013-14 compared to ₹680 Lakhs in FY 2012-13. This segment contributed 6% of total revenue during the year.

### Agrochemical Intermediates

Revenues from the Agrochemicals Intermediates segment end-users were low at ₹267 Lakhs in FY 2013-14 compared to ₹1,093 Lakhs in FY 2012-13. This segment contributed 2% of total revenue during the year. The lower revenues are due conscious view of limiting credit exposure to this segment end-user, taken by your Company since it warrants high credit cycle leading to higher short term working capital borrowing interest cost against such segment end-users.

### Others

Revenues from this segment were low at ₹47 Lakhs in FY 2013-14 compared to ₹192 Lakhs in FY 2012-13 due to higher priority being given by your Company to the Fine & Speciality Chemicals segment end-users.

Your Company demonstrated its versatility, adaptability and dynamism by focusing on Fine & Specialty Chemical segment end-users with higher profitability, higher volumes, stable and increasing demand thereby remarkably increasing the Top line and Bottom line growth of your Company

### GROWTH STRATEGY

Your Company is transforming from being a leader in the Manufacture of Organic Chemical Intermediates to emerging as a force-to-reckon in the Fine & Speciality Chemicals segment. The last few years have witnessed an increased emphasis on the twin themes of turnaround and transformation. Your Company is focused on turning around parts of its Organic Chemicals business.

Your Company is focused to address cost issues of raw materials and high energy costs to improve the overall health of the business. These initiatives are expected to result in a reduction in energy and fixed costs, better cash flows and debt reduction, all of which should result in long-term value creation for its stakeholders. The focus of your Company's continues to be cash generation through operational excellence; thereby realizing the synergies of being a fully integrated facility. Your Company has made a good start by driving efficiencies and effectiveness and transitioning to value-added products.

Your Company aims to further strengthen consumer connect and trust through its initiatives in digital and social media

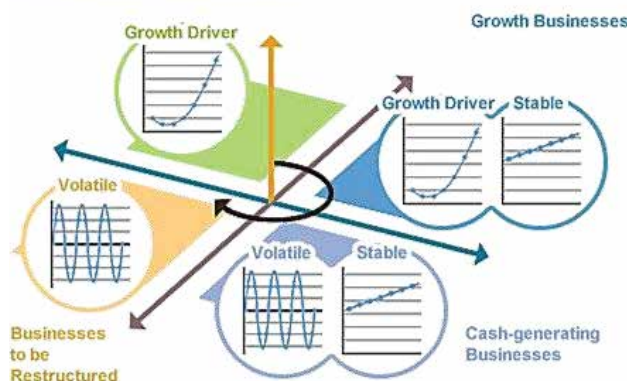
Outcome of Your Company's continued focus and investments in technology will continue to be the driver for growth through differentiated products and offerings, many of which are already in the pipeline.



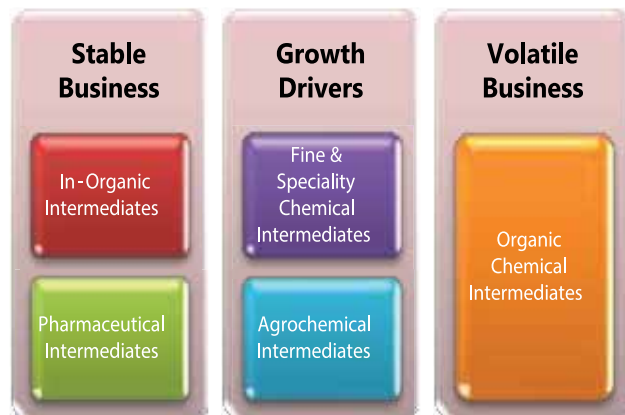
In addition to the above four-quadrant 'Growth' model, your Company has developed a new method for management, by concentrating investment of management resources (investment & finance, R&D expenses) in Stable and Growth Driver Businesses which are classified as:

- **Stable Businesses:** These are businesses that are relatively unaffected by changes in the market and are expected to provide stable income in the medium-to-long term. Your Company is bolstering profitability by focusing management resources, maintaining and increasing competitive edge, boosting productivity, and expanding operations.

## Next-generation Growth Businesses



- **Growth Driver Businesses:** These are businesses where your Company is targeting strategic sales growth. Your Company is aiming to gain an effective share in new markets with thorough knowledge of the business, effective investment, accelerated R&D, Development and sales expansion in the new fields
- **Volatile Businesses:** These are businesses in which significant volatility due to external factors is unavoidable. Your Company is striving to limit fluctuations and ensure stable profitability by thorough cost-cutting, countermeasures against spread volatility, and readjustment of portfolios  
Your Company has re-aligned its Business segments based on above strategy as:



## OPPORTUNITIES AND THREATS

Inspite of gloomy scenario, Industries are cautiously optimistic about future growth prospects and working towards new products, innovative services, application developments, facilities expansion and most importantly, understanding the changing customer preferences and demands and fostering long term profitable relationship with customers.

The Chemical industry is critical for the economic development of any country, providing products and enabling technical solutions in virtually all sectors of the economy. The Indian chemical industry remains stable in terms of growth but is facing stiff competition on account of entries of new players. Specialty chemicals, which is a focus area of your Company, provide the 'solution' to meet the customer application needs and is a highly knowledge driven industry with raw materials cost much lower than for commodity chemicals.

Going forward, innovation and sustainability initiatives are expected to be major factors for competitiveness. Development of processes / products which eliminate or reduce the use of hazardous substances could become the key priority of producers. Consumers would be expected to pay premium for green chemistry and environmental preservation initiatives. Moreover, stringent regulatory norms could further push the need to innovate cost effective industrial green chemicals.

Your Company has re-assessed its SWOT for clutching the Opportunities and extenuating the Threats:



## OUTLOOK

Factors like robust demand, a large population, dependence on agriculture, and strong export demand are the key growth drivers for the chemical industry.



Per capita consumption of most of the finished products under chemicals sector is far below the world average; this points to the vast potential for growth in the industry. The industry has changed over time to meet the dynamic needs of an emerging economy. Strong economic growth and rise in per-capita income has led to a steady increase in demand for chemicals. There is strong government support towards R&D and by allowing 100% FDI, it would benefit the sector. Thus, there is a strong growth outlook with CAGR of 21% for the Indian chemicals industry. The Indian chemical industry is emerging from a protected environment into highly competitive global market, where demand potential for Fine & Speciality chemicals and knowledge-based chemicals are, in particular, playing a significant role in driving the growth of India's chemical industry.

Emerging markets with fast-growing infrastructures and manufacturing bases are one of the major drivers of global economic growth. Specifically for chemical industries much of the growth is expected to come from the BRIC. It is expected that the market value of chemicals sold in these five nations will increase from 34% of the global market share in 2010 to 42% in 2015. For mid-market chemical companies this trend presents both opportunities and challenges. Till date companies have looked these emerging markets as areas with low operating cost and source of raw materials. However, the current trends are converting these fast growing markets as sources of new revenues.

The demand for specialty chemicals industry is driven by a wide range of end use industries, the domestic market for specialty chemicals is expected to grow strongly, buoyed also by the increased adoption of specialty chemicals and their increased usage in different products categories. Compared to developed markets, current usage of specialty

chemicals in India is very low. With an increased focus on improving products and usage intensity of specialty chemicals, the industry is poised for strong growth in future. The Indian middle-class household is expected to grow five times by 2030, leading to a huge demand for specialty chemicals in automotives, water treatment and construction. Paints coating and construction chemicals, colorants, Active Pharmaceutical Ingredients (APIs), personal care chemicals and flavors & fragrances are the specific segments that are expected to do well in the Indian market. Besides, a number of new applications in each of these sectors will also contribute to growth. The huge potential of domestic demand and low per capita consumption in each of its industry segments compared to world average provide a strong potential for overall performance

Your Company delivered a robust performance during FY 2013-14 reporting strong growth across all business segments with each one delivering double digit growth and the Fine & Speciality chemicals segment delivering a phenomenal triple digit growth. Margins remained strong at promising level. During the year, the established businesses continued to perform well with increased volume and off-take by customers along with stable pricing. The momentum in most of these business lines is healthy and is expected to be sustained. While there was some consolidation in the prices of raw materials, there may be some escalation going forward, given the rupee depreciation as well as a slight firming up in commodity prices.

The recently introduced forward integrated products in the Fine and Speciality chemicals are expected to report good volumes. Increasing utilisation of these newly launched products will further propel volume growth and profitability. Going forward, your Company foresees stronger customer relations, higher efficiencies and robust growth in Fine & Speciality Chemicals end-user segment.

### CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Several factors that could make a difference to the Company's operation include, among others, Economic conditions affecting demand/supply, Price conditions in the Domestic and Overseas Market, Natural Calamities, Climatic Conditions, Changes in Government regulations, tax laws, and other statutes and incidental factors over which your Company does not have any direct control.

# DIRECTOR'S REPORT

## DEAR SHAREHOLDERS,

Your Directors have pleasure in presenting their 24th Annual report together with the Audited statement of accounts for the Year ended 2013-14.

## THE YEAR IN RETROSPECT

Particulars	₹ in Lacs	
	Year ended March 31, 2014	Year ended March 31, 2013
<b>Gross Revenue from Operation</b>	<b>13,779.42</b>	<b>5,947.70</b>
Excise Duty	633.26	507.55
<b>Net Revenue</b>	<b>13,146.16</b>	<b>5,440.15</b>
Income from non-operational activities	131.06	29.88
Employee Benefits Expenses	139.10	118.94
Other Expenses	11,679.48	4,878.68
Finance Cost	122.27	5.58
Depreciation and Amortization	887.52	354.09
<b>Profit / (Loss) Before Tax</b>	<b>587.94</b>	<b>224.54</b>
Tax	252.34	42.82
<b>Profit / (Loss) After Tax</b>	<b>335.60</b>	<b>181.72</b>
Balance Transferred to Balance Sheet	335.60	181.72
<b>Earning Per Share (₹)</b>	<b>3.05</b>	<b>1.65</b>

## FINANCIAL PERFORMANCE

Your Company is primarily engaged in manufacturing of Organic intermediates, Inorganic intermediates, Fine & Speciality Chemical intermediates, Pharmaceutical intermediates, Agrochemical Intermediates. On overall basis, for the year ended on March 31, 2014, we are very pleased to report that your Company has declared record financial performance.

Though the economic environment was volatile and uncertain in F.Y. 2013-14 the Company has demonstrated the highest performance in its history. It has achieved the record growth in profit after tax (PAT) of 84.67% which is highest PAT, the Company has ever achieved. The Company is now ready to achieve the new heights and shine with flying colors.

### The Highlights of the Company's performance is as follows:

During the Financial Year (FY) your Company clocked the sales of **₹13,718 Lakhs** depicting an increase of **131.36%** over previous year FY ₹5,929 Lakhs. The net revenue for the period under review was increased to **₹13,285 Lakhs** as compared to last year of ₹5,470 Lakhs showing a growth of **142.86%**.

Profit Before Interest, Depreciation, Tax and amortization (PBIDTA)

increased from ₹584 Lakhs to **₹1,598 Lakhs** showing a growth of 173.49%

Profit beforeTax (PBT) has shown an increase of **161.84%** from ₹224.54 Lakhs in FY 2012-13 to **₹587.94 Lakhs** in FY 2013-14.

The Company's Profit after Tax (PAT) was increased by **84.67%** to reach at the level of **₹335.60 Lakhs** in FY 2013-14 as compared to ₹188.87 Lakhs in FY 2012-13.

## MANAGEMENT DISCUSSION AND ANALYSIS

As required under Clause 49 of the listing agreement, Management Discussion and Analysis report during the period under review, is attached and form part of this report.

## FIXED DEPOSITS

During the period under review the Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

## DIVIDEND

Considering future Expansion and Development program of the Company, your Directors do not recommend any dividend and propose to retain the profit in Business.

## FINANCE

During the year under review, the Company has raised Rupee Term Loan from Banks on Long Term basis and Working Capital Loan from Banks on Short Term basis, both, for expansion and forward integration projects. All required details pertaining the said Loans are available in the Notes to the Financial Statements forming a part of this Annual Report.



## CAPACITY EXPANSION & NEW PROJECTS

During the Year under review, your Company has successfully completed the forward integration project for establishing 3 (three) new products which will help the Company to penetrate further into the Speciality Chemicals Segments and have a dominant position in the Class of products, for which new facility has been set-up. Your Company shall now be in a position to place itself among the largest manufacturer in the world for the said new products. The new products shall supplement to phoenix up the Top and Bottom line of the Company.

## INTERNAL CONTROL SYSTEMS

The Company has proper and adequate system of Internal Controls. This ensures that all assets are safeguarded and protected against loss from unauthorised use and disposition and those transactions are authorised, recorded and reported correctly.

An extensive program of Internal Audits and management reviews supplements the process of internal control. Properly documented policies, guidelines and procedures are laid down for this purpose. The internal control system has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and maintaining accountability of assets.

The Company has also an Audit and Risk Management Committee comprising of Independent qualified directors who interact with statutory auditors, Internal Auditors, and Cost Auditors in dealing with the matters within the terms of reference. The Committee mainly deals with accounting matters, financial reporting and internal control. During the year under review the Audit & Risk Management Committee met 4 times.

## AUDIT COMMITTEE RECOMMENDATION

During the year under review, there was no such recommendation of the Audit Committee which was not accepted by the Board. Hence the disclosure of the same is not required.

## RISK MANAGEMENT SYSTEMS

Your Company follows a comprehensive system of Risk management and has adopted procedure for risk assessment and its minimisation. It ensures that all risks are timely defined and mitigated in accordance with the Risk Management process. The Audit Committee and Board periodically review the Risk Management process.

## COMPANIES ACT, 2013

During the current FY, the Companies Act, 1956 has been replaced by Companies Act, 2013 (the Act) and became applicable for every Company from April 1, 2014. Your Company has been regular in keeping pace with the fast changes that has become applicable and initiated necessary actions accordingly. Some of the important initiatives are as under:

- a) Modification in terms of Audit Committee

- b) Modification in terms of Nomination and Remuneration Committee
- c) Modification in terms of Stakeholders Relationship Committee
- d) Appointment of Secretarial Auditors
- e) Setting up of Vigil mechanism
- f) Identification of Related parties as per new Act

## CONSOLIDATED FINANCIAL STATEMENTS

There being no subsidiaries, disclosure requirement pursuant to the provisions of Clause 32 of the Listing Agreement entered into with Stock Exchanges is not applicable.

## INFORMATION TECHNOLOGY

The Company's Information technology (IT) infrastructure is continuously reviewed and renewed in line with the development in Technology and its requirements. During the year, the Company has upgraded its servers and connected all Offices and Plant Locations via Leased Lines.

## DIRECTORS

During the period under review there were four Directors on the Board of the Company. They are as follows:

Mr. Ashok G Rajani- Chairman & Managing Director

Mr. Asit Kumar Bhowmik-Director

Mr. Virendra Singh Khurana- Independent Director.

Mr. Ramnath Arora's office became vacant due to his sad demise on March 4, 2014. The Board acknowledges his sincere services provided to the Company.

As per sec 149(4) of the Act, which came into effect from April 1, 2014, every listed public Company is required to have atleast 1/3rd of the total number of Directors as Independent Directors. The Company, in terms of the provisions of Clause 49 of the listing Agreement entered into with Stock Exchanges, already meets the said criteria. The Company has received declaration from the Independent Director of the Company confirming that they met the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the listing Agreement with the Stock Exchanges. Members are requested to refer to the Report on Corporate Governance for the experience, qualification and tenure of the Independent Director. In accordance with the provisions of the Act and Articles of Association of the Company, Mr. Asit Kumar Bhowmik retires by rotation at the ensuing Annual General Meeting of the Company, being eligible, offers himself for re-appointment.

The brief resumes and other details relating to the Director who is proposed to be re-appointed as required to be disclosed under Clause 49 of the Listing agreement, forms part of the Report on Corporate Governance.

Your Directors recommend the re-appointment of Mr. Asit Kumar Bhowmik at the ensuing Annual General Meeting.

## RESERVES

The reserves, at the beginning of the year were ₹3,775 Lakhs and the Reserves at the end of the year are ₹4,111 Lakhs

## PROMOTER GROUP

As required by the Clause 35 of the listing Agreement entered into with Stock Exchanges, your Company periodically discloses its promoter group and persons acting in concert in the shareholding pattern and other filings with the Stock exchanges.

## 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 Company is given as an annexure (form B) of this report.

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

The information required under section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors), Rules, 1988 is annexed hereto as Annexure 'A' and forms part of this Report.

## PARTICULARS OF EMPLOYEE

None of the Company's Employees were covered by the disclosure requirement pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 and rules framed there under, as amended.

## CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, Corporate Governance Report and Auditor's Certificate regarding compliance of conditions of Corporate Governance are enclosed and form an integral part of Annual report.

## STATUTORY AUDITORS

M/s. Jagiwala and Co. (Formerly known as Jagiwala And Associates), Chartered Accountants, Mumbai, Statutory Auditor of the Company, holds office till the conclusion of the ensuing Annual General Meeting and being eligible, are recommended for re-appointment on the terms and conditions recommended by the Audit and Risk Committee to the Board of Directors. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder. It is proposed to appoint M/s. Jagiwala And Co. as the statutory auditors of the Company from the conclusion of forthcoming AGM till the conclusion of 25th AGM. The Company has received letters from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141 (3) (g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

## AUDITOR'S REPORT

The observation of the Auditors in their Report, read with the relevant notes to the accounts for the year under review are self-explanatory and therefore do not require any further explanations.

## COST AUDITORS

The Company had appointed M/s. Hemant Shah & Associates, Cost Accountants as Cost Auditors of the Company to audit the cost accounts related to the Company's products for the 2012-2013. By General Circular No. 8/2012 dated 10th May 2012 issued by the Ministry of Corporate Affairs, Government of India, it has been made mandatory for the Companies to file Cost Audit Reports from FY 2011-12 onwards in XBRL (Extensible Business Reporting Language) format. The due date for filing of the Cost Audit Reports for FY 2012-13 was 30th September, 2013. The Company has filed the Cost Audit Reports with the Ministry of Corporate Affairs within due date. Upon recommendation of the Audit and Risk Committee, the Board had appointed M/s. Hemant Shah & Associates, Cost Accountants as a Cost Auditor of the Company, in accordance with Section 148 of the Companies Act, 2013 for the Financial 2014-15. At the ensuing Annual General Meeting, their appointment and remuneration is proposed to be approved and ratified by shareholders. The Cost Auditors' Report for the financial year 2013-14 will be forwarded to the Central Government in pursuance of the provisions of the Companies Act, 2013 or any enactment thereof.

## 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.

## HUMAN RESOURCES MANAGEMENT

Your Company considers human resources as the main assets of the Company. 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 motives the employee to give their best to the organisation.

## ENVIRONMENT, HEALTH AND SAFETY

Your Company is giving utmost importance to safety, health and environmental related issues. 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 score card which is reviewed at monthly business review meetings. Your Company's continued efforts and improved awareness for EHS has helped your Company to reduce the number of accidents significantly. 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.

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.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that:

- i. In the preparation of the Annual accounts for the financial year ended March 31, 2014, the applicable accounting standards have been followed and that there are no material departures;
- ii. they have in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently wherever mandated and made judgments 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 viz., March 31, 2014 and of the profits of the Company for the year ended on that date;
- iii. 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 of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis.

### GREEN INITIATIVES

Electronic copies of the Annual Report and Notice of the 24th Annual General Meeting are sent to all the Members whose email addresses are registered with the Company for communication purposes. For members who have not registered their email addresses, physical copies of the Notice and Annual Report are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

### COMPLAINTS RELATING TO SEXUAL HARASSMENT

In terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013, it is mandatory to review status of sexual harassment related

complaints in the Annual Report. There were no incidents of sexual harassment reported in the Company. For protection against sexual harassment, your Company has formed an internal complaints committee, to which employees can write their complaints. The Company has a Prevention of Sexual Harassment Policy which has formalised a free and fair enquiry process for dealing with such issues, with clear timelines.

### FUTURE OUTLOOK

The Financial Year 2014 - 15 is expected to be another challenging year. Indications are that the global economy will grow as compared to the previous Financial Year. The domestic demand for Speciality Chemicals continues to be strong. However, the rising input costs on account of inflationary conditions coupled with the adverse foreign currency may keep the Operating Margins under pressure. To mitigate this, your Company aims to closely associate with its Customers and Suppliers complemented by increase Operational and Technical excellence, while pruning the costs. Research and Development will play a bigger role in improving the competitiveness through innovations. Prospects for other segments like Organic, Agrochemicals & Pharmaceuticals – Intermediates are bright. Barring any unforeseen circumstances, the current year's prospects seem to be positive for further growth of your Company and scaling new heights.

### ACKNOWLEDGEMENT

Your Directors wish to express their gratitude and appreciation to all of the Company's employees at all its locations who through their competence, tremendous personal efforts as well as their collective dedication have contributed to the Company's performance.

It is our strong belief that caring for our Business constituents has ensured our success in the past and will do so in future. Your Directors acknowledge with sincere gratitude the co-operation and assistance extended by the Banks, Financial Institutions, Suppliers, Vendors, Customers and all the Central and State Government authorities and all other Business associates.

The Board also takes this opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders.

***"Success should be the Journey and not the Goal"***. With your support and encouragement your Directors are confident that this journey of our success shall continue till infinity.

### For and on behalf of the Board of Directors

#### ASHOK G RAJANI

Chairman & Managing Director

Mumbai, August 14, 2014

**A. CONSERVATION OF ENERGY**

**a) Energy Conservation Measures taken**

- Installation of Captive and Co-generation power plant using specialized boiler whereby the Superheated steam generated at high pressure shall be expanded through the Turbine and then sent to the manufacturing plant as per process requirements
- Installation of Automatic Power Factor Controllers(APFC)
- Installation of Automatic Harmonics Controller(AHC)
- Installation of Variable Frequency Drives(VFD)
- Energy Audit and implementation of recommendations therein
- 100% condensate recycle from the process to the specialized boiler
- Complete utilization of Flash steam
- Installation of state-of-art Energy Management Systems(EMS) to optimize and efficiently manage the generation and utilization of energy
- Installation of Five Star rated Energy Efficient Transformer
- Installation of Energy Efficient Power Bus Ducts

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

- Waste Heat Recovery by Installation of Vapour Absorption Machine(VAM) for generation of Chilling water using Flash and Low Grade Steam
- Installation of state-of-art Hydro-pneumatic system for Energy reduction
- Up-gradation of Batch Nitration system to Continuous Nitration system
- Power trading Open Access Mechanism

- Change of Utility pumps and drives to High Energy Efficient systems
- Installation of Continuous systems replacing Batch systems, wherever possible
- Replacement of existing utility systems with Highly Energy Efficient systems
- Installation of Energy Efficient Plate Heat Exchangers as replacement of conventional Heat Exchangers, 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) are under various stages of implementation 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) Total Energy consumption and Energy consumption per unit of Production**

As per Form – A of this Annexure

**B. TECHNOLOGY ABSORPTION**

Efforts made in technology absorption as per Form - B of this Annexure

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The foreign exchange earnings and outgo were ₹13.92 Lakhs and ₹2.54 Lakhs respectively during the year

**Form A**  
(See Rule2)

Form for disclosure of particulars with respect to conservation of energy

PARTICULARS			Year ended March 31, 2014	Year ended March 31, 2013
<b>A.</b>	<b>Power and Fuel consumption</b>			
1.	Electricity			
a.	Purchase			
i	Unit (000's)	Kwh	2,466.37	1,960.33
ii	Total Amount	₹	19,138,996	15,604,257
Iii	Rate / Unit	₹	7.76	7.96
b.	Own Generation			
i	Unit (000's)	Kwh	NIL	NIL
ii	Total Amount	₹	NIL	NIL
iii	Rate / Unit	₹	NIL	NIL
2.	Coal			
i.	Quantity	Tonnes	5,723.86	4,779.42
ii	Total Amount	₹	33,873,808	27,625,065
iii	Average rate / Tonne	₹	5,918	5,780
3.	Furnace oil			
i	Quantity	K. Ltrs.	NIL	NIL
ii	Total Amount	₹	NIL	NIL
iii	Average rate / Kls.	₹	NIL	NIL
4.	Light Diesel Oil (LDO)			
i	Quantity	K. Ltrs.	NIL	NIL
ii	Total Amount	₹	NIL	NIL
iii	Rate / Kls.	₹	NIL	NIL
<b>B.</b>	<b>Consumption per unit of production *</b>			
	Electricity	-	NIL	NIL
	Coal	-	NIL	NIL
	Furnace Oil	-	NIL	NIL
	LDO	-	NIL	NIL

\* Utilities are also being used for some products which are under trial production, hence it is not possible to calculate exact consumption per unit of production



**FORM – B**

(See Rule 2)

Form for Disclosure of particulars with respect to absorption

**RESEARCH & DEVELOPMENT (R&D)****a) Specific areas in which R&D are carried out by the Company:**

- New Product Development
- Reduction batch cycle time
- Improvement in Quality, Productivity and reduction in cost of Production

**b) Benefits derived as a result of the above R&D:**

- Development of new products
- 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

**c) Future Plan of Action:**

- Continuous Development of new products
- Continuous improvement in Product Quality, Productivity and Reduction in Cost of production
- Technology Innovation
- Reduction in waste generation and energy input

**d) Expenditure on Research & Development:**

In the areas of new products and improvement in existing product capacities

	₹ in Lakhs	
<b>Expenditure on R &amp; D:</b>	<b>2013-14</b>	<b>2012-13</b>
(a) Capital	<b>144.34</b>	23.74
(b) Revenue	-	-
(c) Total	<b>144.34</b>	23.74
(d) Total R&D expenditure as percentage of total turnover	<b>1.10%</b>	0.44%

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION****a) Efforts, in brief, made towards technology absorption, adaptation and innovation:**

- Forward Integration into downstream products with in-house technology
- Continuous endeavour for improvement in Product Quality, Productivity and Reduction in Cost of production
- Increased focus and awareness towards energy conservation through various in-house initiatives

**b) Benefits derived as result of above efforts:**

- Reduction in specific Energy consumption
- Above benefits shall also help to compliance to PAT (Perform, Achieve and Trade) targets
- 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

**c) Information regarding technology imported during last 5 years: NIL****For and on behalf of the Board of Directors****ASHOK G RAJANI**

Chairman &amp; Managing Director

# CORPORATE GOVERNANCE

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

**– Shri Ashok G Rajani**

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

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

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

transparent business practice which is driven by the ideas of pursuing excellence and modern ongoing research, have become a culture of the Company. While adhering to the above, the Company is committed to integrity, accountability, transparency and compliance with laws in all dealings with the Government, Customers, Suppliers, Employees and other stakeholders.

## BOARD OF DIRECTORS ("THE BOARD")

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

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

## Composition

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

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

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

the same time preserving the interest of other stakeholders, its employees, partners, customers, suppliers and the society at large. Though Corporate Governance contains a set of principles, processes and systems to be followed by Directors, Management and all employees of the Company as binding principles. Your Company believes in using it as a framework that is inherent to the value systems that drive business practices. Timely disclosures,

## Note:

1. Mr. Ashok G Rajani is Chairman & Managing Director of the Company
2. Membership / chairmanship of the Committee includes only those of Audit Committee and Stake holder Relationship Committee
3. Mr. Ramnath Arora expired on March 4, 2014

## Appointment and Re-appointment

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

## Board Meetings

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

## Board Procedure

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

## Meetings held

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

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

## Category and Attendance of Directors

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

## Matters required to be placed before the Board

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

- Appointment of Internal Auditor
- Formation / reconstitution of Board Committee
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service share transfer delays etc..
- Terms of reference of committee of Board.
- Appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee.
- Internal Audit findings and external Audit reports.
- Other regular updates are made available to the Board of Directors covering Business Operations, Finance, Sales, Accounts and Compliances and all the other important business issues. The Board spends considerable time in reviewing the actual performance of the Company.

## Code of Conduct

The Board had prescribed the Code of Conduct for Board Members and Senior Management. The code has been circulated to Directors and Management. The Code of Conduct has been posted on Company's website [www.seya.in](http://www.seya.in). All the Board members and Senior Management of the Company as on March 31, 2014 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect is given below:

## DECLARATION BY C.E.O

The Board of Director,  
Seya Industries Ltd

Dear Sir(s),

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the code of conduct for the Directors and Senior Management in respect of the Year ended on March 31, 2014.

Sd/-

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

## AUDIT & RISK MANAGEMENT COMMITTEE

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

## Composition and Attendance:

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

\*He passed away on March 4, 2014

NEID - Non-Executive Independent Director

ED – Executive Director

Mr. Virendra Singh Khurana is chairman of the Committee. All the members of the Committee have wide exposure and possess sound knowledge in the area of accounts, finance, audit, internal controls, etc. The Statutory Auditors, Cost Auditors and Internal Auditors are regularly invited to attend the meeting of the Committee to discuss with the Directors, the Scope of Audit, their comments and recommendation on the accounts, records, risk internal procedures and internal controls of the Company and to discuss the Internal Audit reports. Minutes of the Committee are circulated to all the Directors and discussed at the Board Meeting.

#### Terms of Reference

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

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

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

#### Meetings held

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

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

#### STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

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

#### Terms of Reference

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

#### Meetings held

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

#### Status of Investor Complaints

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

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

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

#### NOMINATION AND REMUNERATION COMMITTEE

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

#### Terms of Reference

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

#### Remuneration Policy

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

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

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

##### b. Non-Executive Directors

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

#### Remuneration Paid (FY – 2013-14)

₹ in lakhs

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

\* Includes perquisites and other allowances

## RISK MANAGEMENT

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

## SUBSIDIARY COMPANIES

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

## DISCLOSURES

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

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

### b. Related Party Transaction

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

### c. Statutory Compliance, Penalties and Strictures

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

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

### d. CEO / CFO Certification

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

### e. Management Discussion and Analysis

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

### f. Whistle blower Policy

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

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

## COMPLIANCES

### I) Mandatory requirements

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

### II) Non-Mandatory requirements

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

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

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

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

## MEANS OF COMMUNICATION

### i. Quarterly results

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

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

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

### ii. Website

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

## SHAREHOLDER INFORMATION

### Company Registration Details

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



## General Meeting Details

The 24th Annual General Meeting (AGM) of the Company will be held on Saturday, September 27, 2014 at 11:00 a.m. at registered office of the Company. The Company convenes the AGM generally within six months of the close of the financial year. The details of the AGM held in last three years are given below:

Year	Date	Time	Special resolution passed
2010-11	29-Sep-11	4:00 p.m.	Two
2011-12	26-Sep-12	3:00 p.m.	Two
2012-13	18-Sep-13	11:00 a.m.	One

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

## Book Closure Period

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

Financial Calendar for the year 2014-15:

Financial Year	:	The next financial year of the Company will end on March 31, 2015
Board Meeting to be held in year 2014-15	:	May 30, 2014, August 14, 2014, November 2014*and February 2015*
Annual General Meeting	:	Annual General Meeting will be held on September 27, 2014. Annual General Meeting is normally held in the month of September every year.

\* Tentative

## Listing

At present, the Equity Shares of the Company are listed on the BSE Ltd. Ahmedabad Stock Exchange Ltd, Delhi Stock Exchange Ltd and Calcutta Stock Exchange Ltd. The Annual Listing fees for the year 2013-14 have been paid to the BSE Limited.

## Stock Codes

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

## Stock Market Data

Not applicable as trading of shares is not re-instated yet. The Company is in process of initiating trading at stock exchange.

## Distribution of Shareholding as on March 31, 2014

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

## Category of Shareholder as on March 31, 2014

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



## Plant Location

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

## Address for Correspondence

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

## Registrar & Transfer Agent

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

M/s Universal Capital Securities Pvt. Ltd

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

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

✉ info@unisec.in

### Share Transfer Process

Shares in physical form are processed by the Registrar and Share transfer agent within maximum of 30 days from the date of receipt, if the documents are complete in all respects, who have been duly empowered to approve transfers.

### Dematerialization of Shares

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

---

### CEO / CFO CERTIFICATION

The Board of Directors,  
Seya Industries Ltd

Dear Sir,

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

- (a) I have reviewed the financial statements and cash flow statement for the year ended on March 31, 2014 and that to the best of my knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and the information provided to me, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct;
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting;
- (d) I have disclosed, based on my most recent evaluation, wherever applicable, to the company's auditors and through them to the Audit Committee of the Company's Board of Directors:
  - (i) deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies. Significant changes, if any, in Internal control during the year;
  - (ii) Significant changes, if any, in accounting policies during the year; and
  - (iii) Instances of fraud, if any, in respect of which I have become aware of and that involves Management or other employees who have a significant role in the Company's Internal Control systems

**Ashok G Rajani**

Chairman & Managing Director

Mumbai, August 14, 2014

### AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members  
Seya Industries Ltd

We have examined the compliance of Corporate Governance by SEYA INDUSTRIES LTD, for the financial year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange(s).

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

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

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

For **JAGIWALA AND CO**  
Chartered Accountants  
ICAI FRN: 131184W

**Yogesh R Jagiwala**

Partner

Membership no.: 016864

Mumbai, August 14, 2014

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF SEYA INDUSTRIES LTD

### REPORT ON THE FINANCIAL STATEMENTS:

We have audited the accompanying Financial Statements of **SEYA INDUSTRIES LTD** ('The Company') which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### MANAGEMENT RESPONSIBILITY FOR THE FINANCIAL STATEMENTS:

The Company's Management is responsible for the preparation of the financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ('the Act') (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Company Affairs) and in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

### AUDITOR'S RESPONSIBILITY:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements

give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. In the case of the Statement of Profit & Loss, of the profit of the Company for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by the Companies (Auditors' Report) Order, 2003 ('the Order') issued by the Central Government, Ministry of Corporate Affairs, in terms of Section 227 (4A) of the Act, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the order;
2. As required by Section 227 (3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of General circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
  - e. On the basis of written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **JAGIWALA AND CO**  
**Chartered Accountants**  
ICAI Firm Regn. No.: 1311184W

**YOGESH R JAGIWALA**  
**Partner**  
M. No. 016864

**Place:** Mumbai  
**Date:** May 30, 2014

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

## i. Fixed Assets:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets;
- b. The fixed assets have been physically verified by the Management at reasonable intervals. According to the information and explanation given to us, material discrepancies, if any, so noticed on such verification have been properly dealt with in the books of account;
- c. No substantial parts of fixed assets of the Company have been disposed off during the year so as to affect the going concern status of the Company.

## ii. Inventories:

- a. According to information and explanation given to us, physical verification of inventory has been conducted by the Management at reasonable intervals;
- b. In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and nature of its business;
- c. In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories and material discrepancies, if any, so noticed on such verification have been properly dealt with in the books of account;

## iii. Loans and advances granted / taken from certain entities:

- a. The Company has not granted any Loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956;
- b. In view of what has been stated above in clause(a) hereinabove, the provisions of clauses 4(iii)(b) of the Companies (Auditor's Report) Order, 2003 (as amended) pertaining to rate of interest and other terms and conditions of the loan given by the Company, secured or unsecured, are not applicable to the Company;
- c. In view of what has been stated above in clause(a) hereinabove, the provisions of clauses 4(iii)(c) of the Companies (Auditor's Report) Order, 2003 (as amended) pertaining to whether receipt of the principal amount and interest are also regular, are not applicable to the Company;
- d. In view of what has been stated above in clause(a) hereinabove, the provisions of clauses 4(iii)(d) of the

Companies (Auditor's Report) Order, 2003 (as amended) pertaining to recovery of overdue amount of principal and interest (if any), are not applicable to the Company;

- e. The Company has not taken any Loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 except one party, the outstanding balance of which at the year-end is ₹115.10 Lakhs and the maximum amount involved during the year was ₹125.91 Lakhs;
- f. There are no stipulations as to the rate of interest and other terms and conditions of the unsecured loan taken by the Company, however we are of the opinion that such loan is prima-facie not pre-judicial to the interest of the Company;
- g. There are no stipulations as to the repayment of the principal amount and interest and hence as such there are no overdue amounts;

## iv. Internal Control System:

In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed asset and with regard to the sale of goods and services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the internal control procedures.

## v. Contract or arrangements referred to in Section 301 of the Companies Act, 1956:

- a. According to information and explanation given to us, we are of the opinion that the contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- b. In our opinion, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 and exceeding the value of ₹5 Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

## vi. Public Deposits:

Based on the information furnished to us, the Company has not accepted any Deposits from Public hence the provisions of Section 58A, 58AA or any other relevant provisions of the Act, and the Companies (Acceptance of Deposit) Rules 1975, with regard to the deposits accepted from the public are not applicable.

## vii. Internal Audit System:

In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by

the Management have been commensurate with the size and nature of its business.

**viii. Cost Records:**

We have broadly reviewed the books of accounts maintained by the Company in respect of products where pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We however, have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

**ix. Statutory Dues:**

- a. According to information and explanation given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, investor education and Protection Fund, Employees' State Insurance, Income-tax, Wealth-tax, Service tax, Sales-tax, Customs duty, Excise duty, Cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

**x. Accumulated Losses:**

The Company does not have accumulated loss as at the Balance sheet date and the Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.

**xi. Dues to Financial Institutions, Banks and Debenture Holders:**

In our opinion and information and explanations given to us, the Company has not defaulted in the repayment of dues to Financial Institutions and Banks.

**xii. Securities for Loans and Advances Granted:**

According to the information and explanations given to us, the Company has not granted any Loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

**xiii. Special Statute:**

According to information and explanation given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

**xiv. Dealings / Trading in Shares, Securities, Debentures and other Investments:**

According to information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

**xv. Guarantees Given:**

According to information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

**xvi. Term Loans:**

Based on the information and explanations given to us and documents provided to us, term loans were, prima facie, applied for the purpose for which the loans were obtained.

**xvii. Utilisation of Funds:**

On an overall examination of the Balance Sheet and the Cash Flow of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

**xviii. Preferential Allotment of shares:**

The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act during the year.

**xix. Security for Debenture issued:**

The Company has not issued any debentures during the year.

**xx. Public Issue of Equity Shares:**

During the year, the Company has not raised any money by public issue.

**xxi. Frauds Noticed:**

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 on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **JAGI WALA AND CO**  
**Chartered Accountants**  
ICAI Firm Regn. No.: 1311184W

**Yogesh R Jagiwal**  
**Partner**  
M. No. 016864  
**Place:** Mumbai  
**Date:** May 30, 2014



# BALANCE SHEET AS AT MARCH 31, 2014

	Note	As at March 31, 2014	₹ in Lakhs As at March 31, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Fund</b>			
Share Capital	2	1,100.00	1,100.00
Reserves and Surplus	3	4,111.34	3,775.74
		<b>5,211.34</b>	<b>4,875.74</b>
<b>Share Application Money Pending Allotment</b>	<b>2</b>	<b>15,126.17</b>	<b>15,126.17</b>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	4	12,899.24	8,996.92
Deferred Tax Liability (net)	5	957.97	-
Other Long Term Liabilities	6	13,248.32	13,248.32
Long Term Provisions	7	-	12.25
		<b>27,105.53</b>	<b>22,257.49</b>
<b>Current Liabilities</b>			
Short Term Borrowings	8	1,717.11	306.12
Trade Payables	9	257.81	307.82
Other Current Liabilities	10	1,730.36	898.70
Short Term Provisions	11	155.97	48.34
		<b>3,861.25</b>	<b>1,560.98</b>
<b>TOTAL</b>		<b>51,304.29</b>	<b>43,820.38</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	12	35,976.56	29,113.70
Capital Work in Progress		674.12	4,184.62
		<b>36,650.68</b>	<b>33,298.33</b>
Deferred Tax (Assets)	5	705.63	-
Long Term Loans and Advances	13	8,409.97	7,486.26
		<b>45,766.28</b>	<b>40,784.59</b>
<b>Current Assets</b>			
Inventories	14	2,645.24	1,443.59
Trade receivables	15	752.73	1,010.23
Cash and Cash Equivalents	16	1,649.75	384.90
Short Term Loans and Advances	17	490.19	197.08
Other current assets	18	0.10	-
		<b>5,538.01</b>	<b>3,035.79</b>
<b>TOTAL</b>		<b>51,304.29</b>	<b>43,820.38</b>

Significant Accounting Policies & Notes on Financial Statements

1 & 26

As per our report attached

For **JAGIWALA AND CO**

**Chartered Accountants**

ICAI FRN No.: 1311184W

**Yogesh R Jagiwala**

Partner

M. No. 016864

**Place:** Mumbai

**Date:** May 30, 2014

**Manisha Solanki**

Company Secretary

**Ashok G Rajani**

Chairman & Managing Director

**V S Khurana**

Director

For and on Behalf of Board of Directors

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

		₹ in Lakhs	
	Note	2013-14	2012-13
<b>INCOME</b>			
Revenue From Operations (Gross)		13,764.15	5,930.74
Less: Excise Duty		633.26	507.55
<b>Revenue From Operations (Net)</b>	<b>19</b>	<b>13,130.89</b>	<b>5,423.18</b>
Other Income	<b>20</b>	153.66	46.85
<b>Total Revenue</b>		<b>13,284.54</b>	<b>5,470.03</b>
<b>EXPENDITURE</b>			
Cost of Material Consumed	<b>21</b>	11,714.72	4,187.36
Change in Inventories of Finished Goods, Stock in Process and Stock in Trade	<b>22</b>	(1,205.56)	(161.25)
Employee Benefit Expenses	<b>23</b>	145.14	116.78
Finance Cost	<b>24</b>	122.27	5.58
Depreciation and Amortisation Expenses	<b>12</b>	887.52	354.09
Other Expenses	<b>25</b>	1,032.51	742.93
<b>Total Expenses</b>		<b>12,696.61</b>	<b>5,245.49</b>
<b>Profit Before Tax</b>		<b>587.94</b>	<b>224.54</b>
<b>Tax Expenses</b>			
Current Tax		113.72	39.00
<b>Less: MAT Credit Entitlement</b>		(113.72)	-
Current Tax for earlier years		-	3.82
Deferred Tax (Net)		252.34	-
		<b>252.34</b>	<b>42.82</b>
<b>Profit for the Period</b>		<b>335.60</b>	<b>181.73</b>
<b>Earning per Equity Share</b>			
Basic	<b>26.14</b>	<b>3.05</b>	1.65
Diluted	<b>26.14</b>	<b>3.05</b>	1.65
Significant Accounting Policies and Notes on financial statements	<b>1 &amp; 26</b>		

As per our report attached  
For **JAGIWALA AND CO**  
**Chartered Accountants**  
ICAI FRN No.: 1311184W

**Yogesh R Jagiwal**  
Partner  
M. No. 016864

**Place:** Mumbai

**Date:** May 30, 2014

For and on Behalf of Board of Directors

**Manisha Solanki**  
Company Secretary

**Ashok G Rajani**  
Chairman & Managing Director

**V S Khurana**  
Director

# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

₹ in Lakhs

	2013-14	2012-13
<b>A: CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before tax as per Statement of Profit and Loss	587.94	224.54
Adjustment for		
Depreciation and amortisation	887.52	354.09
Finance Cost	122.27	5.58
Interest Income	(112.21)	(29.88)
Other Non-Operating Income	(41.45)	(16.97)
	856.13	312.82
Operating Profit Before Working Capital Changes	1,444.07	537.36
Changes in Working Capital		
Adjustment for (increase)/decrease in operating assets:		
Trade Receivables	257.50	458.70
Inventories	(1,201.65)	(80.99)
Short Term Loans and Advances	(293.11)	37.62
Long Term Loans and Advances	(16.55)	97.14
Other Current Assets	(0.10)	-
Adjustment for (increase)/decrease in operating liabilities:		
Trade Payables	(50.01)	(369.21)
Other Current Liabilities	(34.27)	(227.20)
Short Term Provisions	107.63	(22.61)
Other Long Term Provisions	(12.25)	4.26
	(1,242.81)	(102.28)
Cash Generated from Operations	201.26	435.08
Taxes (Paid)/ Refund	-	(42.82)
Net Cash Generated from Operation	201.26	392.27
<b>B: CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Capital expenditure on fixed assets, including capital advances	(4,862.10)	(2,283.42)
Other Non-Operating Income	41.45	16.97
Net Cash Flow from / (Used in) Investing Activities	(4,820.65)	(2,266.45)
<b>C: CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Finance Cost	(122.27)	(5.58)
Interest Income	112.21	29.88
Proceeds from Long Term Borrowings	4,483.32	-
Proceeds from Short Term Borrowings	1,410.99	1,893.44
Net Cash Flow From / (Used in) Financing Activities	5,884.24	1,917.74
Net Increase / (Decrease) In Cash and Cash Equivalent (A + B + C)	1,264.85	43.56
Cash and Cash Equivalents at the Beginning of the Year	384.90	341.34
Cash and Cash Equivalents at the End of the Year (Refer Note No. 16)	1,649.75	384.90

As per our report attached

For **JAGIWALA AND CO**

Chartered Accountants

ICAI FRN No.: 1311184W

**Yogesh R Jagiwala**

Partner

M. No. 016864

Place: Mumbai

Date: May 30, 2014

For and on Behalf of Board of Directors

**Manisha Solanki**

Company Secretary

**Ashok G Rajani**

Chairman & Managing Director

**V S Khurana**

Director

## **1. NOTES FORMING PART OF FINANCIAL STATEMENTS**

### **1.1. 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 listed on BSE Limited, Delhi Stock Exchange, Kolkata Stock Exchange, and Ahmedabad Stock Exchange. The Company is engaged in manufacturing of Organic Intermediates, Inorganic Intermediates, Pharmaceutical intermediates, Agro Chemical Intermediates and Fine and Speciality Chemicals Intermediates.

### **1.2. SIGNIFICANT ACCOUNTING POLICIES:**

#### **1.2.1. Basis for Preparation of Financial Statements:**

- i. The Financial Statements are prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate affairs and the relevant provisions of the 1956 Act/ 2013 Act, as applicable.
- ii. The financial statements have been prepared on accrual basis under the historical cost convention except for those with significant uncertainties.
- iii. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
- iv. All 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 revised schedule VI to the 1956 Act. Based on the nature of business and its activities, the Company has ascertained its operating cycle as twelve months for the purpose of Current & Non-Current classification of Assets & Liabilities.
- v. Captive Consumption is considered and valued under sales, as per provisions of Central Excise Act.

#### **1.2.2. Use of Estimates:**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### **1.2.3. Inventories:**

- i. Raw materials, stores & Spares are valued at lower of Cost or Market Value whichever is less.
- ii. Work in process and Manufactured Goods, are valued at lower of Cost or Market Value whichever is less.
- iii. By-products, self-generated Scrap and non-reusable waste are valued at net realisable value.
- iv. Cost includes all charges in bringing the goods to the point of sale, including Octroi and other levies, transit insurance and receiving charges. Work-in-progress and Manufactured goods include appropriate proportion of overheads and, where applicable, excise duty.

#### **1.2.4. Cash and cash equivalents (for purposes of Cash Flow Statement):**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **1.2.5. Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### **1.2.6. Fixed Assets (Tangible) and Depreciation:**

Fixed assets are stated at their original cost, less accumulated depreciation / amortization and impairment losses,

if any. The Original Cost of fixed assets includes its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the assets ready for its intended use, interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses related to acquisition, installation and other pre-operative expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure, if any, on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in future benefits from such assets beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

**Capital Work in Progress:**

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciation on Tangible Fixed Assets is provided on Original cost of Fixed Assets on straight line method under Section 205(2) (b) of the 1956 Act, at the rates and in the manner prescribed in Schedule XIV to the 1956 Act.

**1.2.7. Leases:**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

**1.2.8. Revenue Recognition:**

**Sales of Goods:** Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude central sales tax and value added tax.

**1.2.9. Other Income:**

Interest income is accounted on accrual basis.

**1.2.10. Foreign Currency Transactions:**

**Initial Recognition**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

**Measurement at the Balance Sheet date**

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

**Treatment of exchange differences**

Exchange differences arising on settlement / restatement of short term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Exchange differences arising on settlement / restatement of Long term foreign currency monetary are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items.

**1.2.11. Employee benefits:**

Employee benefits include gratuity fund, compensated absences, long service awards.

**Defined benefit plans**

For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service



cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

#### **Short-term Employee Benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- I. in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- II. in case of non-accumulating compensated absences, when the absences occur.

#### **Long-term Employee Benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

#### **1.2.12. Borrowing Cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of Profit and Loss. Borrowing costs include interest; amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

#### **1.2.13. Segment Reporting:**

The Company has disclosed business segment as primary segment. The Company operates in five segments: Inorganic Intermediates, Organic Intermediates, Pharmaceutical Intermediates, Fine & Specialty Chemicals and Others.

The Company has classified its business segments based on the respective end use of its products which does not have any financial impact and for which necessary Segment wise statement has been shown as per Accounting Standard - 17 (AS - 17)

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

Secondary segment have been identified with reference to geographical location of external customers. Composition of secondary segment is as follows.

- i. India
- ii. Outside India

#### **1.2.14. Earnings per share:**

Basic earning per share is computed by dividing the net profit for the year by the weighted average number of Ordinary equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net

profit for the year by the weighted average number of Ordinary equity shares outstanding during the year plus the weighted average no of Ordinary equity shares that would be issued on conversion of all the dilutive potential ordinary equity shares in Ordinary equity shares.

#### **1.2.15. Taxes on Income:**

Income taxes are accounted for in accordance with Accounting Standards (AS-22) – accounting taxes on Income, notified under the Companies (Accounting Standards) Rules, 2006. Income Tax comprises both current and deferred tax.

Provision for Current tax is measured at the amount computed under the Income Tax Act, 1961, or Book Profit computed under section 115JB, whichever is higher, and correspondingly set-off available under section 115JAA is credited to the Statement of Profit & Loss of the financial year.

MAT credit is recognised as an asset only when, and to the extent, there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent that there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisation. Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss

#### **1.2.16. Research and Development Expenses:**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Expenditure pertaining to Development of products is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

#### **1.2.17. Impairment of Assets:**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of re-valued assets.

#### **1.2.18. Provisions and Contingencies:**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

#### **1.2.19. Service tax input credit:**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

## 2. SHARE CAPITAL:

₹ in Lakhs

	As at March 31, 2014	As at March 31, 2013
<b>Authorised Share Capital:</b>		
110,000,000 Equity Shares of ₹10 each	11,000	11,000
<b>Issued, Subscribed and Paid up Share Capital:</b>		
11,000,000 Equity Shares of ₹10 each	1,100	1,100

### 2.1. The reconciliation of the number of shares outstanding is set out below:

	As at March 31, 2014	As at March 31, 2013
<b>Equity Shares at the beginning of the year</b>	<b>11,000,000</b>	11,000,000
Movement during the year	-	-
<b>Equity Shares at the end of the year</b>	<b>11,000,000</b>	11,000,000

### 2.2. The details of shareholders holding more than 5% of equity share:

Name of the shareholders	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	%	No. of Shares	%
Mrs. Shalini A Rajani	2,761,930	25.11	2,761,930	25.11
Mr. Ashok G Rajani	2,304,214	20.95	2,304,214	20.95
Mr. Ghanshyamdas Rajani	1,390,370	12.64	1,390,370	12.64
Mrs. Gopi G Rajani	978,486	8.89	978,486	8.89

### 2.3. Terms / Rights attached to Equity Shares:

The Company has only one class of Equity Shares having a par value of ₹10/- per share. 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.

2.4. The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

2.5. The Company has received share application money to allot 42,794,500 equity shares of ₹10/- each at a premium of ₹5/- per share and 51,217,600 equity shares of ₹10/- each at a premium of ₹7/- per share.

## 3. RESERVES AND SURPLUS:

₹ in Lakhs

	As at March 31, 2014	As at March 31, 2013
<b>General Reserves</b>		
Opening Balance	2,013.53	2,013.53
Add: Transferred from surplus in statement of Profit and Loss	-	-
Less: Utilised / transferred during the year	-	-
<b>Closing Balance</b>	<b>2,013.53</b>	<b>2,013.53</b>
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening Balance	1,762.21	1,580.48
Add: Profit / (Loss) during the year	335.60	181.73
Less: Transferred to General Reserves	-	-
<b>Closing Balance</b>	<b>2,097.81</b>	<b>1,762.21</b>
<b>TOTAL</b>	<b>4,111.34</b>	<b>3,775.74</b>

#### 4. LONG TERM BORROWINGS:

₹ in Lakhs

	As at March 31, 2014	As at March 31, 2013
<b>Term Loans</b>		
<b>From Banks:</b>		
Secured	4,257.75	5.85
<b>Loans &amp; advances from related parties</b> (Refer Note no. 26.12)		
Unsecured	115.10	114.10
<b>Other Loans and Advances</b>		
Unsecured	8,526.38	8,876.97
<b>TOTAL</b>	<b>12,899.24</b>	<b>8,996.92</b>

4.1. Rupee Term Loan from banks comprises of loan taken for expansion of project of ₹4,236.66 Lakhs and Car loan of ₹21.09 Lakhs.

4.1.1. 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.

4.1.2. Car loan from bank is secured against hypothecation of Car.

4.2. Terms of Repayments of Secured / Unsecured Loans:

Repayment Schedule:

₹ in Lakhs

Period	Amount
2 to 4 Years	1,885.54
5 to 7 Years	2,365.63
<b>TOTAL</b>	<b>4,251.17</b>

#### 5. DEFERRED TAX (Disclosures under AS-22):

₹ in Lakhs

	As at March 31, 2014	As at March 31, 2013
<b>Deferred Tax Liability</b>		
On difference between book balance and tax balance of Depreciation	255.96	-
On expenditure deferred in the books but allowable for tax purposes	702.01	-
	<b>957.97</b>	-
<b>Deferred Tax Assets</b>		
Provision for Compensated absences, gratuity and other employee benefits	3.09	-
Disallowances under 43B of the Income Tax Act, 1961	2.88	-
Assets arising due to Provisions of Income Tax Act	699.66	-
	<b>705.64</b>	-
<b>Deferred Tax (Net)</b>	<b>252.34</b>	-

#### 6. OTHER LONG TERM LIABILITIES:

₹ in Lakhs

	As at March 31, 2014	As at March 31, 2013
<b>Trade Payables</b>		
Others		
Payable on purchase of Fixed Assets	13,248.32	13,248.32
<b>TOTAL</b>	<b>13,248.32</b>	<b>13,248.32</b>

## 7. LONG TERM PROVISIONS:

₹ in Lakhs

	As at March 31, 2014	As at March 31, 2013
<b>Provisions for Employee Benefits</b>		
Provision for Gratuity (Refer Note no. 26.9)	-	12.25
<b>TOTAL</b>	<b>-</b>	<b>12.25</b>

## 8. SHORT TERM BORROWINGS:

₹ in Lakhs

	As at March 31, 2014	As at March 31, 2013
<b>Loans Repayable on Demand</b>		
From Banks		
Secured	1,717.11	306.12
<b>TOTAL</b>	<b>1,717.11</b>	<b>306.12</b>

**8.1.** Loan from Banks comprises of Working Capital Rupee Loan of ₹1,380.80 Lakhs and Foreign Currency Loan of US\$5.64 Lakhs (equivalent to ₹336.31 Lakhs as calculated on the date of the Balance sheet) i.e. Buyer's Credit:

8.1.1. 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.

8.1.2. Buyer's Credit is secured by Lien on Fixed Deposits placed by the Company.

## 9. TRADE PAYABLES:

₹ in Lakhs

	As at March 31, 2014	As at March 31, 2013
Others – Other than Acceptances	257.81	307.82
<b>TOTAL</b>	<b>257.81</b>	<b>307.82</b>

## 10. OTHER CURRENT LIABILITIES:

₹ in Lakhs

	As at March 31, 2014	As at March 31, 2013
Current maturity of long term debt (Refer Note no. 4)	563.34	-
Interest Accrued but not due on borrowings	17.66	-
<b>Other Payables</b>		
Advance from customers	18.35	4.88
Payables on purchase of Fixed Assets	789.54	688.68
Statutory Remittances	23.92	16.87
Contractually reimbursable expenses	57.94	35.42
Retention money against Capital Goods	259.63	75.55
Over Drawn Bank Balances	-	77.31
<b>TOTAL</b>	<b>1,730.36</b>	<b>898.70</b>



# 11. SHORT TERM PROVISIONS:

₹ in Lakhs

	As at March 31, 2014	As at March 31, 2013
<b>Provisions –For Employee Benefits</b>		
Provisions for Bonus	10.00	-
<b>Provisions - Other</b>		
Provisions for Tax	145.97	48.34
<b>TOTAL</b>	<b>155.97</b>	<b>48.34</b>

# 12. FIXED ASSETS:

₹ in Lakhs

DESCRIPTION	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 31-Mar-13	Additions / Adjustments	Deductions / Adjustments	As at 31-Mar-14	As at 31-Mar-13	For the Year	Deductions / Adjustments	As at 31-Mar-14	As at 31-Mar-14	As at 31-Mar-13
<b>Land</b>										
Leasehold	21,918.30	6.29	-	21,924.58	-	-	-	-	21,924.58	21,918.30
<b>Buildings</b>	1,319.84	1,063.44	-	2,383.28	241.65	39.46	-	281.11	2,102.17	1,078.19
<b>Plant &amp; Machinery</b>	9,592.09	6,687.79	-	16,279.88	3,499.83	845.29	-	4,345.12	11,904.42	6,092.26
<b>Furniture &amp; Fixtures*</b>	22.73	-	-	22.73	9.77	0.95	-	10.71	12.02	12.96
<b>Vehicles</b>	18.07	23.19	-	41.26	6.07	1.82	-	7.90	33.36	11.99
<b>TOTAL</b>	<b>32,871.03</b>	<b>7,780.71</b>	<b>-</b>	<b>40,651.73</b>	<b>3,757.32</b>	<b>887.52</b>	<b>-</b>	<b>4,644.84</b>	<b>35,976.56</b>	<b>29,113.70</b>
<b>PREVIOUS YEAR</b>	31,530.78	1,340.25	-	32,871.03	3,199.97	557.35	-	3,757.32	29,113.70	28,330.81

\* Includes Office Equipments

# 13. LONG TERM LOANS AND ADVANCES:

₹ in Lakhs

	As at March 31, 2014	As at March 31, 2013
<b>Capital Advances</b>		
Unsecured, Considered Good	8,360.46	7,453.30
<b>Security Deposits</b>		
Unsecured, Considered Good	42.21	25.66
<b>Loans and advances to employees</b>		
Unsecured, Considered Good	7.30	7.30
<b>TOTAL</b>	<b>8,409.97</b>	<b>7,486.26</b>

#### 14. INVENTORIES:

₹ in Lakhs

	As at March 31, 2014	As at March 31, 2013
<b>Raw Materials</b>	<b>13.74</b>	9.65
Goods in Transit	<b>1.46</b>	8.05
	<b>15.20</b>	17.69
Work in Progress	<b>2,274.06</b>	1,317.63
Manufactured Goods	<b>332.78</b>	83.65
Stores & Spares	<b>22.29</b>	23.16
Others	<b>0.91</b>	1.46
<b>TOTAL</b>	<b>2,645.24</b>	<b>1,443.59</b>

#### 15. TRADE RECEIVABLES:

₹ in Lakhs

	As at March 31, 2014	As at March 31, 2013
<b>Outstanding for a period exceeding six months from the date they were due for payment</b>		
Unsecured, considered good	<b>4.58</b>	0.45
<b>Other Trade Receivable</b>		
Unsecured, considered good	<b>748.14</b>	1,009.78
<b>TOTAL</b>	<b>752.73</b>	<b>1,010.23</b>

#### 16. CASH AND CASH EQUIVALENTS:

₹ in Lakhs

	As at March 31, 2014	As at March 31, 2013
<b>Cash on hand</b>	<b>4.13</b>	0.76
<b>Balances with Banks</b>		
In Current Accounts	<b>1,217.03</b>	22.63
In Deposit Accounts *	<b>428.59</b>	361.51
<b>TOTAL</b>	<b>1,649.75</b>	<b>384.90</b>

\* Deposits of ₹428.59 Lakhs (Previous year ₹361.51 Lakhs) are held as margin money against Short Term Borrowings.

#### 17. SHORT TERM LOANS AND ADVANCES:

₹ in Lakhs

	As at March 31, 2014	As at March 31, 2013
<b>Prepaid Expenses</b>	<b>6.34</b>	7.18
<b>Balances with Government Authorities</b>		
Unsecured, Considered Good	<b>330.82</b>	152.75
<b>Others</b>		
Unsecured, Considered good		
Advance to supplier of Goods and Services	<b>39.32</b>	37.15
MAT Credit Entitlement	<b>113.72</b>	-
<b>TOTAL</b>	<b>490.19</b>	<b>197.08</b>

**18. OTHER CURRENT ASSETS:**

₹ in Lakhs

	As at March 31, 2014	As at March 31, 2013
<b>Accruals</b>		
Interest Accrued on Deposit	0.10	-
<b>TOTAL</b>	<b>0.10</b>	<b>-</b>

**19. REVENUE FROM OPERATIONS:**

₹ in Lakhs

	2013-14	2012-13
Sale of Products (Refer Note no. 19.1)	13,717.58	5,929.21
Other Operating Revenue (Refer Note no. 19.2)	46.57	1.52
<b>Revenue From Operations (Gross)</b>	<b>13,764.15</b>	<b>5,930.74</b>
Less: Excise Duty	633.26	507.55
<b>Revenue From Operations (Net)</b>	<b>13,130.89</b>	<b>5,423.18</b>

**19.1. Details of Product sold (net of excise duty):**

₹ in Lakhs

	2013-14	2012-13
<b>Sale of Finished Goods</b>		
Inorganic intermediates	45.27	27.02
Organic intermediates	2,632.32	2,302.86
Fine and Speciality Chemical intermediates	9,394.40	1,127.44
Pharmaceutical intermediates	744.60	680.07
Agrochemical intermediates	267.30	1,092.63
Others	0.45	191.65
<b>TOTAL</b>	<b>13,084.34</b>	<b>5,421.67</b>

**19.2. Details of Other Operating Revenue:**

₹ in Lakhs

	2013-14	2012-13
<b>Other Operating Revenue</b>		
Liability no longer required written back	46.57	1.52
<b>TOTAL</b>	<b>46.57</b>	<b>1.52</b>

**20. OTHER INCOME:**

₹ in Lakhs

	2013-14	2012-13
<b>Interest Income Comprises</b>		
Interest received from Banks on:		
Deposits	111.34	29.88
<b>Other Interest</b>	<b>0.87</b>	<b>-</b>
<b>Other Non-Operating Income Comprises</b>		
Liability/Provisions no longer required written back	12.25	-
Net gain on foreign currency transaction and translation (other than considered as finance cost)	13.92	-
Miscellaneous Income	15.27	16.97
<b>TOTAL</b>	<b>153.66</b>	<b>46.85</b>

**21. COST OF MATERIAL CONSUMED (including stock-in-trade):**

₹ in Lakhs

	2013-14	2012-13
Opening Stock	9.11	82.27
Add: Purchases	11,716.15	4,114.20
	11,725.26	4,196.47
Less: Closing Stock	10.54	9.11
<b>COST OF RAW MATERIAL CONSUMED</b>	<b>11,714.72</b>	<b>4,187.36</b>

**21.1. Details of Raw Material Consumed (including stock-in-trade):**

₹ in Lakhs

	2013-14	2012-13
Aromatics	11,047.27	3,888.84
Acids	374.02	236.06
Others	293.43	62.45
<b>TOTAL</b>	<b>11,714.72</b>	<b>4,187.36</b>

**22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROCESS & STOCK IN TRADE:**

₹ in Lakhs

	2013-14	2012-13
<b>Inventories at the beginning of the year</b>		
Manufactured Goods	83.65	200.96
Work in Process	1,317.63	1,039.07
	1,401.28	1,240.03
<b>Inventories at the end of the year</b>		
Manufactured Goods	332.78	83.65
Work in Process	2,274.06	1,317.63
	2,606.84	1,401.28
<b>NET (INCREASE) / DECREASE IN INVENTORIES</b>	<b>(1,205.56)</b>	<b>(161.25)</b>

**23. EMPLOYEE BENEFIT EXPENSES:**

₹ in Lakhs

	2013-14	2012-13
Salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under their contract of service / employment	137.66	111.93
Contributions to Provident and other Fund (Refer Note no. 26.9)	7.48	4.85
<b>TOTAL</b>	<b>145.14</b>	<b>116.78</b>

**24. FINANCE COST:**

₹ in Lakhs

	2013-14	2012-13
<b>Interest Expenses</b>		
Borrowings	120.24	4.01
<b>Others</b>		
Bank Charges	2.03	1.57
<b>TOTAL</b>	<b>122.27</b>	<b>5.58</b>

**25. OTHER EXPENSES:**

	₹ in Lakhs	
	2013-14	2012-13
Consumption of Stores and Spares	0.87	0.21
Consumption of Packing Material	14.32	11.26
Increase/(decrease) of excise duty on inventory	36.61	-
Power & Fuel charges	541.39	443.01
Repairs and Maintenance - Machinery	8.29	5.04
Rent (Refer Note no. 26.13)	1.97	-
Insurance	8.61	5.07
Sales Promotions, Discounts & other selling expenses	346.25	232.91
Payment to Auditors (Refer Note no. 25.1 below)	4.45	2.75
Miscellaneous Expenses	69.76	42.68
<b>TOTAL</b>	<b>1,032.51</b>	<b>742.93</b>

**25.1. Payment to Auditors:**

	₹ in Lakhs	
	2013-14	2012-13
As Auditor – Statutory Audit Fees	2.65	1.65
For Taxation Matters	1.00	0.30
For Company Law Matters	0.20	0.20
For other Services	0.60	0.60
<b>TOTAL</b>	<b>4.45</b>	<b>2.75</b>

**26. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS:****26.1. Contingent liabilities and commitments to the extent not provided:**

	₹ in Lakhs	
	As at March 31, 2014	As at March 31, 2013
<b>Contingent Liabilities</b>	-	-
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for		
<b>Tangible Assets</b>	<b>3,600.51</b>	<b>33.81</b>
<b>TOTAL</b>	<b>3,600.51</b>	<b>33.81</b>

**26.2. 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.

**26.3. 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

**26.4. Value of imports calculated on CIF basis: NIL** (Previous Year: NIL)



**26.5. Expenditure in Foreign Currency:**

	₹ in Lakhs	
	2013-14	2012-13
Interest	2.54	-
<b>TOTAL</b>	<b>2.54</b>	<b>-</b>

**26.6. Amounts remitted in foreign currency during the year on account of dividend: NIL** (Previous year: NIL)**26.7. Earnings in Foreign Exchange: NIL** (Previous Year: NIL). The Company has made Foreign Exchange gain on account of currency fluctuation as on date of Balance Sheet by an amount of ₹13.92 Lacs(Previous Year: NIL), however the same has not been realised in Cash**26.8. Details of Consumption of Imported and Indigenous items:**

Name of the shareholders	2013-14		2012-13	
	₹ in Lakhs	%	₹ in Lakhs	%
<b>Indigenous</b>				
Raw Material	11,714.72	100	4,187.36	100
Spare Parts	0.87	100	0.21	100
	11,715.59	100	4,187.57	100
<b>Imported</b>				
Raw Material	-	-	-	-
Spare Parts	-	-	-	-
<b>TOTAL</b>	<b>11,715.59</b>	<b>100</b>	<b>4,187.57</b>	<b>100</b>

**26.9. Disclosure under AS-15: Employee Benefits****26.9.1. 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.

26.9.2. 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.

26.9.3. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, Increments and other relevant factors.

26.9.4. 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.

26.9.5. 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.

26.9.6. The following table set out the funded status and amounts recognised in Company's financial statements as at March 31, 2014 for Defined Benefit Plan. (Disclosure as per AS-15):

₹ in Lakhs

PARTICULARS	GRATUITY		LEAVE ENCASHMENT	
	2013-14	2012-13	2013-14	2012-13
<b>Reconciliation of opening and closing balance of funded obligation</b>				
At the beginning of the year	12.25	-	-	-
Current Service Cost	1.40	-	1.20	-
Interest Cost	1.13	-	-	-
Actuarial(Gain)/Loss	(9.69)	-	2.30	-
Benefit Paid	-	-	-	-
At the Close of the year	5.09	12.25	3.50	-
<b>Reconciliation of opening /closing balance of fair value plan asset</b>				
At the beginning of the year	-	-	-	-
Expected return on plan assets	0.33	-	-	-
Actuarial(Gain)/Loss	(0.34)	-	-	-
Employer Contribution	7.48	-	-	-
Benefit Paid	-	-	-	-
At the Close of the year	7.47	-	-	-
<b>Reconciliation of fair value of assets and funded obligations</b>				
Present Value of plan assets at the end of the year	7.47	-	-	-
Present Value of obligation at the end of the year	5.09	-	-	-
Liability/(-) prepaid expenses recognized in balance sheet	(2.38)	-	3.50	-
<b>Expenses Recognised in Profit &amp; Loss Account</b>				
Current Service Cost	1.40	-	1.20	-
Interest Cost	1.13	-	-	-
Expected Return on Plan Assets	(0.33)	-	-	-
Actuarial (Gain)/Loss	(9.35)	-	2.30	-
Total Expenses recognized in the Profit & Loss Account	(7.15)	-	3.50	-
<b>Actuarial Assumptions</b>				
Mortality Table	IALM (2006-08) Ult.	-	IALM (2006-08) Ult.	-
Discount Rate (per annum)	9.20%	-	9.20%	-
Expected return on plan assets (per annum)	8.75%	-	-	-
Rate of escalation in salary (per annum)	4%	-	4%	-

#### 26.10. Disclosure under AS-16: Borrowing Cost capitalised

₹ in Lakhs

	2013-14	2012-13
Borrowing Costs capitalised during the year		
as fixed assets / intangible assets / capital	376.59	3.83
<b>TOTAL</b>	<b>379.59</b>	<b>3.83</b>

## 26.11. Disclosure under AS-17: Segment Information

	₹ in Lakhs	
	2013-14	2012-13
<b>Segment Revenue (Net of Excise)</b>		
Inorganic Intermediates	45.27	27.02
Organic Intermediates	2,632.32	2,302.86
Fine & Speciality Chemical Intermediates	9,394.40	1,127.44
Pharmaceutical Intermediates	744.60	680.07
Agrochemicals Intermediates	267.30	1,092.63
Others	0.45	191.65
<b>Total Revenue</b>	<b>13,084.34</b>	<b>5,421.66</b>
<b>Segment Results (Before Tax &amp; Interest)</b>		
Inorganic Intermediates	8.91	6.96
Organic Intermediates	518.07	593.41
Fine & Speciality Chemical Intermediates	1,848.93	290.52
Pharmaceutical Intermediates	146.55	175.24
Agrochemicals Intermediates	52.61	281.55
Others	0.09	49.38
<b>Total Results</b>	<b>2,575.16</b>	<b>1,397.07</b>
<b>Less:</b>		
i. Finance Cost	122.28	5.58
ii. Other Un allocable Expenditure (net of un-allocable income)	1,864.94	1,166.95
<b>Total Profit Before Tax</b>	<b>587.94</b>	<b>224.54</b>
Tax Expenses	252.34	42.82
<b>PROFIT AFTER TAX</b>	<b>335.60</b>	<b>181.73</b>

### Secondary Segments: Geographical Segments

	₹ in Lakhs	
	2013-14	2012-13
a. India	1,058.84	1,323.86
b. Out of India	-	-
<b>TOTAL</b>	<b>1,042.84</b>	<b>1,323.86</b>

#### 26.11.1. Classification of Business Segments:

For better understanding of Company's business, the Company has classified its business segments based on the respective end use of its products into Inorganic, Organic, Fine & Speciality, Pharmaceuticals & Agrochemical Intermediates, which does not have any financial impact and for which necessary Segment wise statement has been shown as per Accounting Standard - 17 (AS - 17). Inter-segment transfer prices are normally negotiated at cost or market prices whichever is lower with an overall optimisation objective of the Company. Revenue and expenses have been accounted based on their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on the reasonable basis, have been included under "Un-allocable Expenses"

#### 26.11.2. Segment-wise Capital Employed:

The Fixed Assets used in the Company's business or liabilities contracted cannot be classified as per reportable segments, as the Fixed Assets and Services are used interchangeably between segments hence it is not practically possible to provide segment-wise disclosures relating to Capital employed.

**26.12. Disclosures under AS-18: Related Party Disclosures****Details of Related Parties:**

Description of Relationship	Name of the Parties
Key Management Personnel (KMP)	1. Mr. Ashok G Rajani – Chairman & Managing Director (CMD) 2. Mr. A. K. Bhowmik – Director
Company in which either of KMP or their Relatives can exercise significant influence	M/s. Universal Textile Waterproof Co. (India) in which children of CMD (KMP) are partners

**Details of Related party Transactions during the year ended 31st march 2014 and Balances Outstanding as at March 31, 2014:**

Actuarial Assumptions	KMP		Entities in which KMP/Relatives of KMP have significant influence	
Nature of Transaction	2013-14	2012-13	2013-14	2012-13
Remuneration to Directors	24.38	22.63	-	-
Directors Seating fees	0.21	0.35	-	-
Leasing arrangements	-	-	43.44	-
Unsecured Loans Taken/(Repaid)	1.00	88.55	-	-
<b>Balances outstanding at the end of the year:</b>				
Long Term Borrowings (unsecured)	115.10	114.10	-	-

**26.13. Disclosure under AS-19: Leases**

The Company has entered into operating lease arrangements as Lessee for certain facilities and office premises. The lease is non-cancellable and is for a period of 1 year and may be renewed for a further period of 1 year based on mutual agreement of the parties. The lease agreements does provide for any increase in the lease payments.

₹ in Lakhs

	2013-14	2012-13
<b>Future minimum lease payments</b>		
not later than one year	15.78	-
<b>Lease Payments Recognised in the Statement of Profit And Loss</b>	1.97	-

**26.14. Disclosure under AS-20: Earning Per Share**

₹ in Lakhs

	2013-14	2012-13
Nominal Value of Equity Shares (₹)	10/-	10/-
Net Profit available for equity shareholders (₹ in Lakhs)	335.60	181.73
Weighted average Number of shares outstanding during the year (Nos.)	11,000,000	11,000,000
Basic and Diluted Earning Per Share (₹)	3.05	1.65

**26.15. 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.

**26.16. Disclosure under Clause 32 of the Listing Agreement:**

The Company does not have any subsidiaries hence the Disclosures under Clause 32 of the Listing Agreement is not applicable.

**26.17. Previous Year's figures:**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report attached

For and on Behalf of Board of Directors

For **JAGIWALA AND CO****Chartered Accountants**

ICAI FRN No.: 1311184W

**Yogesh R Jagiwala**

Partner

M. No. 016864

**Place:** Mumbai**Date:** May 30, 2014**Manisha Solanki**

Company Secretary

**Ashok G Rajani**

Chairman &amp; Managing Director

**V S Khurana**

Director

## NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-FOURTH 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. THANE - 401506 MAHARASHTRA, ON SATURDAY, SEPTEMBER 27, 2014, AT 11:00 A.M. TO TRANSACT FOLLOWING BUSINESS:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2014 and the Statement of Profit & Loss for the year ended on that date, and also to consider reports of the Directors and Auditors Report thereon;
2. To appoint a Director in place of Mr. Asit Kumar Bhowmik (DIN: 03522132) who retires by rotation and being eligible, offers himself for re-appointment;
3. To appoint M/s. Jagiwal and co. (Formerly known as Jagiwal And Associates) Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an

#### Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, M/s. Jagiwal and Co., Chartered Accountants, Mumbai (ICAI Firm Registration No. 131184W), be and is hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting (AGM), at such remuneration plus service tax, out of pocket expenses, etc., as may be mutually agreed between the Board of Directors and the Auditors".

### SPECIAL BUSINESS:

4. To appoint Mr. Anand Devidas Taggarsi (DIN: 06959365) as an Independent Director and in this regards to consider and if thought fit, to pass, with or without modification(s), the following resolution as an

#### Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Anand Devidas Taggarsi (DIN: 06959365), who was appointed as an Additional Director on August 27, 2014 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office

up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to September 26, 2019."

**RESOLVED FURTHER THAT** the Company Secretary or any of the Directors of the Company be and is hereby fully authorised to do all such act(s), thing(s), and deed(s), including but not limited to filling of necessary e-forms / documents with the registrar of Companies, Mumbai, Maharashtra or any other statutory / legal authority, as it may be necessary, proper or expedient to give effect to this resolution."

5. To re-appoint Mr. Virendra Singh Khurana (DIN: 00620235) as an Independent Director and in this regards to consider and if thought fit, to pass, with or without modification(s), the following resolution as an

#### Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, approval of the Company be and is hereby accorded to the re-appointment of Mr. Virendra Singh Khurana (DIN: 00620235) as an Independent Director of the Company, for a further period of 5 (five) years with effect from September 24, 2014, as a non-retiring director of the Company.

**RESOLVED FURTHER THAT** the Company Secretary or any one of the Directors of the Company be and is hereby authorised to do all such act(s), thing(s) or deed(s) as may be necessary to give full effect to the above resolution."

6. To re-appoint Mr. Ashok G Rajani (DIN: 01839535) as Managing Director and in this regards to consider and if thought fit, to pass, with or without modification(s), the following resolution as an

#### Ordinary Resolution:

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for

the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Ashok G Rajani (DIN: 01839535) as Managing Director of the Company, for a period of 5 (five) years with effect from September 24, 2014 as a non-retiring director, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Ashok G Rajani, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** the Company Secretary or any one of the Directors of the Company be and is hereby authorised to do all such act(s), thing(s) or deed(s) as may be necessary to give full effect to the above resolution."

7. To approve remuneration to executive Directors and in this regards, to consider and if thought fit, to pass, with or without modification(s), the following resolution as **an Ordinary Resolution**:

**"RESOLVED THAT** in supersession of all other resolution passed in this regards, and pursuant to the provisions of Section 197, 198 and all other applicable provisions of Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the executive directors of the Company (including Managing Directors) be paid, remuneration by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits, etc. as per their respective terms of appointment, as the Board of Directors may from time to time determine, not exceeding in aggregate Ten per cent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

**RESOLVED FURTHER THAT** the Company Secretary or any one of the Directors of the Company be and is hereby authorised to do all such act(s), thing(s) or deeds as may be necessary to give full effect to the above resolution."

8. To approve remuneration to **Cost Auditor for F.Y. 2014-15** and this regards, to consider and if thought fit, to pass, with or without modification(s), the following resolution as **an Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of the Section 148 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 ₹80,000/- plus applicable taxes, payable to M/s. Hemant Shah & Associates, Cost Accountants, who are appointed as Cost Auditor of the Company to audit the cost records of the Company for the period ending on March 31, 2015.

**RESOLVED FURTHER THAT** the Company Secretary or any of the directors of the Company be and are severally authorised to do all such act(s), thing(s), and deed(s) as may be necessary to give full effect to this resolution."

9. To borrow money pursuant to the provisions on Section 180(1) (c) of the Companies Act, 2013 and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby accorded to authorise Board of Directors of the Company to Borrow any sum of money from time to time at their discretion for the purpose of the business of the Company, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Banker in the ordinary Course of Business) may exceed at any time, the aggregate of the paid up capital of the Company and its free reserves (that is to say, reserves, not set apart for any specific purpose) by a sum not exceeding ₹2,500 Crores (Rupees Two Thousand Five Hundreds Crores only), and that the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may think fit.

**RESOLVED FURTHER THAT** the Company Secretary or any of the Director of the Company be and is hereby severally authorised to do all such act(s), thing(s), and deed(s) as may be necessary to give full effect to this resolution."

10. To create charge / Mortgage on assets / undertakings of the Company pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013 and if thought fit, to pass, with or without modification(s) the following resolution as **Special Resolution**:

**"RESOLVED THAT** in supersession of all earlier resolutions passed in this regards, and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) thereof and any rules thereof for the time being in force), as amended from time to time, the consent of the Company be and is hereby accorded to the Board



of Directors of the Company ("the Board") to create such charges, mortgages and hypothecations, if any, created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks, Financial Institutions, other lending / investing agencies or bodies / trustees for holders of debentures / bonds which may be issued to or subscribed to by all or any of the Banks, Financial Institutions, other lending / investing agencies or any other person(s) / bodies corporate by way of private placement or otherwise (hereinafter collectively referred to as 'Lenders'), provided that the total amount of loans together with interest thereon additional interest compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of ₹2,500 Crores (Rupees Two Thousand Five Hundred Crores Only) or the aggregate of the paid up share capital and free reserves of the Company, whichever is higher.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board and / or any member of such Committee."

#### NOTES:

1. 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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

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.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested 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.
3. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the special Business to be transacted at the Meeting is annexed hereto.
4. Brief resume of Directors including those propose to be appointed / re-appointed, nature of their expertise in specific functional area, name of the Companies in which they hold Directorship and Membership /

Chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in Annexure to this Notice.

5. The register of members and share transfer books of the Company shall remain closed from Thursday, September, 25 2014 to Saturday, September 27, 2014 both days inclusive.
6. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
7. 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 Universal Capital Securities Private Limited (RTA), for consolidation into one single folio.
8. Non-resident Indian Members are requested to inform RTA immediately of:
  - 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.
9. 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.

#### 10. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 24th AGM by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Ltd (CDSL):

The Instructions for e-voting are as under:

- i. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii. Click on "Shareholders" tab
- iii. Select "**Seya Industries Ltd**" from the drop down menu and click on "SUBMIT."
- iv. Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID). Members holding shares in physical form should enter Folio Number registered with the Company and then enter the Image Verification as displayed and Click on Login.

- v. If you are holding shares in electronic form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any Company, then your existing password is to be used.
- vi. For Shareholders holding shares in physical form and first time users holding shares in electronic form, the steps given below are to be followed:

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.</p> <p>Members who have not updated their PAN with the Company/DP are requested to use the first two letters of their name in CAPITAL followed by the last 8 digits of their demat account number/Folio No., as the case may be, in the PAN field.</p> <p>In case the Folio No. is less than 8 digits enter the applicable number of 0s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar and Folio No. is 1 then enter RA00000001 in the PAN field.</p>
Date of Birth or Date of Incorporation Or Bank Account Number	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format</p> <p>Enter the Bank account number as recorded in your demat account or in the Company records for the said demat account or folio.</p> <p>Please enter any one of the details in order to login. In case both the details are not recorded with the Depository or the Company, please enter the number of shares held in the Bank Account Number field.</p>

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then reach directly to 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 the Sesa Industries Ltd.
- xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi. If an electronic account holder has forgotten the set password, then he has a 'Forgot password' option to reset the password.
- xvii. **Note for Institutional Shareholders:**
  - Institutional shareholders (i.e. other than Individuals, HUFs, NRIs etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details, they have to create a compliance user 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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

xviii. 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.co.in](http://www.evotingindia.co.in) under help section or write an email to: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### **Other Instructions:**

- The e-voting period commences on Monday, September 22, 2014 (9.00 a.m. IST) and ends on Wednesday, September 24 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in electronic form, as on September 1, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. 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 September 1, 2014.
- Mr. Rakesh Sanghani, Practicing Company Secretary (Membership No. FCS 7647), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and submit a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- The Results shall be declared on or after the Annual General Meeting (AGM). The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.seya.in](http://www.seya.in) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

By **Order of the Board of Directors**

#### **Manisha Solanki**

Company Secretary and Compliance Officer  
Mumbai, August 27, 2014

T-14, Tarapur Industrial Area, MIDC,  
Boisar, Dist. Thane – 401 506  
✉ [corporate@seya.in](mailto:corporate@seya.in) 🌐 [www.seya.in](http://www.seya.in)

**CIN : L99999MH1990PLC058499**

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

### Item No. 4

Mr. Anand Taggarsí was appointed as an Additional Director of the Company on August 27, 2014

In terms of the provisions of Section 161(1) of the Act, Mr. Taggarsí would hold office upto the date of the this Annual General Meeting.

The Company has received a notice in writing from a Member along with the required deposit proposing the name of Mr. Taggarsí for the Office of the Director of the Company.

Mr. Taggarsí is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Pursuant to the Provisions of Section 149 of the Act Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of a Company and he shall not be included in the Total number of Directors for retirement by rotation.

The Company has received a declaration from him that he meets with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Taggarsí fulfils the conditions for his appointment as an independent Director.

Except Mr. Taggarsí to the extent of his shareholding in the Company, if any, non of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at item no. 4 of the Notice.

The Board recommends **an Ordinary Resolution** set out at item No. 4 of the Notice for approval by the shareholders.

### Item No. 5

Pursuant to the Provisions of Section 149 of the Act Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of a Company and he shall not be included in the Total number of Directors for retirement by rotation.

Mr. Virendra Singh Khurana's term is expiring on September 23, 2014. The Company has received a declaration from him that he meets with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Khurana fulfils the conditions for his appointment as an independent Director.

Except Mr. Khurana to the extent of his shareholding in the Company, if any, non of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at item no. 5 of the Notice.

The Board recommends the **an Ordinary Resolution** set out at item No. 5 of the Notice for approval by the shareholders.

### Item No. 6

The Board of Directors of the Company ("the Board") in their meeting held on August 14, 2014 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 23, 2014, 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 ₹440,000/- per quarter as a remuneration including all perquisites and allowances. 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.

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.6 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. 6 of the Notice as **an Ordinary Resolution**.

### Item No. 7

The new Companies Act, 2013 has entrusted new responsibilities and challenges on the Directors of the Company and there by making their role more Complex and Crucial. Keeping in view the enhanced responsibility

and duties of the Directors it is considered appropriate that the remuneration payable to the Directors of the Company shall be commensurate with their increased responsibilities and duties.

It is thereby proposed that all executive directors may be paid remuneration by way of monthly salary, perquisites, allowances, bonus, incentives etc. which shall not exceed ten per cent of the net profit of the Company.

All executive directors of the Company are deemed to be interested in the resolution set out in the item no. 7 of the notice to the extent of their share holding, if any, in the Company.

The Board recommends **an Ordinary Resolution** as set out in the item no. 7 of the Notice to the shareholders.

#### Item No. 8

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditor of the Company for doing audit of the Cost records of the Company, shall be required to be approved by the members of the Company.

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, 2015.

None of the directors / key managerial personnel of the Company is interested in the resolution set out in item no. 8 of the Notice.

Your Board recommends resolution set out in item no. 8 as **an Ordinary Resolution**.

#### Item No. 9

In terms of Section 180(1)(c) of the Companies Act, 2013 (including any statutory modification(s) thereof and any rules thereof for the time being in force) and other applicable provisions, if any, the Board of Directors of the Company (the "Board") cannot, except with the consent of the members in the General Meeting by way of special resolution, borrow money (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business), in excess of aggregate of paid up capital and its free reserves, not set apart for any specific purpose.

The Company had in its meeting held on September 22, 2010 passed the ordinary resolution for borrowings upto an aggregate limit of ₹2,500 Crores (Rupees Two Thousand Crores only) under the erstwhile section 293(1)(d) of the Companies Act, 1956. However, in view of the enactment of the Companies Act, 2013, the said resolution is required to be passed vide special resolution. Further, the Ministry

of Company affairs have clarified vide their circular no. 4/ 2014 dated March 25, 2014 that the resolution for borrowings and/or creation of security on assets of the Company passed under the erstwhile section 293(1)(d) of the Companies Act, 1956 shall remain valid for a period of one year only from the date of notification of Section 180 of the Companies Act, 2013 i.e. up to September 11, 2014.

Your Directors are therefore of the opinion that the limit of the borrowing powers should continue to remain up to an amount of ₹2,500 Crores (Rupees Two Thousand Five Hundred Crores only), which is exceeding aggregate of paid up capital and its free reserves, not set apart for any specific purpose.

In view of the above, a fresh resolution for borrowings is proposed to be passed vide special resolution as required as per section 180(1)(c) of the Companies Act, 2013

The Board recommends **a Special Resolution** as set out in item no. 9 of the Notice for approval of members of the Company.

None of the Directors or Key Management Personnel or their relatives are concerned or interested in the aforesaid resolution.

#### Item No. 10

A Resolution for seeking Members approval for borrowing of money (whether secured or unsecured) upto an overall limit of ₹2,500 Crores, pursuant to Section 180(1)(c) of the Companies Act, 2013 (including any statutory modification(s) thereof and any rules thereof for the time being in force) and other applicable provisions, if any, is being placed before the Annual General Meeting.

The Borrowing of the Company are in general required to be secured by suitable mortgage or charge on all or any of the movable or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company (the "Board") from time to time, in consultation with the lender(s).

In terms of Section 180(1)(a) of the Companies Act, 2013, the Board cannot except with the consent of the Members in the General Meeting mortgage or create a charge on movable and/or immovable properties of the Company, in favour of the lender(s).

Hence, it is necessary for the Members to pass a special resolution under the said Section.

The earlier resolution that was passed in the meeting held on September 22, 2010 for creation of charge/ mortgage on the assets of the Company had mention of erstwhile section 293(1)(a) of Companies Act, 1956 and also the resolution was passed as Ordinary resolution in place of Special resolution as required in accordance with section 180(1)(a) of the Companies Act, 2013.

Further, the Ministry of Corporate affairs have clarified vide their circular no. 4/ 2014 dated March 25, 2014 that the resolution for borrowings and/or creation of security on assets of the Company passed under the erstwhile section 293 of the Companies Act, 1956 shall remain valid for a period of one year only from the date of notification of section 180 of the Companies Act, 2013 i.e. up to September 11, 2014.

In view of the above, a fresh resolution for creation of charge/ mortgage on the assets of the Company is proposed to be passed vide special resolution as required as per section 180(1)(a) of the Companies Act, 2013.

The Board recommends a **Special Resolution** as set out in item no. 10 of the Notice for approval of members of the Company.

None of the Directors or Key Management Personnel or their relatives are concerned or interested in the aforesaid resolution.

#### By **Order of the Board of Directors**

##### **Manisha Solanki**

Company Secretary and Compliance Officer

Mumbai, August 27, 2014

T-14, Tarapur Industrial Area, MIDC,  
Boisar, Dist. Thane – 401 506

✉ corporate@seya.in 🌐 www.seya.in

**CIN:** L99999MH1990PLC058499

## **Annexure**

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

<b>Name of the Directors</b>	<b>Mr. Ashok G Rajani</b>	<b>Mr. Asit Kumar Bhowmik</b>	<b>Mr. Virendra Singh Khurana</b>	<b>Mr. Anand Taggarsi</b>
<b>Date of Birth</b>	April 8, 1955	February 1, 1954	May 29, 1955	September 10, 1966
<b>Date of Appointment</b>	September 24, 2009	April 2, 2011	September 24, 2009	August 27, 2014
<b>Qualifications</b>	Chemical Engineering, from LIT, Nagpur	B. Tech (Chem. Engg.)	L.L.M., B.A. (Hons)	MBA (Finance) from NMIMS, CAIIB from Indian Institute of Banking and Finance and B.Com. from Mumbai University
<b>Expertise</b>	38 Years of Vast Experience in Chemical Industries	36 years of experience in Chemical Industries	39 years of Experience in Taxation, International Law and his specific functional area is contractual, commercial and taxation	25 years of experience in Administration, Organizational Restructuring, Policy Management, Risk and Compliance Management, Financial Operations, Cost Controls, and Credit Management
<b>Directorship held in other Public Companies</b>	-	-	-	-
<b>Membership in other Public Companies (Includes only Audit and Stakeholders Relationship Committee)</b>	-	-	-	-
<b>Shareholding</b>	2304214	NIL	NIL	NIL

## NOTES

[illegible]



**SEYA INDUSTRIES LTD**

**CIN:** L99999MH1990PLC058499

**Registered Office:** T-14, MIDC, Tarapur, Boisar, Dist. Thane – 401506

☎ 022-26732898 / 94 📠 022-66779569 ✉ info@seya.in, 🌐 www.seya.in

**ATTENDANCE SLIP**

24th Annual General Meeting on Saturday 27, 2014 at 11:00 a.m.  
at T-14, MIDC, Tarapur Industrial Area, Boisar (West), Thane – 401506

Folio No. \_\_\_\_\_

I / We hereby record my/our presence at the TWENTY FOURTH ANNUAL GENERAL MEETING of the Company at T-14, MIDC, Tarapur Industrial Area, Boisar (West), Thane - 401506, at 11:00 a.m. on Saturday, September 27, 2014.

Name of the Shareholder: \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxy holder: \_\_\_\_\_ Signature \_\_\_\_\_

- Notes:**
1. Only Member/Proxy holder can attend the Meeting.
  2. Please complete the Folio 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 attending the meeting 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. Thane – 401506

☎ 022-26732898 / 94 📠 022-66779569 ✉ info@seya.in, 🌐 www.seya.in

**PROXY FORM**

[Pursuant 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.: \_\_\_\_\_

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

2. Name: \_\_\_\_\_ E-mail ID: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature \_\_\_\_\_ or failing him

3. Name: \_\_\_\_\_ E-mail ID: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature \_\_\_\_\_ or failing him

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on Saturday, September 27, 2014 at 11:00 a.m. at T-14, MIDC, Tarapur, Boisar, Dist. Thane – 401506 and at any adjournment thereof in respect of such resolutions as indicated below:

I wish my above Proxy to vote in manner as indicated in the box below:

Resolutions		For *	Against *
1.	To consider and adopt Audited Financial Statements, Reports of Board and Auditors		
2.	Re-Appointment of Mr. Asit Kumar Bhowmik who retires by rotation		
3.	Appoint Auditors and fix their remuneration		
4.	Appointment of Mr. Anand Devidas Taggarsai as an Independent Director of the Company		
5.	Re-appointment of Mr. Virendra Singh Khurana as an Independent Director of the Company		
6.	Re-appointment of Mr. Ashok G Rajani Managing Director of the Company		
7.	Approve Remuneration to Executive Directors		
8.	Ratification of Remuneration of Cost Auditors		
9.	Approve borrowing limits of the Company		
10.	Creation of Charge on the assets of the Company		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of Shareholder: \_\_\_\_\_

Signature of Proxy holder: \_\_\_\_\_

Affix a  
revenue  
Stamp

**NOTES:**

1. 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.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% 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. \* Please put a '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.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

## Vision

To emerge as the Largest Global producer for Intermediates used in Manufacture of Speciality Chemicals, Pharmaceuticals, Pigments, Dyes, Agrochemicals and Rubber chemicals.

## Mission

Our mission is to offer Best Quality Products at Competitive Prices with timely delivery to the satisfaction of the Customer.

## Values

At SEYA, our success has been built upon the fundamental belief that exemplary character, quality work and customized products enhance the lives of everyone involved.

## GREEN INITIATIVE

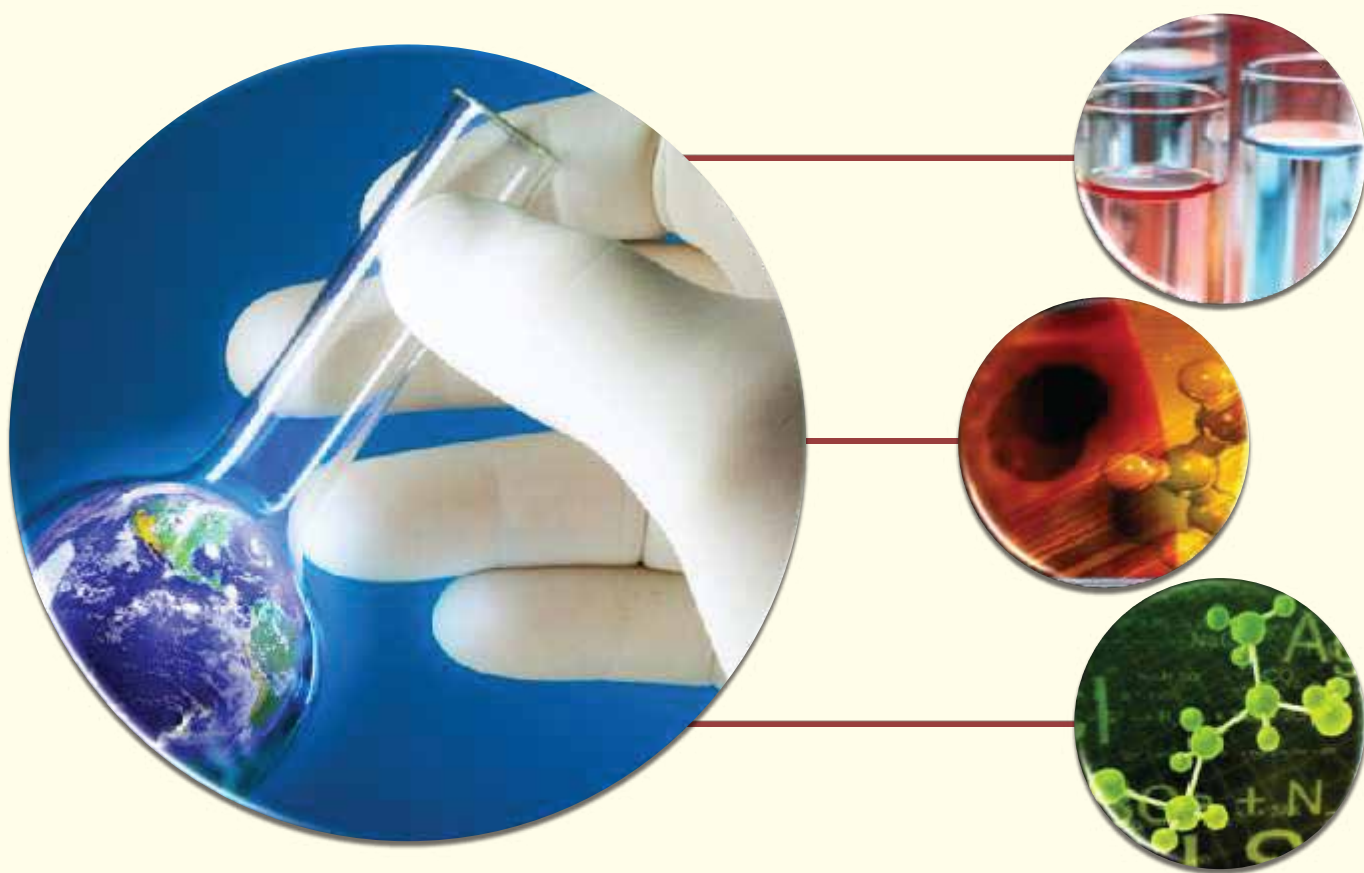


SEYA is committed to maintain a clean environment through Zero Effluent Discharge for its manufacturing plants using Clean Development Mechanism and conservations of Materials, Energy and Natural resources by optimizing resources consumption to contribute to a sustainable environment and simultaneously promote responsible environmental practices

SEYA understands the need of eco-friendly environment for our future generation. Since past three years SEYA has taken a minor step along with its shareholders to contribute its little bit to save environment by giving an opportunity to its shareholders to receive documents and notices in electronic form. We feel proud that like SEYA, its members are also actively participating in this initiative.

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

For a healthy and Greener life.....



If undelivered, please return to:

**SEYA INDUSTRIES LTD**

Registered office: T-14, MIDC, Tarapur, Boisar, Thane - 401508, Maharashtra