SEYA

INDUSTRIES LTD.

ANNUAL REPORT 2018-19

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SEYA understands the need of eco-friendly environment for our future generation. 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.

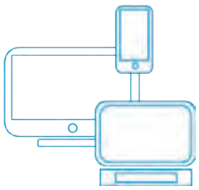
Those members who have still not register their e-mail Ids are requested to do so by writing to RTA at info@unisec.in or to the Company at corporate@seya.in

For a healthy and Greener life......

Twenty-Ninth Annual General Meeting

Day & Date	:	Friday, September 27, 2019
Time	:	3:00 p.m.
Venue	:	T-13/T-14, MIDC Tarapur, Boisar, Palghar, Maharashtra – 401506
Book Closure	:	Saturday, September 21, 2019 to Friday, September 27, 2019 (both day inclusive)

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



www.seya.in

Visit Company's official website to download this Annual Report

CORPORATE INFORMATION

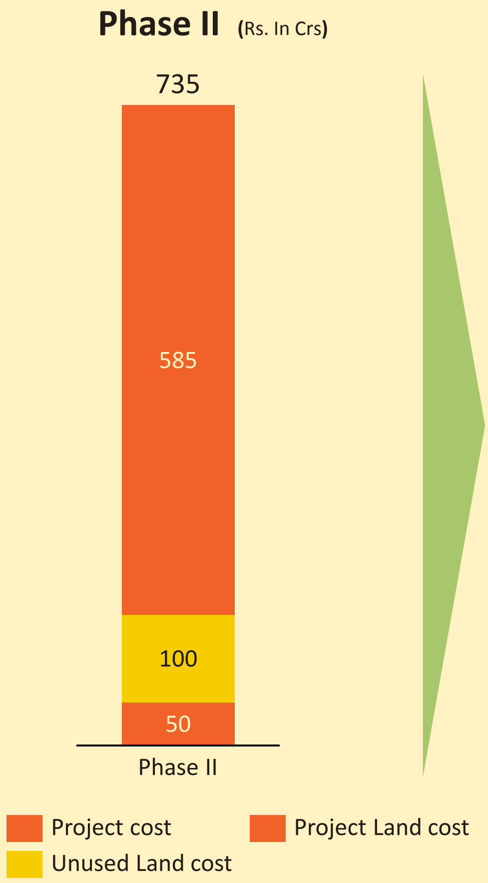
Board of Directors	Mr. Ashok G Rajani Chairman & Managing Director Mr. Asit Kumar Bhowmik Executive Director Mr. Anand Taggarsi Non-Executive Independent Director Ms. Kalpana Tirpude Non-Executive Independent Director
Chief Financial Officer	Mr. Amrit Rajani
Company Secretary & Compliance officer	Ms. Manisha Solanki
Senior Management	Mr. Haresh Desai Sr. Vice President Mr. Rajkumar Sinha Vice President Mr. Satish Kewalramani Vice President Mr. Bijay Mohapatra Vice President Mr. B S P Rao General Manager
Bankers	Central Bank of India Bank of Baroda Indian Bank Dena Bank Canara Bank IFCI Ltd
Statutory Auditors	M/s. Anil Chauhan & Associates
Registrar & Transfer Agent	Universal Capital Securities Pvt Ltd Mumbai
Registered Office & Plant	T-14, MIDC, Tarapur Industrial Area, Boisar, Palghar – 401506, Maharashtra
Corporate office	B-12, Ghanshyam Chamber, Link Road, Andheri West, Mumbai - 400053

Seya at a Glance

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

ISO 9001:2015 | OHSAS 18001:2007 | ISO 14001:2015

Execution of Strategy on Track



Rationale

Additional Installed Capacity:

527,900 MTPA,

- ✓ 50% Capitve Consumption
- ✓ 30% for existing customers
- ✓ 20% to substitute import

Additional Revenue expected:

10-12 bn at **80%** utilization

Debt to Equity

1:1

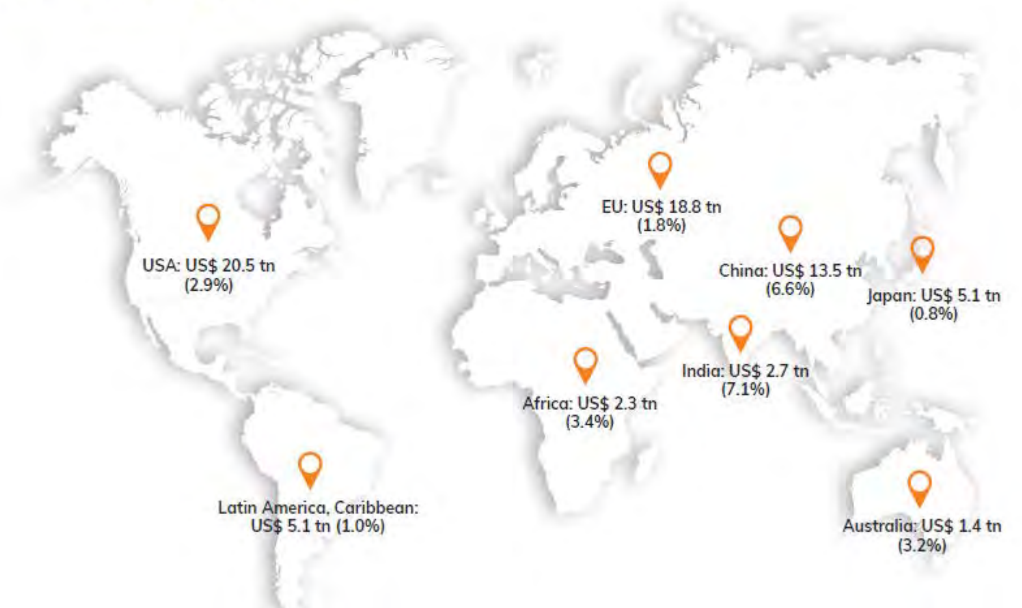
Current Project Completion Status:

77%

Year In-Retrospect...

GLOBAL ECONOMY

World GDP* at 3.6% grew slower



Source: IMF, January 2019

*Calendar year 2018 for all except India where the year is April 2018 to March 2019

Crude oil, steel prices and forex rates fluctuated significantly

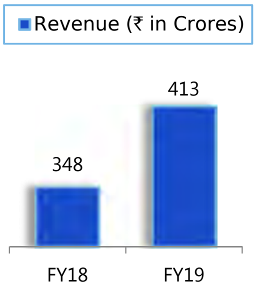
between US$ 50.57 and US$ 86.07 per barrel

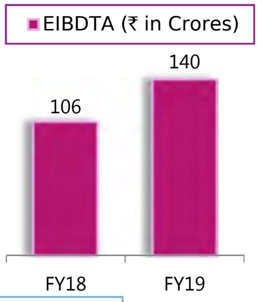
between ₹ 44,500 and ₹ 49,500 per mt

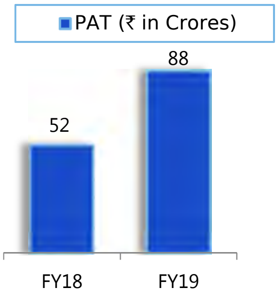
US$ vs ₹ between ₹ 64.96 and ₹ 74.38 per US$

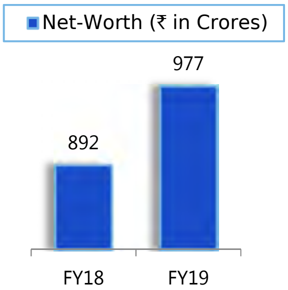
SEYA...

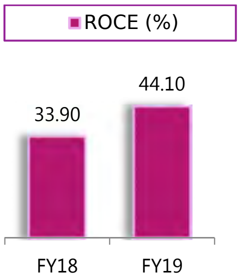
FINANCIAL HIGHLIGHTS











CREDIT RATING

Long Term

CARE A- | Stable

Short Term

CARE A2+ | Stable

Our Credit rating validates the robustness of our Business model and our ability to Service Short-term & Long-term Debt at the back drop of strong revenue visibility

GLOBAL FOOTPRINT . . .

INDUSTRIES SERVED . . .

Paints & Coatings	Agriculture	Printing Ink	Textiles	Pharma	Personal Care

COMPETITIVE EDGE . . .

Quality
Un-matched Purity > 99.95% +

Trust
>70% Revenues from Customers > 5yr Old

Integration
Full Backward & Forward Integrated Mfg. facilities at Single location

Human Capital
>100 +Talented & Skilled Employees having Engg. Background

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

Technocrat Promoters
1st Gen. Technocrat Promoters having Sound Entrepreneurial Skills & Notable Chem. Engg. Background

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

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

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

WHAT DRIVES US . . .

Our Vision
To emerge as a Fully Integrated Global producer of Speciality Chemicals

Customer Satisfaction
On-time delivery of Highest Quality Product at lowest cost

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

Integrity
Products developed for Customers under confidential contract

Our Values
Exemplary Character, Quality Work, Safety

Financial Discipline & Performance Audit
Ensures Operational Excellence, monitoring, Control & Goal achievement

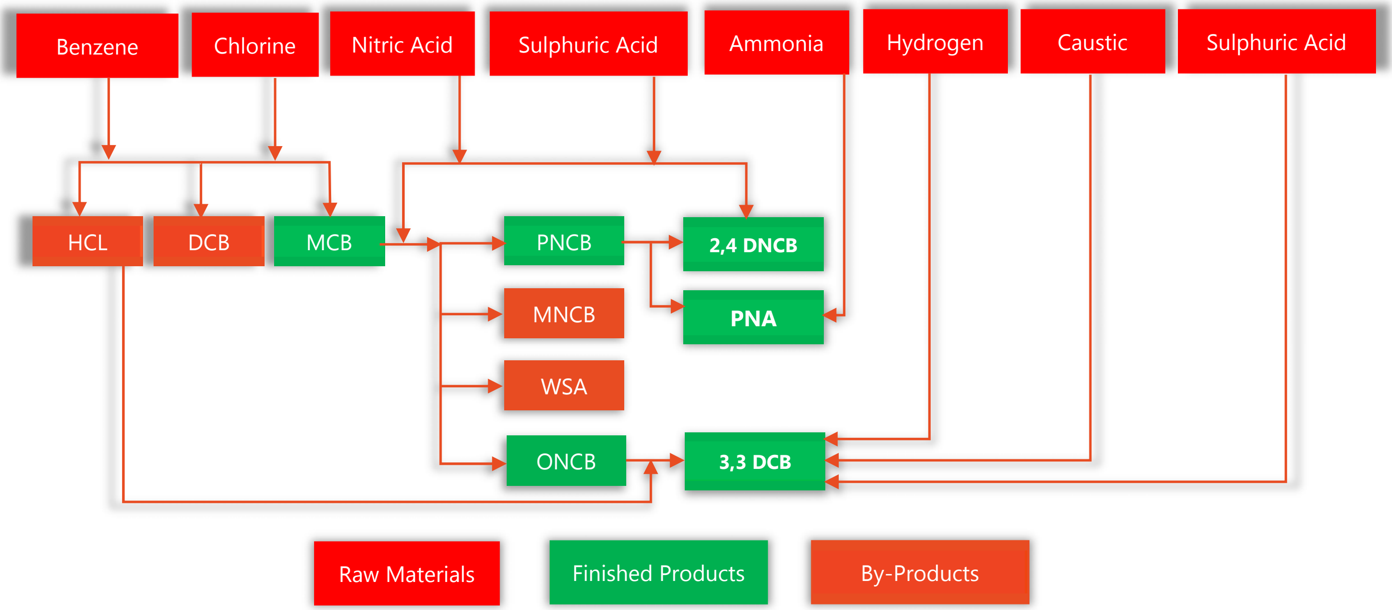
Cutting-Edge Mfg. Technology
Latest State-of-Art cutting edge fully automated German | Swiss Technology driven manufacturing processes

Energy Mgmt. | Conserv. | Recovery
Lowest Production Cost | Conserves natural resources | Reduces CO_2 emissions

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

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

OUR GROWTH CHEMISTRY . . .



Value Creation . . .

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

For Nation
Compliance to all Regulatory norms and contribution to Govt. treasury

For Investors
Earning Trust & Faith of Investors by reciprocating sustainable returns ensuring transparency and corporate governance

For Employees
Efficient & diversified workforce empowered by rewarding career goals

For Community & Society
Sustainable contribution and Value Creation for Community & Society

Value Achieved . . .

+ 13.63%
Revenue 5-Year CAGR

+ 42.38%
EBIDTA 5-Year CAGR

+ 61.43%
Net Profit 5-Year CAGR

+ 45.77%
Networth 5-Year CAGR

+ 645.16%
Market Cap Since 2015

OUR GROWTH ASSETS . . .






"Science means constantly walking a tightrope between expertise and creativity; between bias and openness; between experience and epiphany; between ambition and passion; and between arrogance and conviction - in short, between an old today and a new tomorrow."

FROM THE MANAGMENT'S DESK

My Dear Valued Shareholders,

Congratulations to All of you!!!

Once again it gives me immense pleasure to welcome you in yet another year of Celebrations, a milestone year etching enriching growth, excellence and highest ever record performance.

"Unarguably, the actions of today impact tomorrow"

As we continue our long and eventful journey, I look back at yesterday with some satisfaction, but look forward to tomorrow with great anticipation on the backdrop of a course, we charted out on our belief, that will shape towards a blissful tomorrow. It isn't just a wish or a mere hope, instead, it is a deep conviction that we are on the right path and are doing the right things to bring about a better tomorrow. Along the way, we expect to face challenges but plan to persevere. For, the goal is worthwhile and thus, the efforts are worth it. Hence, everything that we do today, as an individual or as an Organisation, has the power to effect change and shape tomorrow.

Economic Environment

A year ago economic activity was accelerating; 12 months later, much has changed. The world economy at US$ 84 tn grew by 3.6% in 2018 slower than 3.7% in 2017 – the USA, China, Japan, Germany, UK, France remained at the top. Indian economy – ranked number seven in the world – at US$ 2.7 tn – grew by 7.1%, in 2018 higher than 6.7% in 2017. The global economy is projected to grow slower at 3.3% in 2019 under the shadow of trade barriers and nationalist agendas - threats that will hurt mismanaged organisations and provide opportunities to well-managed ones. A taciturn Chinese premier, unchallenged by elections for the near future, has tied his reputation to pollution and hazard control; a reticent American policy is focussed on one-on-one deals instead of multi-party agreements and an 'America First' agenda;

"The world over, money is turning to look towards India as a safe harbour to offer stability and high returns"

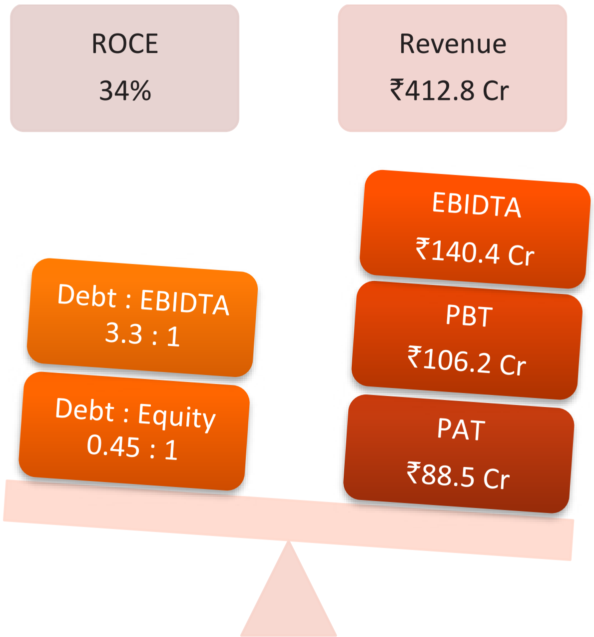
India is witnessing government initiatives to revive the economy increased Gross Domestic Product (GDP) in the two quarters although falling Rupee is an area of concern.

Winning Performance

SEYA demonstrated elating performance during the year in retrospect amidst an economic environment with increased captive consumption of its intermediates and increasing sales volumes of its high margin products. The EBIDTA realization per tonne of Products sold was higher in FY19 as compared to FY18 by 63%. Your Company has put plans in motion to expand its capacity to cater to a growing demand in products where it has a competitive advantage. While your Company remains committed to be a fully integrated Specialty Chemical supplier, increasingly it is wooed by other Speciality chemical companies to become their partner of choice.

"FY19 Revenue from Operations grew 19% (YOY) to ₹413 Crores (PY18 ₹348 Crores) despite decreasing unit realization of products in Q4FY19. EBIDTA in FY19 increased by 31.89% to ₹140.42 Crore (PY18 ₹106.47 Crore) & EBIDTA margin in FY19 stood at 34.02% (PY 30.8%) driven by increase in volumes of high margin products. Net profit in FY19 increased by 21.44% to ₹88.49 Crore (PY ₹52.39 Crore) despite contraction in EBIDTA margins in Q4FY19"

The Seeds that your Company sowed 5 years back are now bearing the fruit and I am delighted to announce that in FY19 Revenue from Operations grew to ₹412.78 Crores as compared to ₹347.89 crore in FY18 recording a growth of 18.65% (YOY) despite normalisation in the Unit Sales Price of the Products during the last quarters of the fiscal. EBIDTA increased to ₹140.42 crore from ₹106.47 crore as compared to same period last year & EBIDTA margin was 34.02% in FY19 compared to 30.8% in FY18 recording a growth of 11.16% driven by increase in volumes of higher margin speciality chemicals due to higher captive consumption of intermediate products. Net profit increased to ₹88.49 crore in FY19 compared to ₹52.39 crore during the same period of last year, representing 68.88% increase in Profits despite of volatility in global economic landscape. At the backdrop of stirring numbers, the Net Debt to EBIDTA stood at 3.3 (PY 2.79), with deleveraged Debt: Equity and Interest Coverage ratio at 0.45x and 6.75x respectively (PY 0.31x and 4.78x respectively)



While top-line growth was relegated due to spurt in Average Selling price per unit in FY19 as compared to FY18, the positive momentum in ***Speciality Chemicals business was epitomised by the growth in volumes, margins and overall profitability owing to supply disruption from China.*** This performance underlines your Company's inherent robustness and its strong ability to combat challenges such as raw material price volatility. It also endorses the success of your Company's visionary focus, which continues to drive performance and growth across all matrices.

As you all would be aware, we are delighted that the Company got listed on NSE with effect from July 11, 2019 which will further give a wider platform and access to the investors to deal in the Company equities on NSE. We continue to rototill our surplus in boosting our capabilities, which, we are confident, will enable and secure future growth and long-term value creation for our shareholders. In light of a spirited performance reported by your Company, the Board of Directors has recommended a dividend of ₹1.50 per share of a face value of ₹10 and increase of 50% as compared to previous year despite the expanded Capital base.

Winning Strategies

With a clearly defined vision to emerge as an Integrated Global producer for Speciality Chemicals and having invested ₹5 Bn in Capex in last 6 years, Company is progressing on its journey for another round of expansion at an outlay of ₹7.35Bn, to be commissioned and commercialized in H2FY20 with additional installed capacity of 527,900 MTPA. The project is expected to contribute additional

Revenue of ₹10-12Bn at an estimated capacity utilization of 80% and further improved EBIDTA margins as compared to present manufacturing operations. The project is located in close vicinity of Seya's existing manufacturing operations at MIDC Tarapur, Boisar in State of Maharashtra and is being funded at 1:1 Debt-Equity. The financial closure for the Project was achieved in Q1FY18 and the groundwork for the same had started in Q3FY18. The Equity has been fully introduced by the Promoters and is forming part of present Share Capital/Equity Structure of the Company. The installed capacities of proposed products under set-up shall be the largest in the world at a single location. Seya has safeguarded any copy of the Technology by executing confidentiality and copyright agreements with its technology suppliers restricting sale of technology acquired, for next 20 years. The proposed expansion is progressing and has accomplished 77% Site Completion until FY19.

"Science means constantly walking a tightrope between expertise and creativity; between bias and openness; between experience and epiphany; between ambition and passion; and between arrogance and conviction - in short, between an old today and a new tomorrow."

Almost 50% of the installed capacity in the proposed greenfield mega project is to be captively consumed as intermediates. Out of balance 50%, 30% of the proposed installed Capacity is contracted to existing customers on long term supply contract and balance 20% is envisaged to provide as import substitute to cater to the increasing demand arising from Supply disruptions and geographical shift from China.

I genuinely believe that Seya's future is even brighter. We have multiple businesses driving our growth. We have unique capabilities that are becoming increasingly vital. We are serving customers that are benefiting from strong demand for their products. Our relationships, product innovations, consistent delivery of high-quality products and services are unlocking new opportunities. With a proven track record, hunger for growth, extensive product range, and capacities based on the latest technological innovations, amplified by committed employees, we are confident of surpassing more milestones, as we move ahead.

Winning Outlook

The structural foundation of the Indian speciality chemicals sector remains strong, catalysed by a visible increase in domestic consumption of-value-added high-performance products in all spheres of life, Low Cost of Skilled Labour, Raw materials and utilities, Investment in R&D and Government initiatives. India's position as a manufacturing hub for specialty chemicals strengthened following an increasing shift in manufacturing capacities to Asia and a sustained improvement in India's competitiveness. The road map appears promising as India's chemical industry is poised for robust growth and investment on the back of large and growing population, Mass urbanization and a rapidly expanding middle class supporting numerous consumer markets, solid domestic demand and robust export market– the same ingredients that throttled Chemical Industry growth in China.

The upcoming years will provide an opportunity for domestic industry players to gain scale and consolidate, while the international players may set up a robust manufacturing base in the country. India's emergence as a leading global speciality chemicals manufacturing location is fortified by growing market with increasing purchasing power due to high disposable incomes and increasing urbanization. The world's epicenter has shifted to Indian manufacturers to fill the void created by the deficit in supply owing to shutdown of Leading companies in China due to environmental and safety concerns crafting highly lucrative opportunity for SEYA, which is well known as one of the lowest cost producers in its class of products globally, owing to the level of integration in our manufacturing processes.

"We have been witnessing growth in product volumes, a trend which we expect to continue, considering India's dominating position in global supply chain and de-risking geographical risks arising out of supply outages in China"

We are cognizant of the fact that in this volatile market, it is crucial to safeguard our business against external risks. Over the past few years, we have been working on our operational efficiencies and scale to prepare ourselves to be able to cater to the robust global demand for speciality chemicals. Our business model has been developed on the back of judicious decision-making in light of the dynamic business environment. We are now at a critical inflection point in our business. We ensure that we use capital efficiently and predict our cash flows to continue on the path of progress. As raw material prices depend on the prices of crude oil, we have deployed the pass-through mechanism in our business model. This mechanism helps us pass the variation in the raw material prices to the customers through a formula-based pricing model. We have also safeguarded our business against the fluctuations in raw material prices. Our planned expansions in the speciality chemicals business shall comfortably position us in the market as a partner of choice. Further, our diversified product portfolio and lack of dependence on a single customer has helped us de-risk our business. No customer form more than 10% of our revenues and our industry-wise exposure is also optimally balanced.

"Our growth during the year will be driven by ramp up in capacity for high margin product complemented by shifts in the global supply chain and improvement of efficiencies of existing capacities due to on-going de-bottlenecking activities"

Your Company is diligently persevering to welcome its next level of growth in FY20 propelled by doubling of Capacity of PNA and de-bottlenecking initiatives across all other products to take benefit from the growing demand from both domestic and international markets.

Today, we are on an accelerated growth path, with sustainable competitive advantages and best positioned to leverage the changing market dynamics. Our past performance has emboldened us to move ahead with determination, as a robust and diversified Company. Going forward, your Company foresees stronger customer relations, higher efficiencies and robust growth in Speciality Chemicals end-user segment due to reorientation of geographic focus. I thank our customers, particularly their never static expectations. The ability to provide quality products and service, is in itself, a reason enough to build a culture of high standards. Our focus has been to persevere in carefully selected products elevate competencies and aspire for cost leadership. It creates an obsession towards enhancing operating efficiencies which are attained by optimising production processes through debottlenecking initiatives and re-evaluating the value chain on an ongoing basis to explore opportunities for backward integration. This enables us to scale our offerings by enhancing capacities through expansion, which further elevates our competitive positioning. To sustain a growing business in size and complexity, we are strategically transforming our organisation and becoming "future-ready." We are making continuous investments in our productive assets, and our expansion strategies are also devised keeping in mind our in-depth risk-mitigated approach towards incurring capital expansion. With reasonably complex (not complicated) and fully backward-forward integrated proposed mega manufacturing blueprint, capital and technologically intensive scale of operations, your Company shall create a large fully integrated manufacturing base to outpace the industry and deliver persistent growth year-on-year, combined with cost leadership and value-added product offerings, by integrating its existing business operations leading to higher returns and value creation for our Stakeholders.

Ensuring future through Safety, Heath & Environment (SHE)

As a signatory of Responsible Care, Seya assigns the highest importance to safety, environment, and health. Adherence to the most stringent pollution control norms at all of its manufacturing facilities supporting various initiatives in the areas of reduction in carbon footprints and energy efficiency enhancement to preserve and protect the environment. With this, we are not only delivering growth, but also building a stronger, more resilient company which can continue to grow sustainably.

Ensuring future through CSR

For SEYA, fulfilling its Corporate Social Responsibility is another approach to create a better future. SEYA, in collaboration with various corporate partners, implements several social initiatives to improve the quality of life of the underprivileged sections of society, all designed to help them hope for and achieve a better tomorrow. Our endeavour is to help creating an ideal community that is self-sufficient and self-reliant.

Winning Team

Towards this end, we believe innovation is the key to leadership.

"Innovation distinguishes between a leader and a follower." Our vision of shaping tomorrow through leadership is to focus on innovation – to discover and invent new products that enhance the quality of life.

Your Company believes that committed and qualified teams are the key to contribute towards a sustainable future. Team Seya's competence, professionalism and unparalleled performance has been finally recognised and acknowledged all over the world by awards and accolades. Rooted in Values is our Integrity, Understanding, Unity, Responsibility and Excellence. I must take this opportunity to congratulate and express my appreciation to the human assets of Seya. Your Directors strive to build a great place for great people to do great work. Continuing the winning spree. I am proud that Team SEYA has proved that a plausible impossibility is better than a convincing possibility. The professional management embedded across all functions and levels will continue to lead and drive SEYA.

My dear shareholders your support gave SEYA Incredible strength which can't be explained in words. Your belief and confidence in the company and its management helped SEYA to achieve what it has achieved today. We resolute to remain committed to significantly keep enhancing value of our stakeholders. I would also like to thank our bankers who have continued to repose their faith in the company, and we are encouraged by their unstinting support. My fellow board members, customers, vendors and other stakeholders without your support and encouragement SEYA's growth story is incomplete. I will complete with words of incitement by Thomas Jefferson, "Business, more than any other occupation, is a continual dealing with the future; it is a continual calculation, an instinctive exercise in foresight.". With great satisfaction and greater anticipation, I call upon Team SEYA for shaping a better tomorrow.

Best Wishes,

ASHOK G RAJANI

Chairman & Managing Director

FINANCIAL HIGHLIGHTS...

Lakhs

₹ 41,278

Revenue
FY 2018-19

13.63%
5 Years
CAGR

Lakhs

₹ 14,042

EBIDTA
FY 2018-19

42.38%
5 Years
CAGR

Lakhs

₹ 10,624

Profit Before Tax
FY 2018-19

66.85%
5 Years
CAGR

Lakhs

₹ 8,849

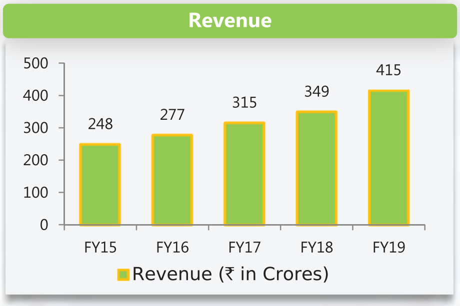
Profit After Tax
FY 2018-19

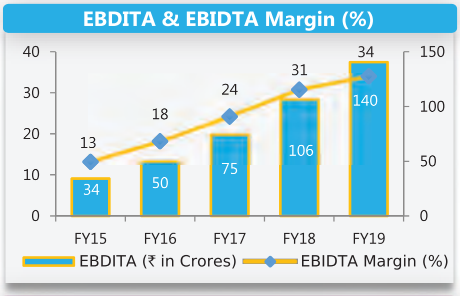
61.43%
5 Years
CAGR

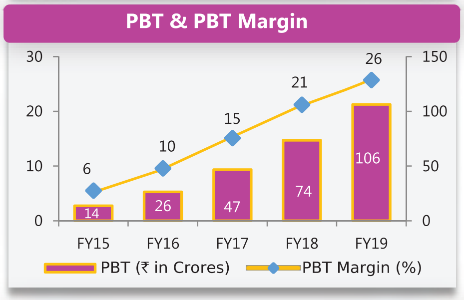
₹ 35.97

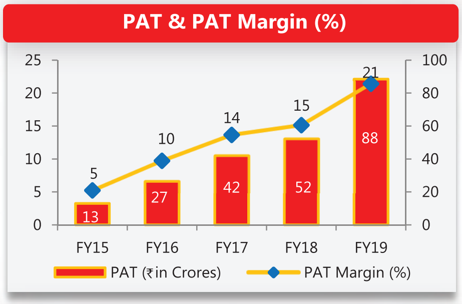
Earnings Per Share
FY 2018-19

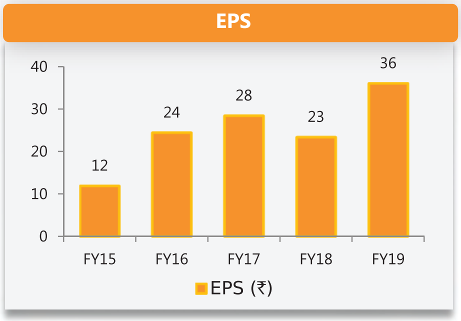
31.99%
5 Years
CAGR







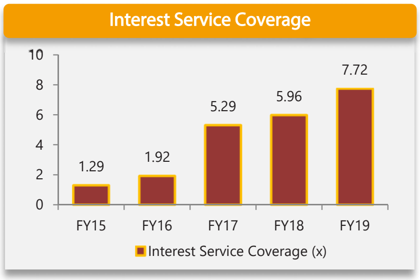


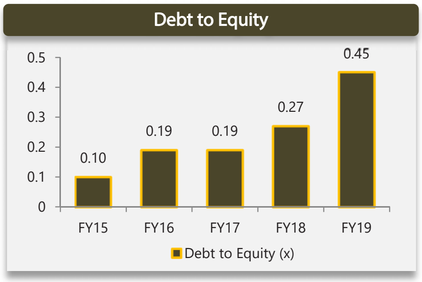


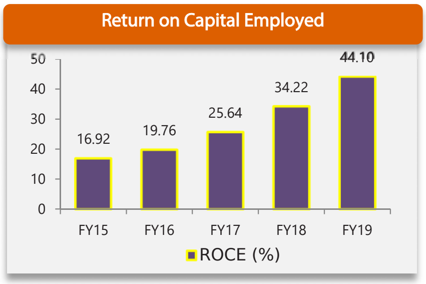
Notes:

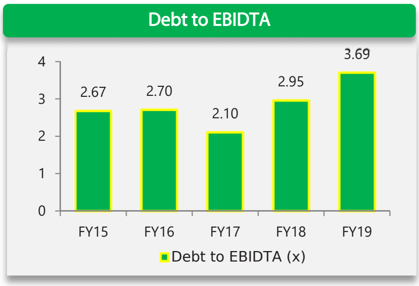
1. Data from FY 17 are as per IND AS and others are as per IGAAP
2. Earnings per Share of FY 18 is decreased due to widening of Equity base due to conversion of Share Warrants to Equity with respect to the Capital Work In-progress

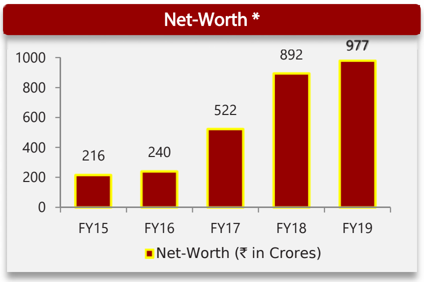
FINANCIAL HIGHLIGHTS...



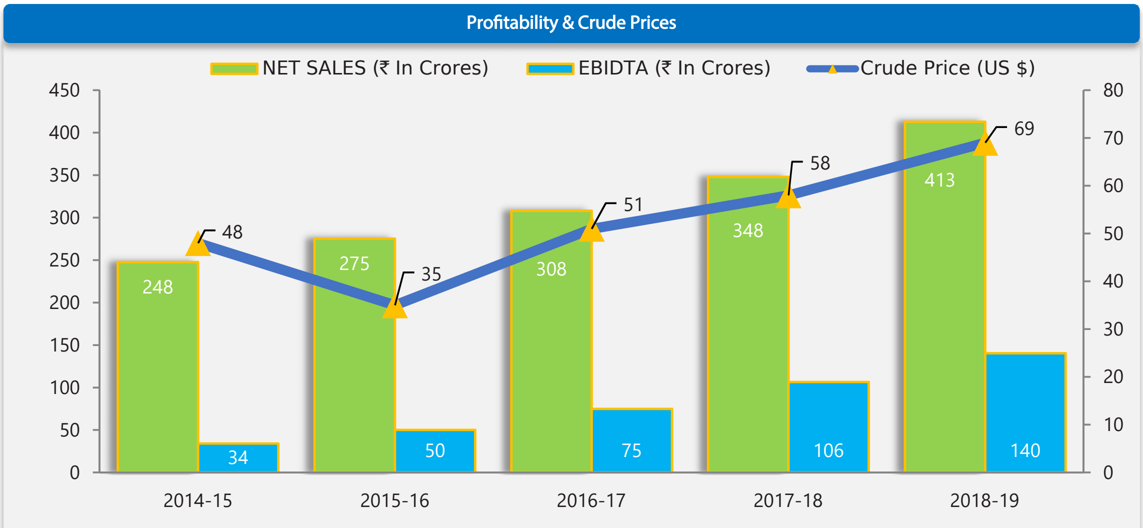








*Includes NCRPS and Unsecured loan of Promoters and Promoter Group



* Profit Margin is not affected by the volatility in Crude Prices

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS ENVIRONMENT

Global

The global economy was characterized by fears of a sharp slow down due to increasing degree of globalization, tariff wars, quantities barriers impeding free movement of people, products & services and geo-political protectionism. Levelling off recovery in major commodity-exporting emerging market and developing economies, weakening consumer and business spending and decelerating advanced economy growth has led to moderate world economic growth of 2.9% in 2019 as compared to 3.1% in 2018. The growth in the Eurozone slipped to a 4-year low with forecast of revised downward estimate to 1.3% in 2019 owing to softening exports and slowing external demand. The US economy is expected to have a slower growth on the backdrop of Trade war with China though the economy up-ticked recently. Trade tensions, including the imposition of tariffs by large economies, have resulted in a material impact on global commodity markets, leading to trade diversion and widening price differentials among countries.

Asia is seen driving the global economy in 2019 with particularly India leading the race with structural reforms and higher investments driving economic activity. This expected to partly offset structural slowdown due to moderate pick-up in other large economies. The modest weakening of China's industrial sector is owing to softening of export growth as it faces trade war pressure from the US and crackdown on polluting industry which is expected to steer China's current account from Surplus to deficit first time ever in last decade.

Over the next decade, reverse globalization shall reduce the competitive advantage and uneven the global economies. The effects of escalating trade actions are leading to higher prices in both the China and US, less purchasing power of consumers in these countries, higher input costs, heightened financial volatility and higher interest rates. Deteriorating risk appetite of investors, potential slowdown in China and possibility of volatility and vulnerability in muddled financial markets may lead to global economic disruption.

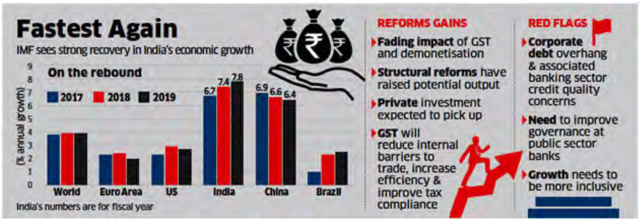
Moving ahead, the world economy is expected to drive the growth of EMDEs at 4.5% in 2018 and further at an average of 4.7% between 2019 and 2020. The advanced economies will grow due to tax reductions and rise in public spending. A robust growth in the euro area will be witnessed with an increase in demand due to rise in the confidence of consumer and business, accommodative monetary and fiscal policy, and rebound in labour markets. In EMDEs, growth will be noticed with continued revival of commodity exporters, growth in trade, increase in investments, rise in private consumption. Growth of South Asia is expected to be driven by a huge growth in Indian economy. As the world's largest economy is slated to ease banking regulations and renegotiate trade terms with its long-time partners, its protectionist policies may throw the economic equations of many export-oriented nations in disarray. Geopolitical uncertainties in the middle-east and rising crude oil prices might also work against the prospects of the world economy. China, which has long been considered the engine of manufacturing, is in the process of reorienting itself toward value added goods and technology.

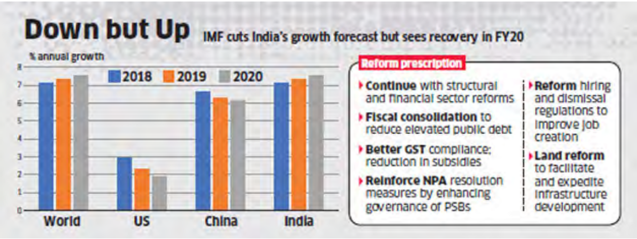
Domestic

While the Central Statistics Office revised the growth rate for India in Fiscal 2018-19 from 7.2% to 7%. The first half witnessed strong growth trends, growth in the second half was impacted by a liquidity crisis in the BFSI sector as well as global macro-economic events. Even as growth moderated, India remained the fastest growing large economy in the world. Further, growth has been quite broad-based and domestic macro-economic indicators have remained largely stable. Domestic demand has strengthened as the benefits of structural reforms such as the Goods & Services Tax harmonisation, improvement in governance in PSU banks and their recapitalization take effect. Growth remained healthy despite multiple external challenges including volatile oil prices and rupee volatility which served to place pressures on demand, inflation, current account, and public finances. However, business investment and exports remained fairly robust.

India is less exposed to a slowdown in global manufacturing trade growth if compared with other major Asian economies and the emerging markets, and it is poised to grow at a relatively stable pace over the next two years. Announcement of the direct cash transfer program for farmers and the middle-class tax relief measures will also contribute to the fiscal stimulus. With the on-going reforms beginning to impact the economy now positively, there is renewed optimism about India's growth prospects in the upcoming years. It's believed that improvement in the governance of public banks will help avoid a new wave of non-performing loans and support the investment recovery. Private consumption is projected to remain firm, and investment growth is also expected to continue as the benefits of recent policy reforms begin to materialize and credit rebounds. Strong domestic demand and resumption of investment cycle will boost demand for crude, metals, materials and other imports which may widen India's current account deficit. Inflation is projected to rise somewhat above the midpoint of the Reserve Bank of India's (RBI) target range of 2% to 6%, mainly owing to energy and food prices.

The economic growth is seen moderately accelerating on the back of steady government expenditure, largely stable rural incomes, faster private consumption, and investment growth. Economic growth in India is expected to accelerate moderately to 7.5% in FY 2019-20, according to a World Bank forecast, attributing it to an upswing in consumption and investment pick-up. India will continue to retain its tag as the world's fastest-growing large economy.



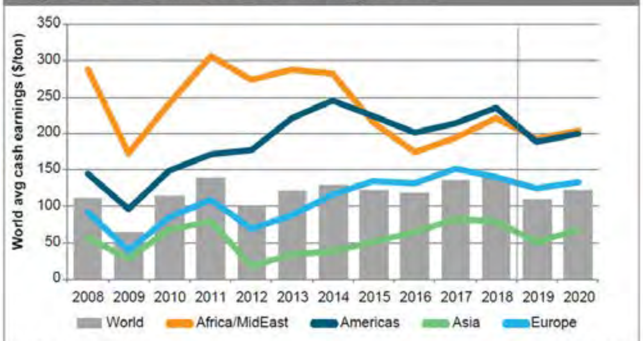


CHEMICAL INDUSTRY OVERVIEW AND OUTLOOK

Global

The chemical industry is one of the largest manufacturing industries of the world. Chemical is a cyclical business and in line with GDP. This is because most of the chemicals are used during the early stages of manufacturing. The calendar Year 2018 represents the 6th year of an extended upcycle in the global chemical markets, characterised by robust demand, tight supply, and strong profitability. This extended period of profitability caused a surge in reinvestment planning activities in North America, the Middle East, China, and other Asian locations. At the same time, many risks represent potential drags on global growth, including rising crude oil prices, domestic fiscal policy and currency fluctuations, geopolitical tensions, and realignment of trade barriers. Additionally, trade barriers and imposition of tariffs announced by the US on imported Chinese products are likely to have spillover effects, several customers are keen to de-risk the supply chain reliance on the Chinese market and are seeking alternative suppliers, which is favorable for India. Innovation and elevation of product suites will be an important factor as many companies will consider this as their key competitive advantage. Depreciation of INR vs USD will be an added advantage for Indian enterprises who are seeking to replace China's market share in global trade due to these tariffs.

Figure 4: Base Chemicals Cash Earnings Trends

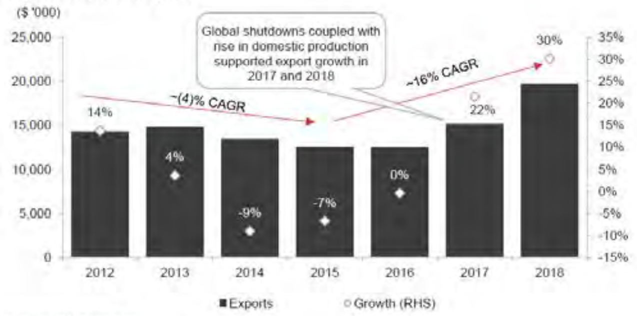


Source: IHS Markit. © 2019 IHS Markit

Domestic

The chemical industry is an essential and integral part of the growing Indian industry and is one of the oldest industries of India. This sector occupies a pivotal position to cater to basic needs and improving quality of life. It provides building blocks for downstream industries such as textiles, papers, paints, soaps, detergents, pharmaceuticals, varnish etc. The Indian chemical industry is the main stay of industrial and agricultural development of the country. This sector accounts for around 10.3 % of the total export segment of the country. It is an integral part of the Indian economy contributing and it is projected to grow at a rate of 9%, with a market size of US $ 214 billion in FY 2019.

Export trend over the years



Source: ITC trade map

The domestic chemical industry is forecasted to grow at a CAGR of 9% to touch US$ 304 Billion by FY 2024-25 from US$ 163 Billion in FY 2017-18. Growth is likely to be driven by rising demand in end-use segments for specialty chemicals and petrochemicals. India's chemical industry is one of the fastest growing in the world, currently ranked the 3rd largest in Asia and 6th largest globally concerning output, after US, China, Germany, Japan and Korea, stated the Report. The domestic chemical industry is said to have attracted FDI investment of US$ 1.3 Billion during FY 2017-18, about 3% of the total FDI inflows into India. The chemical sector continued to maintain its strong performance trajectory, driven by the increasing competency of Indian players across the globe as disruption in China's chemical market continues to persist. The basic chemical players stand to benefit from high demand volumes and strong commodity chemical prices globally, aiding them to sustain higher margins and higher volumes.

The domestic chemical companies are set to invest the highest ever on capacity expansions to cater to rising demand from domestic and overseas markets, following plant shutdowns in China, currently the world's largest producer and exporter. The decline in supply from China offers opportunities for Indian players to ramp up their supply to the world market and explore new markets for sustained exports. Meanwhile, competitive cost of labour and accommodative government policies are also set to help the chemical sector in India. Besides, most large chemical companies maintain adherence to strict pollution norms, especially in Gujarat and Maharashtra.

The chemical industry is expected to be the key contributor and a catalyst in achieving the target of US$ 1 Trillion manufacturing economy by 2028, from the current US$ 380 Billion. The country's consumption growth story largely drives the chemical industry in India. The per capita consumption of chemicals in India is 1/10th of the world average with India being a low consumption country even among the developing nations. With nearly US$ 15 Trillion of Chinese exports in chemicals and plastics subject to US tariffs, India is set to gain market share in the global chemical industry, estimated to be around US$ 4.7 Trillion. Significant opportunities lie ahead for Indian chemical companies arising out of emerging possibilities in US-China trade war as well as shutting down of capacities in China. The domestic industry is also tapping the intermediates opportunity and exploiting meaningful demand. Given the mature market conditions of China, India is expected to be the next engine of growth rendering opportunities to players engaged in the chemical value chain – extending from agrochemicals, dyes, pigments, and specialty chemicals, which sees the strongest tailwinds along with petrochemicals at the same time. Further, Indian chemical companies are enhancing capabilities and investing greater amounts in R&D to elevate their offerings. India continues to gain traction from major countries and is likely to grow multifold in the coming decade.

SPECIALTY CHEMICAL INDUSTRY

Global

Chemical industry constitutes of 80% of specialty chemicals and 20% of other chemicals. Specialty chemicals are low volume and high value products that are sold on the basis of their quality and utility.

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

Specialty chemical companies have witnessed a sharp increase in demand for their products over the last few years. In the Specialty Chemicals segment, production picked up by 3.7% in 2018 and is expected to witness another 2.2% rise in 2019. Gains led by an improvement in oilfield chemicals, electronic chemicals, coatings, adhesives, cosmetic chemicals, and flavors and fragrances. In the years ahead, the demand for Specialty Chemicals is expected to grow in line with gains in the industrial and construction sectors. Specialty chemical players, with presence across the value chain, have observed significant improvement in their operating margins. Key drivers such as innovation and sustainability initiatives have become major factors that determine competitiveness and have become the foremost priority of producers. 'Green Chemistry' and environmental preservation initiatives are widely accepted by the global counterparts.

The Speciality Chemicals manufacturers in China are facing raw material shortage, rising energy costs, higher labour costs and incremental effluent treatment and compliance charges. China's weaker cost competitiveness in international trade and product disruption due to wheeling of large manufacturing plants are contributing to slowdown in the Chinese chemicals industry and its exports. India, a known alternative hub for chemicals could bag a multi-year exports opportunity. China's prolonged self-imposed slowdown offers a much longer window of at least a few years for Indian chemicals peers to establish themselves in the international market by building global clients and ultimately tapping the export opportunity.

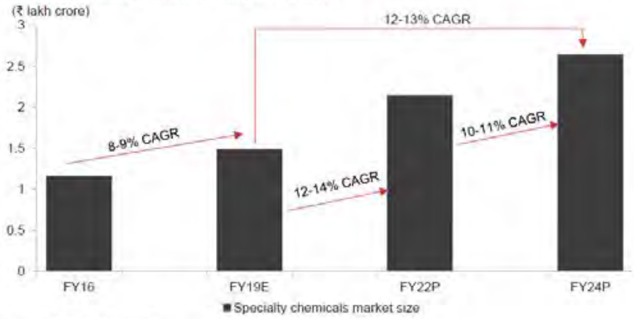
Domestic

The specialty chemical sector accounts for around 20% of the chemical industry of India.

India is the 6th largest producer and the 6th largest consumer of chemicals worldwide. The Speciality Chemicals industry in India represents a US$ 25 Bn market, growing at 14% over the last five years led by domestic consumption, growing faster than the chemical sector as a whole.

The industry serves both the local market and the global market. The key speciality segments in India are agrochemicals, paints, coating and construction chemicals, colourants, fine chemicals, personal care chemicals and aroma chemicals. The critical success factors for most of the speciality chemical segments include understanding of customer needs and product/application development to meet the same at a favourable price-performance ratio. Global firms are gradually facing the heat of compliance, cost and capacity issues in other markets, especially China, and are thus looking to outsource their manufacturing processes to India. The structural shift towards Indian speciality chemical players is ably supported by the Government in the form of a robust patent framework, the presence of appropriate regulations to protect intellectual capital, improvement in infrastructure and thrusts to promote investments in R&D, as well as green technologies and a rich pool of knowledge workers.

Domestic specialty chemicals: Projected growth



Source: CRISIL Research

The structural foundation of the Indian speciality chemicals sector remains strong, catalysed by a visible increase in domestic consumption of value added high performance products in all spheres of life, Low Cost of Skilled Labour, Raw materials and utilities, Investment in R&D and Government initiatives. India's position as a manufacturing hub for specialty chemicals strengthened following an increasing shift in manufacturing capacities to Asia, following a weakening in Chinese exports and a sustained improvement in India's competitiveness. The road map appears promising as India's chemical industry is poised for robust growth and investment on the back of solid domestic demand and robust export market. Key reform initiatives like the Government's 'Make in India' and National Chemical Policy are aligned boost investments in the country enabling framework to accelerate manufacturing of chemicals in order to meet growing internal and external demands as well as reduce dependence on imports. The upcoming years will provide an opportunity for domestic industry players to gain scale and consolidate, while the international players may set up a robust manufacturing base in the country. India's emergence as a leading global speciality chemicals manufacturing location is fortified by improvements in infrastructure, regulation, licenses, taxes and other catalysts like:

- Large population with lowest per-capita consumption
- Relatively strong GDP growth outlook
- Rapid progress in key end-user industries domestically
- Favourable initiatives by government
- Development of chemical clusters with adequate infrastructure Facilitating international investment
- 'Make in India' campaign giving better visibility to the industry
- Increased FDI and Capex spend in the sector

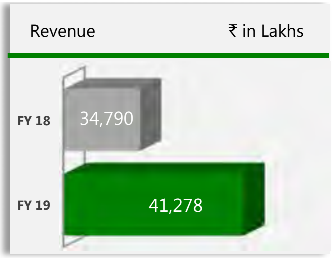
India has remained in China's shadow for a long time in the global chemical speciality market. However, gradually it is emerging out of with its own structural benefits and the spill-over effect of China's declining competitiveness. The factors driving the growth of the speciality chemicals market include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

COMPANY OVERVIEW

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

In the past few years, your company has emerged as most competitive and low-cost, Leading producer of Benzene based Specialty Chemicals with complete backward and forward integration across Benzene value chain and globally ranking at No. 1 position for quality of majority of its products. Seya's products have won wide domestic and international acclaim. Your company accounts for 30-40% of global market share for some of its products. Your Company's established and long standing customer relationships, with multi-product and multi-industry approach, state-of-art manufacturing practices, high quality standards, timely delivery, compliance to regulations, Extensively backward and forward Integrated Gobal Scale State-of-art technological driven operations, efficient utilization and re-use of its By-products, well-diversified product portfolio and continued focus in expanding business in newer horizon's has resulted significant growth in operations during the year. The Company has added another year of achievements in its success book by delivering a record revenue performance exceeding ₹4.12 Bn mark for the first time.

FINANCIAL PERFORMANCE



Net Sales during the year was ₹41,278 lakhs as compared to ₹34,790 Lakhs in PY, reporting an increase by 18.65% on account of increase in Average Unit Realisation of the Products sold due to Chinese supply disruption and higher quantity of higher value downstream products sold in the market. The prices of crude oil and related petrochemical intermediates, which form an important source of raw materials for your Company and which govern the Selling Prices of the Products, remained stable. Sales Volume declined on account of higher captive consumption for production of downstream high value and high margin products. Your Company has aligned its entire capacities to Speciality Chemicals.

₹ in Lakhs

	FY 19	FY 18	Change	% Change
Revenue from Operations	41,278	34,790	6,488	18.65%

Segment Revenue

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

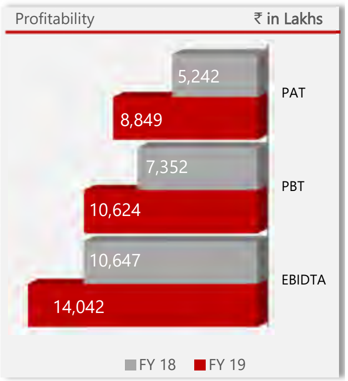
Demonstrating highest momentum in performance as several end-user segments continued to benefit from increased demand thereby professing bright future prospectus for this segment. Due to the differentiation from standardised products, these niche products require more value addition and focus on quality of product, long-term relationships, stable and sustainable operations and global best practices for suppliers and customers with end applications in colourants, pigment, agrochemicals and pharmaceuticals. These products are customised as per specific customer requirements and enjoy higher value. The shift towards higher contribution products in the overall product mix and traction from newly introduced products has been instrumental in the strong performance of this segment.

Your Company demonstrated its versatility, adaptability and dynamism by focusing on Specialty Chemical segment thereby remarkably increasing the Top line and Bottom line growth of your Company despite volatile crude prices.

Profitability

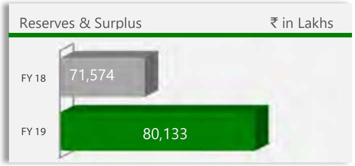
EBITDA for FY 19 was higher by **31.89%** at ₹14,042 lakhs compared to ₹10,624 lakhs in PY. The growth in EBITDA was driven by higher volume sold of downstream higher margin products and higher Average Unit Realisation of Products sold. Your company also benefitted by improved cost efficiencies and positive impact because of de-bottlenecking initiatives. Your Company could increase the spread in key products due to increase in selling prices of certain products namely those which were sourced from China. A combination of factors including Disruption in Capacities from China, favourable product mix, efficiency gains and better realisations across key products also contributed to better EBITDA performance.

Profit Before Tax (PBT) was up **44.52%** at ₹10,624 lakhs compared to ₹7,352 lakhs in PY. **Profit After Tax (PAT)** was higher by **68.88%** at ₹8,849 lakhs in FY19 compared to ₹5,242 lakhs in PY18 despite increase in Interest, Depreciation cost on account of commissioning of upgraded facilities with Capacity addition and Tax Expenses. Capitalising the opportunity steered by slowdown in China market combined with higher efficiencies, your Company was able to maintain its trend of steady growth in profitability on vertebrae of value-added products.



₹ in Lakhs

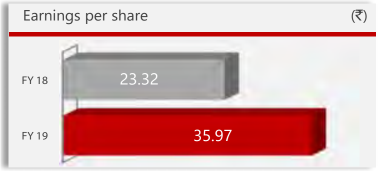
	FY 19	FY 18	Change	% Change
Earnings before Interest, Depreciation & Tax	**14,042**	10,647	3,395	31.89%
Profit Before Tax	**10,624**	7,352	3,272	44.52%
Profit After Tax	**8,849**	5,242	3,607	68.88%



There has been no transfer to the general reserve account during the period under review. Total reserves and surplus increased by a **11.96%** to reach the level of ₹80,133.46 Lakhs as compared to previous year of ₹71,573.72 Lakhs.

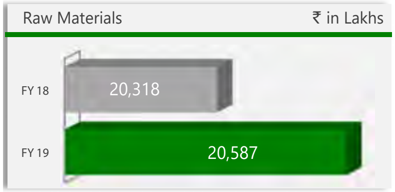
₹ in Lakhs

	FY 19	FY 18	Change	% Change
General Reserves	**2,013.53**	2,013.53	-	-
Profit & Loss Account	**23,664.21**	15,104.47	8,559.74	56.67%
Securities Premium Account	**23,034.72**	23,034.72	-	-
Reserves & Surplus	**80,133.46**	71,573.72	8,559.74	11.96%

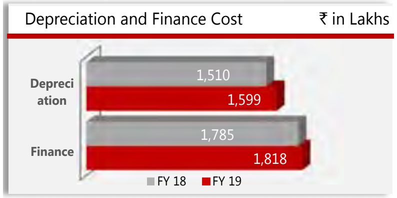


Earnings per Share (EPS) increased to ₹**35.97** in FY19 as compared to ₹23.32 in FY18. Your Company continued its dividend paying track record during the year and the Board of Directors recommended a dividend of 15% i.e. ₹1.50 (Rupee One and paise Fifty Only) per Equity Share of a Face Value of ₹10/- each. The Diluted EPS was also at ₹35.97 since no outstanding and/or potential conversion is pending.

	FY 19	FY 18	Change	% Change
Basic EPS (₹)	**35.97**	23.32	12.65	54.25%
Diluted EPS (₹)	**35.97**	23.32	12.65	54.25%

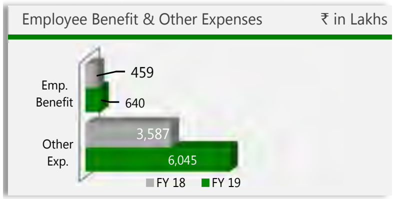


Raw material cost stood at ₹20,587 Lakhs compared to ₹20,317 Lakhs in PY, a marginal increase of 1.32% against net Revenue of increase by 18.65%, on account of averaging of volatility in crude prices, better negotiations, efficient Inventory Management and Price correction forecast by your Company.



Finance cost was higher at ₹1,818 Lakhs due to post commissioning interest cost against Long Term Loan and Short-Term Working Capital Loan availed from Banks & Institutions for Upgradation, modernisation and Added Capacity of Nitro Chlorobenzene Plants which were commissioned in the previous year.

Depreciation and Amortisation Expenses increased to ₹1,599 Lakhs from ₹1,510 Lakhs (Y-o-Y) due to post commissioning Depreciation expense of Added capacity of Nitro Chlorobenzene Production Plants which was commissioned during previous year.



Employee Benefit Expenses increased to ₹640 Lakhs from ₹459 Lakhs (Y-o-Y) due escalation in annual remuneration and induction of new employees for Forward Integration Products & Added Capacity of Nitro Chlorobenzene Production Plants which were commissioned during previous year.

Other Expenses were higher at ₹6,045 Lakhs vs. ₹3,587 Lakhs (Y-o-Y) due to operation of Thermal utilities on higher cost fuel until revamping of the Coal based Thermal systems.

₹ in Lakhs

	FY 19	FY 18	Change	% Change
Raw Material Cost	**20,587.11**	20,317.95	269.16	1.32%
Finance Cost	**1,817.99**	1,785.05	32.94	1.85%
Depreciation & Amortisation Expenses	**1,599.41**	1,509.81	89.60	5.93%
Employee Benefit Expenses	**640.47**	458.94	181.53	39.55%
Other Expenses	**6,045.49**	3,586.54	2,458.95	68.56%

Capital Employed:

₹ in Lakhs

Particulars	FY 19
Gross Block	**83,876**
Less: Adjustment as per IND-AS 16 w.r.t. representation of Fair market value of Land	(31,421)
Adjusted Gross Block:	**52,455**
Capital Employed in Manufacturing operations	**31,315**
Un-employed Capital(Land for future expansion)	21,140

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

SWOT ANALYSIS

The present per capita consumption in India is very low as compared to other countries and the growing domestic household promises increasing opportunities for growth on the back of increasing disposable income of growing middle class. China no longer controls the market repelled by its present pricing policy due to increasingly stringent pollution control policy and measures being administered by its Government. The brand value 'Make in India' is lead by knowledge power and vast experience in handling customer demands and is at its brightest spot in the Chemical industry. Challenges of REACH compliance, escalation of Crude Oil prices, fuelling, cascading and spiralling effect of prices of Inputs and Rupee v/s Dollar remain matters of the past. Your Company has resolved its SWOT for clenching the Opportunities and mitigating the Threats:

STRENGTHS

- Diversified Manufacturing Base
- Vibrant downstream industries
- Competitive core industries
- Large domestic market
- Capability to produce world-class end product
- Major raw materials sourced within India
- Strong presence in Export Market.

WEAKNESSES

- Power Cost
- Finance Cost
- Infrastructure
- Scale of Production
- Higher incidences of Taxes
- Cost disadvantages
- Extra transportation cost.

OPPORTUNITIES

- Market in Developed countries are shifting to India
- Accessibility to petrochemical regions
- Large number of products going of patent
- Climatic conditions
- Competency to emerge as a global player in Speciality Chemicals

THREATS

- Reduction in Import Tariffs
- Bilateral / Multilateral Trade agreements

Key Strengths

Adroit Leadership & Management Team: Seya is led by a strong and experienced management team with strong fundamental knowledge and keen awareness of the shifts in the industry landscape comprising first generation technocrats all possessing excellence in Chemical Engineering. Your Company has established a record of blockbuster returns with capex execution leading to consistent revenue growth, value-addition and margins expansion. Your management possesses a proven track record in formulating strategies, implementing pioneering technologies and introducing high value high margin products to accelerate the growth momentum by establishing best-in-class global practices which have enabled your Company to enhance stakeholder value while adhering to the code of Responsible Care and ethical values.

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

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

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

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

Key Opportunities

Make in India – Geographical shift: India has developed into an important manufacturing hub for Speciality chemicals on account of superior compliance with environmental norms, increasing competitiveness and decline in Chinese competitiveness. India is capitalising on growing opportunities in the export of Speciality chemicals with increasingly stringent compliance to environment norms in China which has affected global supply enabling Indian producers with large capacities, international quality compliance and environment standards to benefit. Maturing of the Chinese economy has increased labour and other Costs in China with incremental compliances necessitating additional investments in effluent treatment thereby enhancing costs and impacting capacity utilization assessed by increased competitiveness of Rupee v/s. Chinese Yuan widening the Indian fosse. Amidst this the Government's ambitious 'Make in India' initiative has given tremendous boost to the Indian manufacturing sector attracting capital, technological investment and toting impetus to the emergence of India as a manufacturing hub for the chemical industry. Your Company driven by extensive product and process innovation, a significant differentiator over the commoditized Indian chemical industry. With strong technical expertise, high Safety Health & Environment standards as well as deep customer relationships, it remains at the forefront to make significant headway in high value chemicals strengthening product mix and scale resultantly driving earnings efficiency.

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

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

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

Favorable Government Initiatives: The year under review has been an impressive one for India's chemical sector in terms of growth and productivity. The key initiatives of the Government such as 100% Foreign Direct Investment (FDI_ under the automatic approval route and the Draft National Chemical Policy proves to be beneficial for chemical companies, such as yours, and has resulted in an enhanced focus on R&D initiatives and technological advances.

Key Challenges

Regulatory and environment: While chemical industry addresses growing need for materials required by different sectors, the industry employs highly complex manufacturing process that often involves handling of toxic and hazardous chemicals. The process being energy intensive, the importance of safety, health, security and environmental protection cannot be underestimated. Like all chemical companies, your Company is subject to central, state, local and foreign laws and regulations relating to pollution, protection of the environment, greenhouse gas emissions, and the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. Costs and capital expenditures relating to environmental, health or safety matters are subject to evolving regulatory requirements and depend on the timing of the promulgation and enforcement of specific standards which impose the requirements. Moreover, changes in environmental regulations could inhibit or interrupt the Company's operations, or require modifications to its facilities. Accordingly, environmental, health or safety regulatory matters could result in significant unanticipated costs or liabilities. The export performance of specialty chemicals so far has been good. European and developed markets have progressively tightened their import regulations citing environmental concerns and protection of domestic manufacturers. The most impactful regulation from an Indian perspective has been the European Union's REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) which addresses the production and use of chemicals and their potential impact on human health and environment. The substantial impact of REACH will come into effect from June 2018 that will regulate any chemical supplied to EU. REACH increases the safety, health and environmental compliance of chemical manufacturers supplying to EU, affecting underlying process costs. In a scenario where a number of Indian companies are likely to find this transition challenging, Seya has been REACH-complaint since its inception by adhering to highest standards of SHE (safety, Health & Environment).

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

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

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

Slowdown in End User Industries: The slowdown in growth of end-user industries such as Printing Inks, Paints, Pigments & coatings, Agrochemicals, Rubber, Paper and Textiles amongst others could impact the overall growth. However, your Company has an ability to shift the manufacturing towards those products which enjoy better demand-supply dynamics thereby sustaining profitability and insulating the operations from slowdown in a particular product category. Your Company has achieved a substantial level of diversification across products, customers, geographies and applications, completely changing the nature of our business risk profile compared to other companies. Your Company caters to several industries, not overtly dependent on any single industry, customer or geography with its diversified portfolio comprising multiple products that cater to multiple customers across geographies and varied economic cycles. No single customer, product of end-user industry contributed higher than 15% of revenues.

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

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

STRATEGIES FOR GROWTH

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

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

Capacity Expansions

Company has recently completed doubling the capacity of one of its high margin product in Q1FY20, which presently contributes ~20% to its revenues. The brownfield expansion is expected to contribute additional growth of ~5% in top-line and 10% in bottom line in FY20.

De-bottlenecking & Efficiency Improvement

Company is upgrading and debottlenecking all product plants by setting up parallel capacities for select products and replacing machineries for some products to align the production plants and processes on new Technologies. In addition to this, keeping up its commitment as a responsible corporate citizen, Company is upgrading its Effluent Treatment Plant to support its capacity expansions. The de-bottlenecking and efficiency improvement exercises under implementation are expected to boost production volumes and margins. The estimated capital expenditure for above Capital expansion and de-bottlenecking project is ₹ 70 – 75 Crores which is being funded through internal accruals.

Mega Green-Field Project Under Implementation

Your Company is addressing cost issues of raw materials and its price volatility and high energy costs which shall result in reduction in energy and fixed costs, yield better cash flows and aid in debt reduction, all of which will result in long-term value creation for its stakeholders. Cash generation through operational excellence and to realize the synergies of being a fully integrated facility shall drive efficiencies and effectiveness in transitioning to value-added products. With a clearly defined vision to emerge as an Integrated Global producer for Speciality Chemicals and having invested ₹ 5 Bn in Capex in last 5 years, Company took its next step forward to start next round of expansion at cost of ₹ 7.35Bn, to be commissioned and commercialized in H2FY20 with additional installed capacity of 527,900 MTPA. The project is expected to contribute additional ₹10-12Bn in Revenue at an estimated capacity utilization of 80% and EBIDTA margins on similar lines of present manufacturing operations. The project is in close vicinity of Seya's existing manufacturing operations at MIDC Tarapur, Boisar in State of Maharashtra and is being funded at 1:1 Debt-Equity. The financial closure for the Project was achieved in Q1FY18 and the work for the same had started in Q3FY18.

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

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

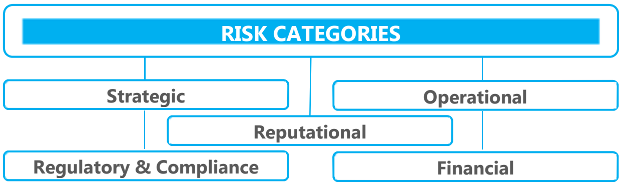
INTERNAL CONTROL SYSTEMS & ITS ADEQUACY

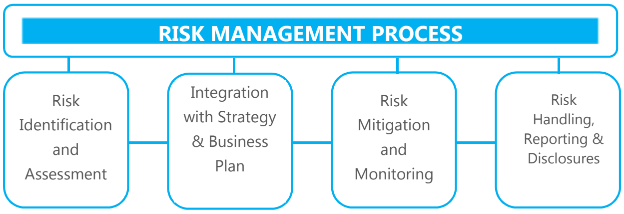
The Company has robust systems for internal audit, risk assessment and mitigation and well-established internal control and risk management processes both at the business and operational levels. The Internal Auditor reports directly to the Chairman of the Audit & Risk Management Committee of the Board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

RISK MANAGEMENT

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

- Aims at value creation and protection
- An integral part of processes and decision making
- Addresses uncertainties explicitly
- Is structured, dynamic and responsive to change





RISK MANAGEMENT POLICY

Governance Structure
The Policy has been approved by Board and the implementation of the Policy is reviewed at various levels. Audit & Risk Management Committee reviews the aggregated risks and proposed mitigants across Seya at a periodic frequency.

Execution
The execution of Risk management across Seya is carried out by various Risk Owners. The Risk owner is responsible for creation of appropriate Risk assessment methodologies, risk mitigation plan and policies.

Risk Identification
To ensure that Risk is considered in every decision taken across Seya, efforts are being made to train and sensitise the whole organisation on various risks Seya exposed to.

Risk Categories & Mitigants

The following broad categories of risks have been considered in the risk management framework:

- *Strategic Risk*
  It includes the range of external events and trends (like government policies that can adversely impact the Company's strategic growth trajectory and destroy stakeholder value.
  Mitigant
  The applicable regulatory framework is continuously tracked by various teams within Seya. Appropriate action as necessary is being undertaken to ensure compliance with all regulatory requirements.
- *Operational Risk*
  These are those risks which are associated with operational uncertainties like failure in critical equipment, attrition etc.
  Mitigant
  Hazop Study and Safety studies for Process risks are carried out at regular intervals through EHS initiatives and dedicated committee formed for Managing process related hazards and safety
- *Financial Risk*
  This covers financial risk facing the organisation in terms of internal systems, planning & funding.
  Mitigant
  Apart from detailed review across levels and functions an independent risk team evaluates all deals before the approval
- *Reputational Risk*
  Seya is expected to maintain global quality standards in manufacturing. Any deviation with regards to quality compliance of products would impact the Consumers and hence adversely affect the Company's performance.
  Mitigant
  Dedicated quality control and assurance team actively monitors the adherence to prescribed quality standards. Most stringent Quality Control and Quality Management systems are in place and reviewed periodically.

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

Nature of Risks	Mitigation Strategies
Foreign Exchange volatility	>70% of Sales are in domestic currency. For balance, the INR vs USD price is fixed and hedged to avoid any exceptional financial effect.
Customer Retention	Product customisation as per Customer requirements, Long-term contracts with pass through mechanism, attractive prices, world-class Infrastructure and Robust customer relationships

Availability of Skilled Personnel	Incentive and growth opportunities, all round learning experience, nurturing talent in a structured manner and proper mentoring
Economic Downturn	Diversified product application segments, Highly integrated value chain, Sourcing from Large scale PSU, Lowest production costs and pass through mechanism,
Technology Risks	License and Patented Technology driven state of art manufacturing with Continuous upgradations of Technology through OEM support and R&D
Product Quality	Rigorous monitoring and controlled by technically qualified personnel in QC, Most stringent Quality & Environment certifications like ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007, periodic QC & EHS audit by customers

HUMAN RESOURCES

Seya's talent base, as on March 31, 2019 stands at 190. With a view to equip the Company to address the business challenges of a dynamic economic environment, the HR function focused on retaining and attracting suitable talent, enhancing the technical / behavioural skills of employees and optimising employee costs. Learning and Development has been prioritized as a means of expanding the knowledge base of employees, which is seen as a key driver of growth. Taken together, these initiatives and processes are making a positive impact on talent attraction, retention and commitment. Managing the human asset for an Organization is a strategy that helps build the resources for a robust future. A ready second line of leadership; a highly engaged workforce; low manpower turnovers are few of the multiple gambits handled by the Human Resources Team. We hire high-caliber professionals to augment the current team to lead teams into the future, by building the base cadres, as well as, through induction of experienced professionals into senior leadership positions.

Leadership development is considered as an essential requirement to Talent Management. The important aspect of building leadership is through alignment with the strategic learning and development agenda. Keeping the above in mind, there is an increasing focus on Strategic Leadership Planning to create a leadership and talent pipeline for the next 3 years for future readiness. We therefore focus on identifying the strengths of individuals and leverage them by providing relevant trainings and a successful career path. The strategy of leadership development has ensured that each of our businesses is managed by a team of competent, passionate and inspiring leaders.

A productive and innovative workplace has been and will continue to remain a key requirement for successful business performance in the Company's perspective. Therefore, there is huge emphasis on Senior Leadership commitment for Human Resource Development practices that seek and nurture employee participation and involvement in managing the shop floor by strengthening the employee engagement initiatives. Innovation is at the core of our business and at the very heart of everything that we do, be it in research, operations and this is true for HR as well. It is in the DNA of SEYA where employees are empowered with the ability to bring new ideas to the table. The Company believes in the conduct of affairs of the Company in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. With this aim, the Company has introduced the "Whistle Blower Policy/ Vigil Mechanism" for Directors and Associates to report genuine concerns or grievances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The main objective of the policy is to build and strengthen a culture of transparency and trust within the organisation. As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013('Act'), the Company has constituted Internal Complaints Committees (ICC) across all the locations which are responsible for redressal of complaints related to sexual harassment at respective locations. The objective of the Policy is to create and provide a work environment that is safer, civilized, free from any sort of hostility, supportive to the diversity & dignity of all Associates, where Associates feel secure at the workplace on the basis of natural justice and confidentiality.

COMPANY OUTLOOK

Your company is in the business of manufacture of specialty chemicals which have applications in end user segments like Computer Printing Inks, Pigments & Paints, Pharmaceuticals, Personal & Health Care Products, Agrochemicals, Insecticides/Pesticides, Organic Chemical Intermediates, Rubber chemicals, Textile dyes, Thermic fluids, etc. The products proposed to be manufactured by the Company are falling under the category of Speciality Chemicals which have good demand and market potential in both domestic and International markets, with demand in domestic market expected to follow an accelerated growth path considering that the present capita consumption is only 40% of International standards. Moreover, after the REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulation imposed by European Countries and stringent Pollution Control norms being recently implemented in China, costs of handling effluents have increased resulting in relocation of manufacturing operations by large number of companies to India which is further complemented by US-China trade war.

SEYA's growth in FY20 shall be driven by increase in Volume of higher margin products impelled by doubling of Capacity of PNA and de-bottlenecking initiatives across all other products to take benefit from the growing demand from both domestic and international markets complemented by expanded margins for all its Products. Going forward, your Company foresees stronger customer relations, higher efficiencies and robust growth in Speciality Chemicals end-user segment due to reorientation of geographic focus. With reasonably complex (not complicated) and fully backward-forward integrated proposed mega manufacturing blueprint, capital and technologically intensive scale of operations, your Company shall create a large fully integrated manufacturing base to outpace the industry and deliver persistent growth year-on-year, combined with cost leadership and value-added product offerings, by integrating its existing business operations.

Your Company has progressively leveraged chemistry skills to produce higher downstream products, expanding capacities to global scale. The Company has placed a greater focus on better value-added chemical processes. Comparative low labour costs, excellent army of technical manpower, capabilities to research and develop facilities, potential to increase share in undeveloped domestic and global markets shall empower your company's Speciality Chemicals growth. Your company has geared itself for growth even in the backdrop of leaden markets by leveraging its low cost, fully integrated and automated manufacturing facilities with improved service skills though fluctuations in foreign exchange and crude oil prices may impact sales realization however the operating profit margins shall continue to grow. With a rich legacy, history of manufacturing excellence, diversified product portfolio, loyal customer base and experienced leadership, your Company has the key ingredients in place for sustained growth. With a strong platform in place, a roadmap for further value addition, your Company is favorably positioned for capturing the rising opportunities in the global chemicals & specialty chemicals space.

Cautionary Statement

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

DIRECTOR'S REPORT

To the Members of Seya Industries Ltd

The Directors hereby presents their Twenty Ninth Annual report together with the Audited Financial Statements for the Financial Year (FY) 2018-19

Financial Performance

₹ in Lakhs

Financial Results	2018-19	2017-18
Total Revenue	41,493.62	34,893.91
Profit Before Interest, Depreciation & Taxes	14,041.86	10,646.83
Profit Before Tax	10,624.46	7,351.54
Profit After Tax	8,848.76	5,239.60
Earnings per Share (₹)	35.97	23.32

	2018-19	2017-19
Long term Debt to Equity (x)	0.45	0.25
Current Ratio (x)	2.83	1.60
Interest Coverage Ratio (x)	6.75	4.78
Receivable Days	77	94
Inventory Days	53	61
Operating Profit Margin (%)	34.02	30.60
Net Profit Margin (%)	21.44%	15.06%
Net-Worth (₹ in Lakhs)	97,719.63	89,159.89

Performance review and State of Company Affairs

Your Company continued to deliver record performance with steady growth in volume and profitability while recording progress on several strategic initiatives, including expansion plans even amidst extremely challenging backdrop of economic environment.

Your Company clocked double-digit growth of **19%** (Y-o-Y) in revenues which stood at ₹**41,494** Lakhs compared to PY ₹34,894 Lakhs led by volume growth and better realizations due to Environmental challenges and production disruptions in China. Amplified operating margins and growth in volumes resulted in 31.89% growth in Earnings (Profit) Before Interest, Depreciation, Tax & Amortization (EBIDTA) to ₹14,042 Lakhs from 10,646 Lakhs (PY). The traction from Modernization and Upgradation initiatives taken by your Company to improve operating efficiency has been instrumental in growth in volumes and higher contribution in the overall product mix. Domestic markets supported the momentum with procurement of high volumes on the back of high visibility thereby maintaining the spread.

Profit Before Tax stood at ₹10,624 Lakhs whereas Profit after Tax was at ₹8,849 Lakhs, up **45%** and **69%** respectively (Y-o-Y) contributing to Earnings Per Share at ₹35.97 on enhanced capital compared to ₹23.32 per Share (PY).

During the year under review, your Company undertook several initiatives to brace its Products by increasing integration of manufacturing process for select high value products which will enable your Company to further enhance profitability.

Dividend

For the year under review, your Directors are pleased to recommended dividend of ₹1.5 per share (15%) on the Ordinary Shares (₹10 face value) of the Company (previous year ₹1 per share). If declared by the members at the ensuing Annual General meeting (AGM), the total dividend outgo during FY 2018-19 would amount to ₹431.15 Lakhs including Dividend tax (previous year ₹287.43 Lakhs, including Dividend Tax).

Share Capital

During the period under review the Company has increased its Authorised capital from ₹176.30 Crores to ₹179.80 Crores. There is no change in the Paid-up Share Capital of the Company during the period under review.

Management Discussion & Analysis and Corporate Governance Reports

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

Capacity Expansion, New Projects & Diversification

Your Company is favorably positioned to capture opportunities emerging across the chemicals and specialty chemicals value-chain. More importantly, China, which was the world's largest supplier for multiple chemicals, has enhanced its focus on environmental protection and sustainable manufacturing processes. As a result, local Chinese producers are faced with higher cost of operations which have increased the landed cost of chemicals. This has improved the competitiveness of alternate suppliers, opening opportunities for established players like us with proven capabilities and abundant capacities.

Company continues to take initiatives to upgrade its manufacturing facilities and increase its capacities by way of forward and backward integration and debottlenecking all product plants. The Effluent plant also gets upgrade simultaneously to protect the environment. The benefits of the de-bottlenecking activities are expected to be witnessed from FY20 whereby the Operational efficiencies are expected to be increased and contribute to higher margins.

Capacity Expansions: Your Company completed doubling the capacity of one of its high margin products in Q1FY20, which presently contributes ~20% to its revenues. The brownfield expansion is expected contribute additional growth of 10-15% in EBIDTA in FY20.

De-bottlenecking and Improvement of Efficiencies at Existing Capacities: Company is upgrading and debottlenecking all product plants by setting up parallel capacities for select products and replacing machineries for some products to align the production plants and processes on new Technologies. In addition to this, keeping up its commitment as a responsible corporate citizen, Company is upgrading its Effluent Treatment Plant to support its capacity expansions. The de-bottlenecking and efficiency improvement exercises under implementation are expected to boost production volumes and margins through FY20 by at least 5%. The estimated capital expenditure for above Capital expansion and de-bottlenecking project is Rs. 70 – 75 Crores which is being funded through internal accruals and almost 50% of the estimated amount has been incurred in FY19.

Mega Green-Field Project Under Implementation: in FY17 your Company had announced setting-up of a Greenfield forward and backward integration project to be self-reliant for most of its Raw materials, Reduce Cost of Energy, Diversify into Specialised High Value & High Margin products, Value addition to By-Products by reusing the same for manufacturing of high margin products and expansion in capacity of its captive use products. With a clearly defined vision to emerge as an Integrated Global producer for Speciality Chemicals and having invested ₹5Bn in Capex in last 5 years, your Company is progressing on its journey for another round of expansion at cost of ₹7.35Bn, to be commissioned and commercialized in H2FY20 with additional installed capacity of 527,900 MTPA. The installed capacities of proposed products under set up shall be the largest in the world at a single location. The project is expected to contribute additional ₹10-12Bn in Revenue at an estimated capacity utilization of 80% and EBIDTA margins on similar lines of present manufacturing operations. The project is located in close vicinity of Seya's existing manufacturing operations at MIDC Tarapur, Boisar in State of Maharashtra and is being funded at 1:1 Debt-Equity.

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

Seya has safeguarded any copy of the Technology by executing confidentiality and copyright agreements with its technology suppliers restricting sale of technology acquired, for next 20 years. The License, Process Know-how and Engineering package for patented technology have been delivered by the technology suppliers in H2FY18 and the proprietary plant and machinery has been delivered in Q1FY19

With this, your Company will address the opportunity offered by the supply deficit in the domestic market which is majorly being met by imports. In addition to competitiveness on cost due to supplying the domestic markets from a plant located in India, your Company will leverage on the latest manufacturing technologies in its state-of-the art plant which will reduce wastage and is more efficient in utilisation of inputs and energy. With an objective of developing working relationships with major clients across India as well as establishing strong marketing and distribution channels, your company has been doing seed marketing of the proposed products to understand and penetrate in the market.

Working Capital

The Company continued to enjoy working capital facilities under Consortium banking arrangements with public sector Banks and the company has been regular in servicing these debts.

Credit Rating

There was no change in the Credit Rating of the Company. As on March 31, 2019, the company had following ratings:

A-/stable from CARE ratings for the long-term loan facilities and A2 (A Two) for short-term facilities

Finance

Your Company obeys to austere guiding principles to efficiently manage its working capital level and maintain its debt at a reasonable level. During the year under review, the debt pertaining to the manufacturing operations of your Company decreased due to scheduled repayments and improved working capital management. However, as your Company is setting-up its Mega Greenfield expansion project, on a consolidated level the total debt has enhanced. These levels would normalise as your Company generate revenues from the new projects. Modest increase in Interest cost was due to enhanced working capital drawdown mandated by increased scale of operation. Depreciation increased due to regular growth and maintenance Capex; despite this your Company's enhanced financials have tractioned advancement of financial parameters. Your Company endures its emphasis to effectively manage its cash flows through prudent regulators to reduce the overall interest costs. Robust Cash flow, Repayment of Term loan and Effective management of working capital have leveraged Debt/Equity ratio at 0.45x propounding much more financial flexibility for Upcoming Projects.

Reserves & Surplus

The Reserves, at the beginning of the year were ₹71,573.72 Lakhs and the Reserves at the end of the year are ₹80,133.46 Lakhs representing an increase by ₹8,559.74 Lacs During the period under review no amount is transferred to General Reserves.

Deposits from Public

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

IT Initiatives

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

Directors and Key Managerial Personnel

Directors

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

The Members have appointed Ms. Kalpana Tirpude as an Independent Director of the Company to hold office for five consecutive years from April 23, 2015 to March 31, 2020. Pursuant to the provisions of the Act and based on the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board recommends for the approval of the members through a Special Resolution, the re-appointment of Ms. Kalpana Tirpude as an Independent Director of the Company for a Second term of five consecutive years from April 1, 2020 to March 31, 2025.

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

The brief resume and other details relating to the Director who is proposed to be appointed / re-appointed as required to be disclosed under Regulation 36(3) of Listing Regulations is mentioned in the explanatory Statement annexed to the Notice of 29th Annual General Meeting.

Key Managerial Personnel (KMP)

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

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

Independent Directors

The Independent Directors are not liable to retire by rotation in terms of Section 149 (13) of the Act. In accordance with Section 149 (7) of the Act, each independent Director has given a written declaration, to the Company confirming that he / she meets the criteria of independence as mentioned under Section 149 (6) of the Act and the Listing Regulations.

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

The Board recognise the Importance of reviewing and improving upon its performance. For this purpose, they discuss the effectiveness of the functioning of the Chairman, Executive Directors, and other

Directors and to agree ways in which performance can be further improved looking at the likely needs in future.

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

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

Familiarization Programme for Independent Directors

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

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

Governance Guidelines

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

Procedure for Nomination and Appointment of Directors

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

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

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

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

The Company has in place Remuneration Policy for the Directors, KMP and other employees pursuant to the provisions of the Act and the listing Regulations which is set out in Annexure I which forms part of the Board' Report.

Meetings of the Board

The details of the number of meetings of the Board of Directors held during the Financial Year 2018-19 forms part of the Corporate Governance Report.

Employee Stock Option/Sweat Equity/Preferential Allotment

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

Directors' Responsibility Statement

Based on framework of the internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external consultant(s) including audit of internal financial controls over financial reporting by the statutory and the reviews performed by Management and the relevant Board Committees, including the Audit & Risk Management Committee, the Board is of the Opinion that the Company's internal financial controls were adequate and effective during the financial year 2018-19. Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, based on the representations received from the Operating Management and to the best of their knowledge and ability, confirms that:

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

b. The Directors have, in selection of the accounting policies, consulted the Statutory Auditors and have applied their recommendations consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;

c. They have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. They have prepared annual accounts on a 'going concern basis.'

e. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f. Proper system has been devised to ensure compliance with provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2018-19.

Declaration by Independent Directors

The Company has received declaration from all of its Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Redemption of Shares/ Debentures

The Company has not redeemed any Shares or Debentures.

Disqualification of Director

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

Insider Trading Proceedings/ Enquiry

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

Contracts & Arrangements with Related Parties

All related party transactions entered into were on an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations.

Further, there were no transactions with related parties which qualify as material transactions under the Listing Regulations. The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on company's website at the link http://www.seya.in/wp-content/uploads/2011/06/Related-Party-Transactions-Policy-Seya.pdf

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

Corporate Social Responsibility (CSR)

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

The CSR activities are being undertaken by your Company through various Implementing agency with area specific need and focus to reach out to marginalised and deprived section of the society and bridge the gap between the haves and have nots by promotion of building health, livelihood and education. The interventions of some implementing agency were spread across India. During FY 2018-19, your Company has spent ₹99.50 Lacs on CSR activities, against the requirement of ₹97.95 Lacs, being 2% of average of the net profits for the preceding three years.

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

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

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

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

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

Significant or Material orders passed against the Company

Pursuant to the requirement of Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014, it is confirmed that during FY 2018-19 there were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and your Company's operations in future.

Internal Financial Control

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

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

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

Auditors

Statutory Auditors & Its Report

As per provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s. Anil Chauhan & Associates, Chartered Accountant, (Firm Registration No. 140786W) be and is hereby appointed as the Statutory Auditors of the Company and to hold the office from the conclusion of this Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.

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

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

Cost Auditors

As per Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. The Board on Recommendation of the Audit Committee & Risk Management has appointed Manish Shukla & Associates (Firm Registration No. 101891) as the Cost Auditor of the Company for FY 2019-20 under Section 148 and all other applicable provisions of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014.

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

The Remuneration payable to the Cost Auditors is required to be placed before the members in a general meeting for their ratification. Accordingly, a Resolution for seeking members ratification for the remuneration payable to M/s. Manish Shukla & Associates is included at Item No. 6 of the Notice Convening the AGM.

Secretarial auditor & Its Report

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

Reporting of Fraud by Auditors

There is no instance of fraud reported by the Auditors during the FY 2018-19.

Secretarial Standards of ICSI

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

Audit & Risk Management Committee

The Company has an Audit & Risk Management committee comprising Mr. Anand Taggarsi, Mr. Ashok G Rajani, and Ms. Kalpana Tirpude. The Board has accepted the recommendations made by the Audit & Risk Management Committee from time to time. Details about the meetings held during the year is provided in the Corporate Governance Report.

Risk Management

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

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

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

Whistle Blower Policy and Vigil Mechanism

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

Share Registrar and Transfer Agents

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

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

Quality Initiatives

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

Listing

The Company's equity shares continue to be listed at BSE. We are pleased to inform you that your Company got listing approval from NSE on July 11, 2019 and shares of the Company are now available for trading on Both the Stock Exchanges. We confirm that the Listing fee for the financial year 2018-2019 and 2019-20 has been paid to BSE and for FY 2019-20 to NSE. The stock code of the company at BSE is 524324 and Script Code at NSE is SEYAIND

Consolidated Financial Statements

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

Subsidiaries / Joint Ventures / Associate Companies

As on March 31, 2019, the Company did not have any subsidiary, join venture or associate company. Since the Company doesn't have any subsidiary, a policy on material subsidiary has not been formulated.

Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013, during FY 2017-18

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

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

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

Research and Development

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

Investor Education and Protection Fund (IEPF)

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

Human Resources Management and Industrial Relations

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

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

Particulars of Employees

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

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

Statement of Company's Affairs

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

Insurance

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

Environment, Health and Safety

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

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

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

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

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

Green Initiatives

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

Prevention of Sexual Harassment at Workplace

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

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

The following is the summary of the Complaints received and disposed-off during the financial year 2018-19:

No. of Complaints received: **NIL**

No. of Complaints Disposed-off: **NIL**

Extract of the Annual Return

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

General

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

Acknowledgement

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.

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.

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

ASHOK G RAJANI
Chairman & Managing Director
Mumbai, August 05, 2019

ANNEXURE – I

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

Criteria for determining qualifications, positive attributes and independence of Directors

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

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

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

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

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

1. Objective:

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

The Main objectives of the policy are as follows:

1.1. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, remain and motivate, to run the Company successfully.

1.2. Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

1.3. Ensuring that remuneration involves a balance between fixed and incentives pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

1.4. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

1.5. To achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

2. Scope:

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

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

3. Definition:

3.1. "Director" means a Director appointed to the Board of the Company.

3.2. "Key Managerial Personnel"

3.2.1. The Chief Executive Officer or the Chairman or the Managing Director or the Manager

3.2.2. The Company Secretary

3.2.3. The Whole Time Director

3.2.4. The Chief Financial Officer and

3.2.5. Such other officer as may be prescribed under the Companies Act, 2013

3.3. "Nomination and Remuneration Committee" means the committee constituted by the Company's Board in accordance with the provisions of the Act, 2013 and Listing Regulations.

3.4. "Senior Management" mean personnel of the Company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

4. Accountability:

4.1. The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.

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

5. Role of Nomination and Remuneration committee:

5.1. Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board on regular intervals and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;

5.2. Identifying individuals suitably qualified to be appointed as the KMPs or in the senior management of the Company;

5.3. To formulate a criteria for determining qualifications, positive attributes and independence of a Director.

5.4. To carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.

5.5. Making recommendations to the Board on the remuneration payable to the Directors/ KMPs/Senior Officials so appointed/reappointed;

5.6. To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

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

5.8. To devise a policy on Board Diversity;

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

6. Membership:

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

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

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

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

7. Chairmanship:

7.1. Chairman of the Committee shall be Independent Director.

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

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

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

8. Frequency of the Meetings:

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

9. Committee Member's interests:

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

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

10. Secretary:

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

11. Voting:

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

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

12. Term / Tenure:

12.1. Managing Director / Whole time Director

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

12.2. Independent Director:

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

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

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

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

13. Retirement:

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

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

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

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

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

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

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

14.5 Personal Specification:

- Degree holder in relevant disciplines;
- Experience of Management in diverse organization;
- Excellent interpersonal, Communication and representational skills;
- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities,

community cohesion and health and safety in the workplace;

- Having continuous professional development to refresh knowledge and skills.

15. Duties:

15.1 Ensure that there is an appropriate induction & training program in place for new Directors and reviewing its effectiveness;

15.2 Ensure that on appointment to the Board, Non-executive Directors receive a formal letter of appointment in accordance with the guidelines provided under the Act;

15.3 Identify and recommend Directors who are to be put forward for retirement by rotation.

15.4 Determine the appropriate Size, diversity and composition of the Board;

15.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

15.6 Evaluate the performance of the Board members and Senior Management in the context of the Company's Performance from business and Compliance prospective;

15.7 Make recommendation to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

15.8 Recommend any necessary changes to the Board.

15.9 Considering any other matters as may be requested by the Board;

15.10 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

15.11 To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

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

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

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

(iii) The Board on recommendation of Nomination and Remuneration Committee shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

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

16.1. Remuneration to Executive Directors:

Basic Compensation (Fixed Salaries)

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

Variable Salary:

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

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

16.2. Remuneration to Non-Executive Directors:

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

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

16.3. Remuneration to other Employees:

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

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

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

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

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

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

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

17.5. Positive Attributes:

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

18. Amendment to the Policy:

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

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

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

ASHOK G RAJANI
Chairman & Managing Director
Mumbai, August 05, 2019

ANNEXURE – II

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

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

1. A brief outline of the Company's CSR Policy, including overview of Projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes: CSR Policy is appended.

   Weblink:http://www.seya.in/wp-content/uploads/2011/06/CSR-Policy-SEYA.pdf

2. **Composition of the CSR Committee:**

   Ms. Kalpana Tirpude – Chairman

   Mr. Ashok G Rajani – Member

   Mr. Anand Taggarsi – Member

3. Average Profit Before Tax of the Company for Last three Financial Years: ₹4,897 Lakhs

4. Prescribed CSR expenditure (two per cent of the amount as in item no. 3 above)

   The Company is required to spend ₹97.95 Lakhs towards CSR

5. Details of CSR Spend during the financial year:

   (a) Total Amount spent for the Financial Year: ₹**99.50** Lakhs.

   (b) Amount unspent, if any: **NIL**

   (c) Manner in which the amount spent during the year is detailed in below table:

₹ In Lakhs

Sr. No.	CSR Project / activity	Sector	Location	Budget	Cumulative Expenditure up to reporting period	Direct / Agency
1.	Contribution to 'ChinmayaSeva Trust'	Promotion of Education, Eradication of Hunger & Malnutrition, livelihood en-hancement & infrastructure support	Pan India	**97.95**	**99.50**	Implementing Agency
	Total			**97.95**	**99.50**	

During the year ended March 31, 2019, the Company had spent amount in CSR activities through implementing Agency.

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

CSR Policy

1. Objective:

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

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

2. Definitions:

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

3. Guiding Principles:

- CSR Projects will be directed towards underprivileged and marginalized sections of society, in consonance with properly identified needs and aspirations of such communities.
- Projects should be long-term and viable, creating a sustainable impact measurable in terms of outputs and outcomes.
- The Company will adopt a suitably structured, evidence-based CSR Implementation strategy and all projects will be monitored through in-house / third party evaluations.
- To the extent possible, projects and various CSR initiatives will focus on the issues of Gender and Affirmative Action.
- The Company will be ethical and transparent in its orientation, while approaching and engaging with communities.

4. Responsibility of the Board of Directors:

The Board shall be responsible for:

- Approving the CSR policy as may be recommended by the CSR Committee, subject to necessary changes / modifications as the Board may deem fit.

- Ensuring that in each financial year, the Company spends such amounts for CSR.
- Activities as may be stipulated in the Act, as amended from time to time.
- Ensuring that the activities included in the CSR Policy are undertaken by the Company.

5. CSR Committee:

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

6. CSR Budget:

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

7. Focus areas:

i. Vocational Skill Development Programs:

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

ii. Education:

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

iii. Health:

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

iv. Disaster Relief:

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

8. Implementation:

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

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

9. Monitoring:

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

10. Modifications in Policy:

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

11. Reporting:

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

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

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

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

ASHOK G RAJANI
Chairman & Managing Director
Mumbai, August 05, 2019

ANNEXURE – III

FORM NO. MR-3
Secretarial Audit Report
For the Financial Year ended March 31, 2019

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

To,

The Members,

Seya IndustriesLimited

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time.

   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **(Not Applicable during the audit period);**

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **(Not Applicable during the audit period);**

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **(Not Applicable during the Audit Period);**

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **(Not Applicable during the Audit Period);** and

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **(Not Applicable during the Audit Period).**

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

ii. The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

I further report that:

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the Period under review there were no changes in the composition of the Board of Directors. Mr. Amrit Rajani, was appointed as CFO of the Company as on April 19, 2019

b) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) Decisions at the meeting were taken unanimously and are captured and recorded as part of the minutes of the meeting.

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

I further report that during the audit period, the following event occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

1. On March 12, 2019 the Company had increased its authorised Capital from Rs. 176,30,00,000/- to Rs. 179,80,30,000/- by creation of additional 15,70,700 (Fifteen Lakhs Seventy Thousand and Seven Hundred) equity shares of Rs. 10/- (Rupees Ten Only) each and 19,32,300 (Nineteen Lakhs Thirty-Two Thousand and Three Hundred) Preference Shares of Rs.10/- (Rupees Ten Only) each.

TRS & Associates
Practicing Company Secretary
Tanvi Shah
Proprietor

Mumbai, August 05, 2019 ACS No.: 51337 CP No.: 18666

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

Annexure "A"

To,

The Members,

Seya Industries Limited

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.

5. The Compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

TRS & Associates
Practicing Company Secretary

Tanvi Shah
Proprietor

Mumbai, August 05, 2019

ACS No.: 51337 CP No.: 18666

ANNEXURE – IV

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

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

A. CONSERVATION OF ENERGY:

a) Energy Conservation Measures taken

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

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

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

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

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

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

- Installation of Vapour Absorption Machine to use low grade waste steam from Turbine
- Use of Waste Steam of Turbine for Process

B. TECHNOLOGY ABSORPTION:

a) Effort made towards Technology absorption

- New Product Development
- Reduction in Batch Cycle Time
- Improvement in yields, purity and overall efficiency of the Production Operations thereby increase in the Capacity of existing Products and reduction in cost of production
- Reduction in waste effluent generation and energy input
- Supervisory Control and Data Acquisition (SCADA) installed for centralised monitoring & Control of process parameters and generating reports

- Further Up-gradation in Technology acquired through in-house innovation and knowledge engineering to achieve better material and energy efficiencies

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

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

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

- Detail of Technology imported: Nil

C. RESEARCH AND DEVELOPMENT:

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

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

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

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

c) **Future Plan of Action**

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

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

₹ in Lakhs

Particulars	2018-19	2017-18
-Capital Expenditure	**56.16**	49.66
-Revenue Expenditure	**359.14**	234.90
-Total R&D Expenditure	**415.30**	284.56
(% of Net Sales)	**1.01%**	0.82%

D. FOREIGN EXCHANGE EARNINGS AND OUTGO:

₹ in Lakhs

Particulars	2018-19	2017-18
Foreign Exchange Earned	**-**	-
Out-go of Foreign Exchange	**694.27**	103.90

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

ASHOK G RAJANI
Chairman & Managing Director
Mumbai, August 05, 2019

ANNEXURE – V

DISCLOSURE OF MANAGERIAL REMUNERATION

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

(a) **The ratio of the Remuneration of each Executive director to the median remuneration of the Employees of the Company for the Financial year 2018-19, the percentage increase in remuneration of Key Managerial personnel:**

Name of the Directors / KMP	Remuneration (₹ in Lakhs)	Ratio to Median Remuneration of employee	% increase in Remuneration	Comparison of the remuneration of the KMP against the performance of the Company
Mr. Ashok G Rajani	60.00	25.53:1	-	Profit Before Tax increased by 45% and Profit After Tax increased by 69%
Mr. Asit Kumar Bhowmik	27.21	11.58:1	77.06	
Ms. Manisha Solanki (Company Secretary)	12.84	Not Applicable	20.59	

(b) **The percentage increase in the median remuneration of the Employee in the financial year:** 20.00%

(c) **Number of permanent employees on the rolls of the Company as on March 31, 2019:** 191 Employees + 40 (Contractual)

(d) **Explanation on the relationship between average increase in remuneration and company performance:**
Profit Before Tax for FY 2018-19 has grown from ₹7,351.54 Lakhs to ₹10,624.46 Lakhs, an increase of 45% against which, increase in median remuneration is 20%. The average increase in median remuneration is in line with the remuneration policy of the Company.

(e) Average Percentile increase in Remuneration of employees other than Managerial Personnel was 26.91% and average increase in remuneration of Managerial Personnel was 18.80%.

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

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

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

(f) Explanation on the relationship between average increase in remuneration and Company Performance:

The average remuneration increase is linked to various parameters like – Company's overall performance, rate of inflation and industry benchmark.

(g) The Key parameters for variable component of remuneration availed by the Directors:

During the period under review there were not any variable remuneration availed by the Directors of the Company. However, Key parameters include – performance of the Company vis-à-vis individual Director's performance against set Key Result Areas.

(h) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid Directors during the year:

No Employee of the Company receives remuneration in excess of the highest paid director of the Company.

(i) Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company and the particulars of employees as required under Section 197 (12) of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014 have been provided hereinabove.

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

ASHOK G RAJANI
Chairman & Managing Director
Mumbai, August 05, 2019

ANNEXURE – VI

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main Product / Services	NIC Code of the Product / Services	% to total Turnover of the Company
1.	Di-Chloro Benzidines	20-202	55.44
2.	Nitro Anilines	20-202	19.01
3.	Nitro Chlorobenzenes	20-202	10.75
4.	Di-Nitro Chlorobenzenes	20-202	13.91

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

i. Category-wise shareholding

	Category of Shareholders	No. of Shares held at the beginning of the Year (1-Apr-2018)				No. of Shares held at the end of the Year (31-Mar-19)				% Change During the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
(a)	Individual / HUF	7527259	-	7527259	30.60	7527759	-	7527759	30.60	-
(b)	Central / State Govt.	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporates	10807741	-	10807741	43.93	10807741	-	10807741	43.93	-
(d)	Banks / FIs	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (1)	**18335000**	**-**	**18335000**	**74.53**	**18335500**	**-**	**18335500**	**74.53**	**-**
(2)	**Foreign**									
(a)	NRIs – Individuals	-	-	-	-	-	-	-	-	-
(b)	Other Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks / FIs	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter (A)= (A)(1) + (A)(2)	**18335000**	**-**	**18335000**	**74.53**	**18335500**	**-**	**18335500**	**74.53**	**-**
B.	**Public Shareholding**									
(1)	**Institutions**									
i.	Mutual Funds	1997868	-	1997868	8.12	1998059	-	1998059	8.12	-
ii.	Banks / FI	-	1400	1400	0.01	-	1400	1400	0.01	-
iii.	Central Govt.	-	-	-	-	-	-	-	-	-
iv.	State Govt.	-	-	-	-	-	-	-	-	-
v.	Venture Capital Funds	-	-	-	-	-	-	-	-	-
vi.	Insurance Companies	-	-	-	-	-	-	-	-	-
vii.	FIIs	-	-	-	-	-	-	-	-	-
viii.	FPIs	10274	-	10274	0.04	10400	-	10400	0.04	-
ix.	Others (Specify) – AIF	-	-	-	-	7625	-	7625	0.03	0.03
	Sub-Total (B) (1)	**2008142**	**1400**	**2009542**	**8.17**	**2016084**	**1400**	**2017484**	**8.20**	**0.03**
(2)	**Non-Institutions**									
(a)	**Bodies Corporate**									
i.	Indian	614612	43500	658112	2.68	626974	38100	665074	2.70	0.03
ii.	Overseas	-	-	-	-	-	-	-	-	-
(b)	**Individuals**									
i.	Individual Shareholders holding nominal share capital upto ₹1 lakh	555970	1407200	1963170	7.98	719046	1185550	1904596	7.74	(0.24)
ii.	Individual Shareholders holding nominal share capital in excess of ₹1 lakh	887848	277800	1165648	4.74	859301	211000	1070301	4.35	(0.39)
(c)	**Others (Specify)**	-	-	-	-	10	-	10	0.00	0.00
i.	Clearing Members	42663	-	42663	0.17	29622	-	29622	0.12	(0.05)
ii.	Trust	3650	30900	34550	0.14	207290	-	207290	0.84	0.70
iii.	NRIs / OCB	22355	362100	384455	1.56	38064	327000	365064	1.48	(0.08)
iv.	Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
v.	Foreign Nationals	-	-	-	-	-	-	-	-	-
vi.	Foreign Corporate Body	6860	-	6860	0.03	5059	-	5059	0.02	(0.01)
	Sub Total (B) (2)	**2133958**	**2121500**	**4255458**	**17.30**	**2485366**	**1761650**	**4247016**	**17.26**	**(0.03)**
	Total Public Shareholding (B) = (B) (1) + (B) (2)	**4142100**	**2122900**	**6265000**	**25.47**	**4501450**	**1763050**	**6264500**	**25.47**	**-**
C.	**Shares held by Custodian for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
	Total (A+B+C)	**22477100**	**2122900**	**24600000**	**100**	**22836950**	**1763050**	**24600000**	**100**	**-**

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the Year (as on 1-Apr-18)			Shareholding at the end of the Year (as on 31-Mar-19)			% change in shareholding during the Year
		No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	
1.	Ashok G Rajani	4765329	19.37	-	4765329	19.37	14.51	-
2.	Shalini A Rajani	2761930	11.23	-	2762430	11.23	-	-
3.	Sunlife Trusteeship Pvt. Ltd*#	2157495	8.77	-	2157495	8.77	-	-
4.	Ankita Trusteeship Pvt. Ltd*#	2148328	8.73	-	2148328	8.73	-	-
5.	Whiz Enterprise Pvt Ltd*	6501918	26.43	-	6501918	26.43	-	-
	Total	**18335000**	**74.53**	**-**	**18335500**	**74.53**	**14.51**	**-**

** Part of Promoter Group*
 # holding on behalf of various Trust

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the Year (as on 1-Apr-18)		Date	Reason	Increase / Decrease in shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company@			No. of Shares	% of shares of the Company@	No. of Shares	% of total shares of the Company@
1	Ashok G Rajani	4765329	19.37	01.04.18	No Change	-	-	4765329	19.37
				31.03.19	End of the year	-	-	4765329	19.37
2	Shalini A Rajani	2761930	11.23	01.04.18	Market Buy	500	0.00	2762430	11.23
				31.03.19	End of the year	-	-	2762430	11.23
3	Sunlife Trusteeship Pvt. Ltd*#	2157495	8.77	01.04.18	No Change	-	-	2157495	8.77
				31.03.19	End of the year	-	-	2157495	8.77
4	Ankita Trusteeship Pvt. Ltd*#	2148328	8.73	01.04.18	No Change	-	-	2148328	8.73
				31.03.19	End of the year	-	-	2148328	8.73
5	Whiz Enterprise Pvt Ltd*	6501918	26.43	01.04.18	No Change	-	-	6501918	26.43
				31.03.19	End of the year	-	-	6501918	26.43

** Part of Promoter Group*
 # holding on behalf of various Trust
@ % have been calculated on share capital of the Company as on March 31, 2019

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

Sr. No.	Name	Shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company*	No. of Shares	% of Total Shares of the Company*
1.	**Reliance Capital Trustee Co. Ltd – A/c Reliance Small Cap Fund**				
	At the beginning of the year	1997868	8.12	1997868	8.12
	Bought during the year	191	0.00	1998059	8.12
	Sold during the year	-	-	1998059	8.12
	At the end of the year	1998059	8.12	1998059	8.12
2.	**Jayesh M Parmar**				
	At the beginning of the year	400100	1.63	400100	1.63
	Bought during the year	-	-	400100	1.63
	Sold during the year	(12948)	(0.05)	387152	1.57
	At the end of the year	387152	1.57	387152	1.57
3.	**Zillow Real Estate LLP**				
	At the beginning of the year	286020	1.16	286020	1.16
	Bought during the year	-	-	286020	1.16
	Sold during the year	(21186)	(0.07)	264834	1.08
	At the end of the year	264834	1.08	264834	1.08

Sr. No.	Name	Shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company*	No. of Shares	% of Total Shares of the Company*
4.	**Govindshree Securities Fiscal Ltd**				
	At the beginning of the year	242455	0.99	242455	0.99
	Bought during the year	959	0.00	243414	0.99
	Sold during the year	(11689)	(0.04)	231725	0.94
	At the end of the year	231725	0.94	231725	0.94
5.	**Khatri Family Trust**				
	At the beginning of the year	3650	0.01	3650	0.01
	Bought during the year	204685	0.83	208335	0.85
	Sold during the year	(1045)	(0.00)	207290	0.84
	At the end of the year	207290	0.84	207290	0.84
6.	**Veena M Khatri**				
	At the beginning of the year	165600	0.67	165600	0.67
	Bought during the year	-	-	165600	0.67
	Sold during the year	-	-	165600	0.67
	At the end of the year	165600	0.67	165600	0.67
7.	**Prakash Jaisingh**				
	At the beginning of the year	125489	0.51	125489	0.51
	Bought during the year	622	0.00	126111	0.51
	Sold during the year	(8753)	(0.02)	117358	0.48
	At the end of the year	117358	0.48	117358	0.48
8.	**Deepa Jaisingh**				
	At the beginning of the year	120300	0.49	120300	0.49
	Bought during the year	-	-	120300	0.49
	Sold during the year	-	-	120300	0.49
	At the end of the year	120300	0.49	120300	0.49
9.	**Heera Ahuja**				
	At the beginning of the year	61171	0.25	61171	0.25
	Bought during the year	3840	0.01	65011	0.26
	Sold during the year	(1885)	(0.00)	63126	0.26
	At the end of the year	63126	0.26	63126	0.26
10.	**Jyoti Reshmwala**				
	At the beginning of the year	49775	0.20	49775	0.20
	Bought during the year	6680	0.03	56455	0.23
	Sold during the year	(1209)	(0.00)	55246	0.22
	At the end of the year	55246	0.22	55246	0.22

* % have been calculated on share capital of the Company as on March 31, 2019

Note:

1. *The above information is based on the weekly benpos received from depositories.*
2. *The date wise increase / decrease in shareholding of the top 10 shareholders are available on the website of the Company www.seya.in*

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the Year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company[1]	No. of Shares	% of total shares of the Company[1]
1	**Mr. Ashok G Rajani – Managing Director**				
	At the beginning of the Year	4765329	19.37	4765329	19.37
	Bought during the year	-	-	4765329	19.37
	Sold During the year	-	-	4765329	19.37
	At the end of the year	4765329	19.37	4765329	19.37
2	**Mr. Asit Kumar Bhowmik – Executive Director**				
	At the beginning of the Year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold During the year	-	-	-	-
	At the end of the year	-	-	-	-

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the Year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company[1]	No. of Shares	% of total shares of the Company[1]
3	**Ms. Manisha Solanki – Company Secretary**				
	At the beginning of the Year	215	0.00	215	0.00
	Bought during the year	175	0.00	390	0.00
	Sold During the year	-	-	390	0.00
	At the end of the year	390	0.00	390	0.00

Note:

1. *% have been calculated on share capital of the Company as on March 31, 2019*
2. *Mr. Anand Taggarsi (Independent Director) and Ms. Kalpana Tirpude, (Independent Director) do not hold any shares in the Company.*

V. INDEBTEDNESS:

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

₹ in Lakhs

	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year (as on 1-Apr-18)				
i Principal amount	31,356.85	8,280.92	--	**39,637.77**
ii Interest due but not paid	--	--	--	**--**
iii Interest accrued but not due	--	--	--	**--**
Total (i. + ii. + iii.)	**31,356.85**	**8,280.92**	**--**	**39,637.77**
Change in indebtedness during the financial year				
i Addition	26,737.06	--	--	**26,737.06**
ii Reduction	(6,317.73)	(8,280.92)	--	**(14,598.65)**
Net Change	**20,419.33**	**(8,280.92)**	**--**	**12,138.41**
Indebtedness at the end of the financial year (as on 31-Mar-19)				
i Principal Amount	51,776.18	--	--	**51,776.18**
ii Interest due but not paid	--	--	--	**--**
iii Interest accrued but not due	--	--	--	**--**
Total (i + ii + iii)	**51,776.18**	**--**	**--**	**51,776.18**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Mr. Ashok G Rajani Managing Director	Mr. Asit Kumar Bhowmik Executive Director	Total Amount
1.	Gross Salary			
	a. Salary As per provisions contained in Section 17(1) of the Income-Tax Act, 1961	60.00	27.21	87.21
	b. Value of perquisites u/s. 17(2) of the Income-Tax Act, 1961	-	-	-
	c. Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- As % of Profit			
	- Others (Specify)	-	-	-
5.	Others (PF, Insurance, Bonus etc.)	-	-	-
	Total (A)	**60.00**	**27.21**	**87.21**
	Ceiling as per the Act (@ 10% of net profits calculated under Section 198 of the Companies Act, 2013)			**1,062.45**

B. Remuneration to Other Directors:

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Mr. Anand Taggarsi	Ms. Kalpana Tirpude	Total Amount
1.	**Independent Directors**			
	a. Fees for attending Board / Committee Meetings	0.50	0.50	1.00
	b. Commission	-	-	-
	c. Others, please specify	-	-	-
	Total (B1)	**0.50**	**0.50**	**1.00**

Sr. No.	Particulars of Remuneration	Mr. Anand Taggarsi	Ms. Kalpana Tirpude	Total Amount
2.	Other Non-Executive Directors			
	a. Fees for attending Board / Committee Meetings	-	-	-
	b. Commission	-	-	-
	c. Others, please specify	-	-	-
	Total (B2)	**-**	**-**	**-**
	Total (B) = (B1) + (B2)	**0.50**	**0.50**	**1.00**
Over all ceiling as per the Act (11% of the net profits of the Company calculated as per Section 198 of the Act. Sitting fees paid is within the limit of INR 100,000 per meeting as prescribed under the Act)				**1,168.69**

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

Sr. No.	Particulars of Remuneration	Ms. Manisha Solanki Company Secretary
1.	**Gross Salary**	
	a. Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	12.29
	b. Value of perquisites u/s. 17(2) of the Income-Tax Act, 1961	-
	c. Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	
2.	Stock Option	--
3.	Sweat Equity	--
4.	Commission	--
	- As % of Profit	
	- Others (Specify)	
5.	Others (PF, Insurance, Bonus etc.)	0.55
	Total	**12.84**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

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

ASHOK G RAJANI
Chairman & Managing Director
Mumbai, August 05, 2019

REPORT ON CORPORATE GOVERNANCE

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

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

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

BOARD OF DIRECTORS ("THE BOARD")

Composition of the Board

The Composition of the Board of Directors of the Company is in conformity with the Listing Regulations and the Companies Act, 2013 ("the Act"). As on March 31, 2019, the Board comprise four members, two Non-Executive Independent Director (NEID) including a Woman Director and two Executive Directors. The Company has Executive Chairman and the number of Independent Directors is 50% of the total number of Directors. Managing Director and Independent Directors are not liable to retire by Rotation

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

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

Board Procedure

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

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

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

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

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

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

Meetings held

The Board met Ten times on the following dates during the Financial Year (FY) 2018-19.

April 23, 2018	October 30, 2018
May 28, 2018	November 03, 2018
June 08, 2018	November 14, 2018
August 14, 2018	February 14, 2019
September 19, 2018	March 11, 2019

The gap between two meetings did not exceed One Hundred Twenty days:

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

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

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

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

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

Name of the Director	No. of Meetings during the Year		Attended Last AGM	No. of Directorship in other Public Companies	Member / Chairman of Committees other Public Companies
	Held	Attended			
Mr. Ashok G Rajani – *Managing Director*	10	10	Yes	-	-
Mr. Asit Kumar Bhowmik – *Executive Director*	10	10	Yes	-	-
Mr. Anand Taggarsi – *Independent Director*	10	10	Yes	1	3
Ms. Kalpana Tirpude – *Independent Director*	10	10	Yes	-	-

Skills / expertise / competencies of the Board of Directors

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

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

Independent Director

Terms and conditions of Independent Directors

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

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

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

Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on March 11, 2019 as required under Schedule IV of the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations.

At the meeting, the Independent Directors:

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

Familiarisation Programme for Independent Director

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

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

Appointment and Re-appointment

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

Code of Conduct

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

All the Board members and Senior Management of the Company as on March 31, 2019 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the Managing Director, forms part of this report.

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

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

AUDIT & RISK MANAGEMENT COMMITTEE

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

Composition and Attendance

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

NEID - Non-Executive Independent Director
ED – Executive Director

Terms of Reference

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

- Oversight of the Company's financial reporting process and disclosure of its financial information;
- Discuss and review, with the management and auditors, the annual / quarterly financial statements before submission to the Board;
- Review of the Company's accounting policies internal accounting controls, financial and such other matters;
- Hold timely discussions with external auditors regarding critical accounting policies and practices, significant reporting issues and judgements made, nature and scope of audit, etc;
- Evaluate auditors' performance, qualification, independence and effectiveness of Audit process;
- Recommend to the Board, the appointment, reappointment, removal of the external auditors, fixation of audit fees and also approval for payment for audit and non-audit services;
- Review the adequacy of internal audit and risk management function;
- Review the adequacy of internal control systems and ensure adherence thereto;
- Review the Company's compliance with the legal and regulatory requirements, Code of Conduct and effectiveness of the system for monitoring the same;
- Provide guidance to the Compliance Officer for setting forth policies and implementation of the Code of Conduct for Prevention of Insider Trading.
- Scrutinise inter corporate loans and investments, if any;
- Review the functioning of Whistle Blower Mechanism of the Company which include the Vigil Mechanism for Directors and employees to report genuine concerns in the prescribed manner.
- Review the significant related party transactions.
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with internal auditors of any significant findings and follow ups there on;
- Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure and frequency of internal audit;
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate;
- Reviewing company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for risk assessment and risk arrangement;
- Review and approve Enterprise Risk Management (ERM) framework;
- Review the Company's risk appetite and strategy relating to key risks, including market risk, product risk and reputational risk, as well as the guideline, policies and processes for monitoring and mitigating such risks;
- Oversee Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels;
- Review and analyse risk exposure related to specific issue, concentrations and limit excesses, and provide oversight of risk across organisation;
- Review compliance with risk policies, monitor breach / trigger trips of risk tolerance limits and directs action;
- Nurture a healthy and independent risk management function in the Company;
- Carrying out any other function as mentioned in the terms of reference of the Audit & risk Management Committee.

Meetings held

During FY 2018-19 Four Meetings of Audit and Risk Management Committee were held on the following dates:

28th May 2018	14th November 2018
14th August 2018	14th February 2019

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

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

During the period under review the Committee has recommended to the Board the re-appointment statutory auditors and Appointment of Cost Auditors. The Committee also reviewed key audit findings covering operational, financial and compliance areas, internal financial controls and financial reporting systems to the Committee. The minutes of each of the Audit Committee are placed in the next meeting of the Board. Chairman of the Committee were present at the last AGM held on September 28, 2018

NOMINATION AND REMUNERATION COMMITTEE (NRC)

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

Meetings Held

During FY 2018-19 four meeting of NRC were held on May 28, 2018, August 14, 2018, November 14, 2018 and February 14, 2019 and all the members of the Committee were present in the meeting.

Composition

The Nomination and Remuneration Committee comprised of three members viz,

Name of the Director	Designation in the Committee
Mr. Anand Taggarsi	Chairman
Mr. Ashok G Rajani	Member
Ms. Kalpana Tirpude	Member
Mr. Asit Kumar Bhowmik*	Member

* resigned from the post of member of Nomination and Remuneration policy w.e.f. July 1, 2019

Terms of Reference

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

Performance Evaluation of Board, Committees and Directors

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

The NRC has defined the evaluation criteria, procedure and time schedule for the performance evaluation process for the Board, its Committees and Directors. The criteria for Board Evaluation include, *inter alia,* degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various committees, effectiveness of Board processes, information and functioning etc as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017 and pursuant to amendments to the Listing Regulations.

Criteria for evaluation

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

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

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

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

Non-Executive Director's compensation and disclosures

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

Remuneration Policy

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

a. *Managing Director and Executive Director*

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

The Company pays remuneration by way of salary, perquisites and allowances (fixed component), to its Managing / Executive Director. Annual increments are recommended by the NRC within the salary scale approved by the members of the Company.

b. *Non-Executive Directors*

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

Details of Remuneration Paid (FY 2018-19)

₹in lakhs

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

** Includes perquisites and other allowances*

Service, Contract, Severance Fees and Notice Period

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

STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

Composition

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

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

Terms of Reference

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

Meetings

During the period under review, five meetings were held on August 14, 2018, October 30, 2018, November 14, 2018, February 14, 2019 and March 11, 2019. All the members of the Committee were present in all the meeting.

Status of Investor Complaints

Complaints as on April 1, 2018	3
Received during the year	15
Resolved During the year	18
Pending as on March 31, 2019	0

The Correspondence identified as investor complaints are letters received through statutory / regulatory bodies and letters pertaining to fraudulent encashment etc.

Name, Designation & Address of Compliance Officer

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

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

Mr. Anand Taggarsi, Chairperson of the SRC, was present at the last AGM held on September 28, 2018

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

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

Terms of Reference

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

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

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

Compositions

The CSR Committee comprised of members viz,

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

Meetings

During the period under review, one meeting was held on May 28, 2018 and all the members of the Committee were present in the meeting. The Company Secretary attends the meetings.

SUBSIDIARY COMPANIES

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

RISK MANAGEMENT

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

RELATED PARTY TRANSACTION

The Company has formulated a Policy on Materiality of Related Party transactions and on dealing with Related Party Transaction (RPTs). During the year under review, besides the transactions reported in the Notes to accounts under Indian Accounting Standard (IND AS-24), there were no other related party transactions with promoters, directors, management. During FY 2018-19, all the transactions with related parties were in normal course of business and at arm's length Price. The Interest of Directors, if any, in transactions are disclosed at the Board Meetings and the interested Director does not participate in the discussion or vote on such transactions. The Policy on RPTs is uploaded on the Company's Website and the web link is http://www.seya.in/wp-content/uploads/2011/06/Related-Party-Transactions-Policy-Seya.pdf

MEANS OF COMMUNICATION

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

i. Quarterly results

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

ii. Shareholding Pattern, Corporate Governance Report and financial results are uploaded on listing centre maintained by BSE Ltd.

iii. Analyst / Investors Meets / Earnings Call

The Managing Director and Chief Financial Officer hold quarterly briefs / Earnings Call with analysts, shareholders and major stakeholders where Company's performance is discussed. The official press releases, Presentation made to investors / analysts and transcripts of the call with analysts for quarterly / annual results are available on Company's website at www.seya.in

iii. Website

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

Material events or information as detailed in Regulation 30 of the Listing Regulations are disclosed to the Stock Exchange i.e. BSE Limited through BSE online Portal. They are also displayed on the Company's website.

v. **Letters and reminders to Shareholders**

- **Updation of PAN and Bank Details**

  Pursuant to circular issued by SEBI on April 20, 2018 the Company sent letters and reminders to shareholders holding shares in physical form for updation of PAN and Bank account details with the Company / its RTA.

- **Dematerialisation of Shares**

  The SEBI also issued circulars during the year thereby mandating transfer of securities only in electronic form effective April 1, 2019.

  Pursuant thereto, the Company sent letters and reminders to those shareholders holding shares in physical form advising them to dematerialise their holding.

GENERAL MEETING DETAILS

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

Year	Date	Time	Special resolution passed
2015-16	28-Sep-16	4:00 p.m.	Two
2016-17	27-Sep-17	2.00 p.m.	NIL
2017-18	28-Sep-18	2.00 p.m.	One

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

SHAREHOLDER INFORMATION

Company Registration Details

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

Book Closure Period

The register of members and share transfer books of the Company shall remain closed from Saturday, September 21, 2019 to Friday, September 27, 2019 (both days inclusive for the purpose of AGM and Dividend)

Dividend Payment Date

The Company will remit the dividend within a period of 30 days from the date of declaration and the required funds will be transferred to the Dividend Account within 5 days from the date of the Annual General Meeting.

Listing

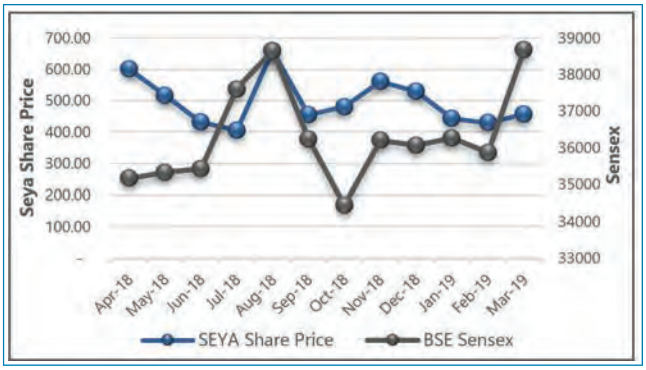
The Equity Shares of the Company are listed on the BSE Ltd (Stock Code: 524324) and on National Stock Exchange of India Limited with effect from July 11, 2019. The Annual Listing fee for the year 2018-19 and FY 2019-20 was paid to BSE Limited and for FY 2019-20 to National Stock Exchange of India Limited.

Market Price Data

Monthly High / Low of BSE depicting liquidity of the Company's Ordinary Shares on the BSE Ltd are given hereunder:

Month	High (₹)	Low (₹)
Apr-18	644.00	580.30
May-18	618.80	465.10
Jun-18	518.90	398.00
Jul-18	488.00	378.00
Aug-18	714.00	400.00
Sep-18	684.00	449.00
Oct-18	551.35	431.10
Nov-18	620.00	483.00
Dec-18	573.95	482.00
Jan-19	535.60	382.00
Feb-19	518.00	416.95
Mar-19	499.40	425.55

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



Share Transfer Process

During the year, shares in physical forms were processed by the Registrar and Share Transfer Agent within 15 days from the date of receipt, if the documents are complete in all respects. The Managing Director, Executive Director and Company Secretary have been severally empowered to approve transfers.

Pursuant to circulars issued by SEBI, transfer of share in physical form after April 1, 2019 is not allowed. Members holding shares in physical form are requested to dematerialise their holdings at the earliest.

Distribution of Shareholding as on March 31, 2019

No. of Shares held	No. of shares	% of shares	No. of shareholders	% of shareholders
< 500	1438783	5.85	10077	94.34
501-1000	252549	1.03	316	2.96
1001-2000	181105	0.73	125	1.17
2001-3000	100704	0.41	39	0.37
3001-4000	70662	0.29	20	0.19
4001-5000	128669	0.52	27	0.25
5001-10000	199093	0.81	27	0.25
> 10001	22228435	90.36	51	0.47
Total	**24600000**	**100**	**10672**	**100**

Category of Shareholding as on March 31, 2019

Category	No. of Shares	Percentage %
Promoter & Promoter Group	18335500	74.53
Individual Shareholders	2906097	11.81
Qualified Foreign Investor	10400	0.04
Mutual Funds	1998059	8.12
Financial Institutions	1400	0.01
Others	1348544	5.48
Total	**24600000**	**100.00**

Dematerialisation of shares and liquidity

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

	2018-19	2017-18
Percentage of Shares held in physical form	7.17	8.63
Electronic form with CDSL	61.55	61.03
Electronic form with NSDL	31.28	30.04

Foreign Exchange Risk and Hedging Activities

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

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

Not Applicable

Plant Location

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

Address for Correspondence

Seya Industries Ltd
502, Ghanshyam Chamber, B-12, New Link Road
Andheri (West), Mumbai – 400053.

Registrar & Transfer Agent

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

Universal Capital Securities Pvt. Ltd
Unit: **Seya Industries Ltd**
21, Shakil Niwas, Opp. Satya Saibaba Temple,
Mahakali Caves Road, Andheri (East), Mumbai – 400093.
☎022-28207203–05 🖷: 022-28207207
🖂info@unisec.in

Receipt of Financial Statement / other Documents through Electronic Mode

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

SECRETARIAL AUDIT

- Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued, on a half-yearly basis, by a Company Secretary in Practice, certifying due compliance of share transfer formalities by the Company.

- A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL) and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with CDSL and NSDL)

- M/s TRS & Associate, Practicing Company Secretary has conducted a Secretarial Audit of the Company for FY 2018-19. Their Audit report confirms that the Company has complied with applicable provisions of the Act, and the Rules made thereunder, its Memorandum and Articles of Association, Listing Regulations and the Applicable SEBI Regulations. The Secretarial Audit Report forms the Part of the Board's Report.

Certificate from Practising Company Secretary

- Ms. Disha Shah of Disha Shah & Associates, Practising Company Secretaries, has issued a Certificate confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of Companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority.

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

DISCLOSURES

Code of Conduct for Prevention of Insider Trading

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

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

Other Policies Under the Listing Regulations

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

Accounting Treatment in preparation of Financial Statements

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

Statutory Compliance, Penalties and Strictures

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

Whistle-blower Policy and Vigil Mechanism

The Company has adopted a Whistle Blower policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Conduct or ethics policy. The policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee no personnel of the Company has been denied access to the Audit Committee.

The Whistle-blower Policy has been uploaded on the website of the Company at http://www.seya.in/wp-content/uploads/2011/06/Whistleblower-policy_SEYA_1.pdf

CEO / CFO Certification

The Managing Director (CEO) and Chief Financial Officer have certified to the Board in accordance with regulation 17 (8) read with Part B of Schedule II of the Listing Regulations pertaining to CEO / CFO certification for the Financial Year ended March 31, 2019

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

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

Mandatory requirements

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

Non-Mandatory requirements

The Company has complied with the following non-mandatory requirements of the Listing Regulations relating to Corporate Governance. The status of compliance with the non-mandatory requirements listed in Regulation 27(1) read with Part E of Schedule II of the Listing Regulations are as under:

- During the year under review, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.
- The Company follows a robust process of communicating with the shareholders which has been elaborated in the Report under the Heading "Means of Communication"
- The Internal Auditor reports to the Audit Committee.

DECLARATION BY MANAGING DIRECTOR

I, Ashok G Rajani, Managing Director of Seya Industries Ltd, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed the Compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in accordance with Regulation 26(3) of the Listing Regulations for the year ended March 31, 2019.

For **Seya Industries Ltd**

Ashok G Rajani
Managing Director

Mumbai, August 05, 2019

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To The Members

Seya Industries Ltd

We have examined the compliance of the conditions of Corporate Governance by Seya Industries Ltd ('the Company') for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2019.

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

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

Anil Chauhan
Proprietor
Membership No. 166286
UDIN: 19166286AAAAAA2145
Mumbai, August 05, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of

SEYA INDUSTRIES LTD

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone Financial Statements of SEYA INDUSTRIES LTD ('The Company'), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other Comprehensive income), the statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key Audit Matter	How the matter was addressed in our audit
Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)	Principal Audit Procedure We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. • Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.
Defined Benefit Obligations The valuation of the retirement benefit schemes in the Company is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition rates. Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation	We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit. We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, remeasurements, benefits paid, and any other amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.

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

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

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

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

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

Management Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flow and changes in equity of the Company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant rules thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India, in terms of sub-section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give, in the "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
   c. The Balance Sheet, Statement of Profit & Loss, the Cash Flow Statement and statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act
   e. On the basis of written representations received from the Directors as on March 31, 2019 taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and

the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and belief and according to the information and explanations given to us:

   a. The Company does not have any pending litigation which would impact its financial position.

   b. The Company did not have any long-term contracts including derivatives contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.

   c. There has not been any occasion in case of the Company during the year under report to transfer any sum to the investor Education and protection Fund, hence the question of delay in transferring such sums does not arise.

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

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

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

Anil Chauhan
Proprietor
Membership No. 166286
Mumbai, May 14, 2019

"ANNEXURE A" TO INDEPENDENT AUDITOR'S REPORT

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

i. Property, Plant and Equipment

a. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment;

b. The Company has a program of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of Three years, which in our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its property, plant and equipment. Pursuant to the program certain items of property, plant and equipment were physically verified by the Management during the year and no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and the records examined by us, the title deeds of immovable properties are held in the name of the Company.

ii. Inventories

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

iii. Loans and Advances

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

iv. Loans, Investments and Guarantee

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

v. Deposits

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

vi. Cost Records

We have broadly reviewed the records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. However, we have not made a detailed examination of cost records with a view to determine whether they are accurate or complete.

vii. Statutory Dues

a. According to information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Profession tax, Income-tax, Duty of customs, Employees' State Insurance, Goods and Service tax, Cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities.

b. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Service tax, Central Sales-tax, Customs duty, Excise duty, Value Added Tax, Cess and other undisputed statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

c. In our opinion and according to the information and explanation given to us, during the year, no amount was pending to be transferred to Investor Education and Protection Fund.

viii. Dues to Financial Institutions and Banks

In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of Loans or Borrowings to Financial Institutions/ Banks and dues to debenture holders

ix. Money Raised

The Company has not raised moneys by way of initial public offer or further public offer during the year. However, on March 11, 2019 the Company has issued and allotted Non-Convertible Debentures (NCDs) for Rs.72 Crores on private placement basis. Term loan / money raised by issuing NCDs during the year was applied for the purpose for which it was obtained.

x. Frauds Noticed

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

xi. Managerial Remuneration

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

xii. Nidhi Company

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

xiii. Compliance with Section 177 & 188 of the Act

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

xiv. Preferential Allotment

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has issued and allotted Non-Convertible Debentures on private placement basis and provisions of Section 42 of the Act have been duly complied with.

xv. Non-Cash Transaction

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

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

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

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

Anil Chauhan
Proprietor
Membership No. 166286
Mumbai, May 14, 2019

"ANNEXURE B" TO INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Seya Industries Limited (the "Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Anil Chauhan
Proprietor
Membership No. 166286
Mumbai, May 14, 2019

BALANCE SHEET

As at March 31, 2019

₹ in Lakhs

	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	73,140.70	74,221.60
(b) Capital Work-in-Progress		68,595.73	37,874.63
(c) Financial Assets			
(i) Others	5	67.53	62.43
(d) Deferred Tax Assets (Net)	6 (d)	1,123.14	609.45
(e) Other Non Current Assets	7	26.18	21.54
Total Non-Current Assets		**1,42,953.28**	**1,12,789.65**
CURRENT ASSETS			
(a) Inventories	8	3,141.19	3,319.88
(b) Financial Assets			
(i) Trade Receivables	9	10,155.42	10,352.87
(ii) Cash and Cash Equivalents	10	79.93	1,381.53
(iii) Bank Balances other than (ii) above	11	222.32	209.72
(iv) Loans	12	10.86	9.17
(c) Other Current Assets	13	4,787.72	3,533.27
Total Current Assets		**18,397.44**	**18,806.43**
TOTAL ASSETS		**1,61,350.73**	**131,596.08**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	14	2,460.00	2,460.00
(b) Other Equity	15	80,133.46	71,573.72
(c) Share Application Money		10,305.92	-
Total Equity		**92,899.39**	**74,033.72**
LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	61,681.85	45,509.42
(ii) Other financial liabilities	17 (a)	238.54	293.71
(b) Provision	18 (a)	26.18	21.54
Total Non-Current Liabilities		**61,946.57**	**45,824.68**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	3,000.60	7,037.54
(ii) Trade Payables	20	855.25	1,012.68
(iii) Other Financial Liabilities	17 (b)	2,280.20	2,262.64
(b) Other Current Liabilities	21	217.76	274.01
(c) Provisions	18 (b)	150.96	1,150.80
Total Current Liabilities		**6,504.77**	**11,737.68**
Total Liabilities		**68,451.34**	**57,562.37**
TOTAL EQUITY AND LIBILITIES		**1,61,350.73**	**131,596.08**
Significant Accounting Policies & Notes to Account	1-3 & 30		
The accompanying notes form and integral part of the Financial Statements			

As per our report attached
For **ANIL CHAUHAN & ASSOCIATES**
Chartered Accountants
Firm Registration No.: 0140786W

For and on behalf of Board of Directors

Anil Chauhan
Proprietor
Membership No. 166286

Ashok G Rajani
Chairman & Managing Director
DIN: 01839535

Anand Taggarsi
Director
DIN: 06959365

Amrit Rajani
Chief Financial Officer

Manisha Solanki
Company Secretary

Place: Mumbai
Date: May 14, 2019

STATEMENT OF PROFIT & LOSS

For the period ended March 31, 2019

₹ in Lakhs

	Note	As at March 31, 2019	As at March 31, 2018
INCOME			
(a) Revenue from operations	22	**41,277.75**	34,789.62
(b) Other Income	23	**215.88**	104.29
Total Revenue (I)		**41,493.62**	34,893.92
EXPENDITURE			
(a) Cost of Material Consumed (Including Purchases of Stock-in-Trade)	24	**20,587.11**	20,317.95
(b) Change in Inventories of Finished Goods, Stock in Process & Stock in Trade	25	**178.69**	(115.91)
(c) Employee Benefit Expenses	26	**640.47**	458.94
(d) Finance Cost	27	**1,817.99**	1,785.01
(e) Depreciation and Amortisation Expenses	28	**1,599.41**	1,509.81
(f) Other Expenses	29	**6,045.49**	3,586.54
Total Expenses (II)		**30,869.16**	27,542.37
Profit Before exceptional items and Tax (III= I- II)		**10,624.46**	7,351.54
Exceptional Items (IV)		**-**	-
Profit Before Tax (V = III – IV)		**10,624.46**	**7,351.54**
Tax Expenses (VI)			
Current Tax	6 (c)	**1,796.66**	1,531.01
Deferred Tax (Net)	6 (a)	**(20.96)**	580.94
PROFIT AFTER TAX (VII = V – VI)		**8,848.76**	5,239.60
Other comprehensive income:			
Items that will not be reclassified to Statement of Profit and Loss			
(i) Remeasurements of the Defined Benefit Obligations		**(0.26)**	2.83
(ii) Tax effect of remeasurement of defined benefit liabilities / assets		**0.06**	(0.60)
Total Other Comprehensive Income (VIII)		**(0.21)**	**2.23**
Total Comprehensive Income for the period (VII + VIII)		**8,848.55**	5,241.83
Earnings per Equity Share of face value of ₹ 10 each			
Basic (₹)		**35.97**	23.32
Diluted (₹)		**35.97**	23.32
Significant Accounting Policies & Notes to Account	1-3 & 30		
The accompanying notes form and integral part of the Financial Statements			

As per our report attached
For **ANIL CHAUHAN & ASSOCIATES**
Chartered Accountants
Firm Registration No.: 0140786W

For and on behalf of Board of Directors

Anil Chauhan
Proprietor
Membership No. 166286

Ashok G Rajani
Chairman & Managing Director
DIN: 01839535

Anand Taggarsi
Director
DIN: 06959365

Amrit Rajani
Chief Financial Officer

Manisha Solanki
Company Secretary

Place: Mumbai
Date: May 14, 2019

STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

₹ in Lakhs

	No. of Shares	Amount
Balance as at March 31, 2019	**24,600,000**	**2,460.00**
Balance as at March 31, 2018	24,600,000	2,460.00

B. OTHER EQUITY

₹ in Lakhs

	Reserves and Surplus			Fair Value of Property	Total
	Securities Premium	General Reserve	Retained Earnings		
Balance as at April 1, 2017	15,809.72	2,013.53	10,150.08	-	**27,973.33**
Profit for the Year	-	-	5,239.60	-	**5,239.60**
Other comprehensive income for the Year (net of tax)	-	-	2.23	-	**2.23**
Total Comprehensive Income for the Year ended March 31, 2018	**15,809.72**	**2,013.53**	**15,391.91**	**-**	**33,215.16**
Premium on issue of Equity Shares	7,225.00	-	-	-	**7,225.00**
Equity Dividend including tax on dividend	-	-	(287.43)	-	**(287.43)**
Fair Value measurement of Land	-	-	-	31,421.00	**31,421.00**
Balance at the end of the year March 31, 2018	**23,034.72**	**2,013.53**	**15,104.47**	**31,421.00**	**71,573.72**
Profit for the Year	-	-	8,848.76	-	**8,848.76**
Other comprehensive income for the current reporting year	-	-	(0.21)	-	**(0.21)**
Equity Dividend including tax on dividend	-	-	(288.80)	-	**(288.80)**
Balance at the end of year March 31, 2019	**23,034.72**	**2,013.53**	**23,664.21**	**31,421.00**	**80,133.46**

As per our report attached
For **ANIL CHAUHAN & ASSOCIATES**
Chartered Accountants
Firm Registration No.: 0140786W

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Manisha Solanki
Company Secretary

Place: Mumbai
Date: May 14, 2019

CASH FLOW STATEMENT

For the period ended March 31, 2019

₹ in Lakhs

		2018-19		2017-18	
A:	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Profit Before Tax as per Statement of Profit and Loss		**10,624.46**		7,351.54
	Non-cash adjustment to reconcile Profit Before Tax to Net Cash Flows				
	Depreciation and Amortisation	1,599.41		1,509.81	
	Finance Cost	1,817.99		1,785.05	
	Interest Income	(14.00)		(9.88)	
	Other Non-Operating Income	(201.88)		(94.41)	
			3,201.51		3,190.57
	Operating Profit before Working Capital changes		**13,825.98**		10,542.11
	Adjustment for (increase)/decrease in Operating Assets:				
	Inventories	178.70		(202.89)	
	Trade Receivables	197.45		(2,435.64)	
	Loans	(1.70)		(0.59)	
	Other Current Financial Assets	-		2.20	
	Other Current Assets	(1,254.45)		(712.30)	
	Adjustment for increase/(decrease) in Operating Liabilities				
	Trade Payables	(157.43)		(673.69)	
	Other Current Financials Liabilities	17.56		1,582.35	
	Other Current Liabilities	(56.25)		(95.50)	
	Provisions	(1,000.05)		933.46	
			(2,076.17)		(1,602.60)
	Cash Generated from Operations		**11,749.80**		8,939.51
	Taxes Paid (Net)		**(2,289.40)**		(1,568.57)
	Net Cash from Operating Activities (A)		**9,460.40**		7,370.94
B:	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Capital Expenditure on Property, Plant & Equipment, including Capital Advances & Payable for Capital Expenditure	(518.51)		(2,149.99)	
	Increase in Capital Work in Progress	(28,352.71)		(14,556.98)	
	Other Non-Current Financial Liability	(55.17)		(334.75)	
	Other Non-Current Financial Assets	(5.11)		-	
	Other Non-Operating Income	201.88		94.41	
	Interest Received	14.00		9.88	
	Other Bank Balances	(12.60)		(9.59)	
			(28,728.22)		(16,947.02)
	Net Cash Flow from / (used in) Investing Activities (B)		**(28,728.22)**		(9,576.09)
C:	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Proceeds from issue of Equity Shares	-		7,650.00	
	Proceeds from issue of Share warrants	-		(7,110.00)	
	Proceeds from Long-term Borrowings (Net-off repayment)	16,172.43		12,771.64	
	Proceeds from Short-term Borrowings (Net-off repayment)	(4,036.94)		1,309.72	
	Finance Cost	(2,507.38)		(1,785.01)	
	Dividend Paid on Preference Shares	(1,679.01)		(1,663.88)	
	Dividend Paid on Equity Shares	(288.80)		(287.43)	
	Proceeds from Share Application Money	10,305.92		-	
	Net Cash Flow From / (used in) Financing Activities (C)		**17,966.22**		10,885.00
	Net Increase / (Decrease) In Cash and Cash Equivalent (A + B + C)		**(1,301.60)**		1,308.92
	Cash and Cash Equivalents at the Beginning of the Year		**1,381.53**		72.61
	Cash and Cash Equivalents at the End of the Year (Refer Note No. 10)		**79.93**		1,381.53

As per our report attached
For **ANIL CHAUHAN & ASSOCIATES**
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Amrit Rajani
Chief Financial Officer

Manisha Solanki
Company Secretary

Place: Mumbai
Date: May 14, 2019

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2019

1. CORPORATE INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of Compliance

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

2.2. Basis of Preparation and Presentation

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

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

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

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

2.3. Operating Cycle

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

2.4. Critical accounting estimates, assumptions and judgements:

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

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

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the assets or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. the fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and lowest priority to unobservable inputs (Level 3 inputs).

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

2.6. Operating Segment

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

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

a) Segment revenue includes sales and other income directly identifiable with the segment including intersegment revenue.

b) Expenses that are directly identifiable with the segments are considered for determining the segment results. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.

c) Income which relates to the Group as a whole and not allocable to segments is included in unallocable income.

d) Segment result includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Group.

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

2.7. Property, plant and equipment (PPEs)

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

De-recognition

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

Depreciation

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

The estimated useful lives are as follows:

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

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

2.8. Intangible Assets

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

De-recognition of intangible assets

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

2.9. Impairment of Non-Financial Assets

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

2.10. Financial Instruments

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

Financial Assets

Initial Recognition and measurements

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

Subsequent measurements

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

i. Financial assets measured at amortised cost

ii. Financial assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

iii. Financial assets measured at Fair Value Through Profit or Loss (FVTPL)

   i. *A financial asset that meets the following two conditions is measured at amortized cost.*

      - <u>Business Model test:</u>

        The asset is held within a business

model whose objective is to hold assets for collecting contractual cash flows, and

- Cash flow characteristics test:

  Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

ii. *A financial asset that meets the following two conditions is measured at fair value through OCI:-*

- Business Model test:

  The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

- Cash flow characteristics test:

  The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

iii. *All other financial assets are measured at fair value through profit and loss.*

Equity Instruments

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

Derecognition-

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

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

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

Impairment of financial assets-

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

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

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

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

2.11. Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Financial liabilities at Fair Value Through Profit or Loss

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

Derecognition

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

Derivative financial instruments

Initial recognition and subsequent measurement

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

Compound financial instruments

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

2.12. Leases

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

Company as a lessee-

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

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

Company as a lessor-

Rental income from operating lease is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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

2.13. Cash and Cash Equivalents

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

2.14. Provisions, contingent liabilities and assets

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

Contingent Assets are not recognised in the financial statements.

2.15. Borrowing Cost

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

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

2.16. Inventories

- Raw materials, Work in progress, manufactured goods and Stores & Spares are valued at lower of Cost (FIFO) or estimated net realisable value after providing for obsolescence and other losses, where considered necessary.
- By-products, self-generated scrap and non-reusable waste are valued at estimated net realisable value.
- Cost includes all charges in bringing the goods to their present location and condition, including other levies, transit insurance and receiving charges.
- Work in progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.
- Estimated net realisable value is the estimated selling price in the ordinary course of business, reduced by estimated costs of completion and estimated costs necessary to make the sale.

2.17. Revenue Recognition

Sale of Goods

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

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

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

Other Income

Interest Income

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

Dividend

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

2.18. Employee Benefits

Defined benefit plans

The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations. The current service cost of the defined benefit plan, recognised in the profit or loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised in profit or loss in the period of a plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and is reflected immediately in retained earnings and is not reclassified to profit or loss.

Short-term and Other long-term employee benefits

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

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

Defined contribution plans

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

2.19. Income Tax

Current Income Tax

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

Deferred Tax

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

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

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

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2.20. Earnings per share

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

2.21. Foreign Currency

Foreign currency transactions

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

2.22. Research and development

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

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

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

3. RECENT ACCOUNTING PRONOUNCEMENTS

Standards issued but not yet effective

Ind AS 116 – Leases:

The Company is required to adopt Ind AS 116, Leases from April 1, 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases. The Company is in the process of completing its detailed assessment and quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

i. Leases in which the Company is lessee

The Company will recognise new assets and liabilities for its operating leases of offices, warehouse and factory facilities. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Company will include the payments due under the lease in its lease liability and apply Ind 252

AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment.

ii. Transition

The Group plans to apply Ind AS 116 initially on April 1, 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at April 1,2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before April 1, 2019 and identified as leases in accordance with IND AS 17

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

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

4. PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

	Leasehold Land	Buildings	Plant and Equipment	Furniture and Fixtures$	Vehicles	Total
Gross Block						
Balance as at April 1, 2017	22,046.26	2,754.94	25,217.15	29.73	257.11	**50,305.20**
Additions	31,421.00*	4.31	2,002.32	-	143.35	**33,570.98**
Disposals	-	-	-	-	-	**-**
As at March 31, 2018	**53,467.26**	**2,759.25**	**27,219.78**	**29.73**	**400.47**	**83,876.19**
Additions	-	36.46	481.62	0.43	-	**518.51**
Disposals	-	-	-	-	-	**-**
As at March 31, 2019	**53,467.26**	**2,795.72**	**27,701.10**	30.16	**400.47**	**84,394.70**
Accumulated Depreciation						
Balance as at April 1, 2017		575.95	7,530.27	17.55	21.03	**8,144.79**
Depreciation for the year	-	107.80	1,368.80	2.66	30.55	**1,509.81**
Disposals	-	-	-	-	-	**-**
As at March 31, 2018	**-**	**683.74**	**8,899.08**	**20.20**	**51.57**	**9,654.59**
Depreciation for the Year	-	108.92	1,457.27	2.67	30.55	**1,599.41**
Disposals	-	-	-	-	-	**-**
As at March 31, 2019	**-**	**792.66**	**10,356.35**	**22.88**	**82.12**	**11,254.00**
Net Block						
As at March 31, 2018	53,467.26	2,075.51	18,320.40	9.53	348.90	74,221.60
As at March 31, 2019	**53,467.26**	**2,003.05**	**17,344.75**	**7.28**	**318.35**	**73,140.70**

*Impact of Appreciation due to representation of Fair Value of Property ie. Land in-accordance with the requirements of adoption of IND-AS-16
$ Includes Office Equipment

CAPITAL WORK IN PROGRESS

₹ in Lakhs

	Total
Balance as at March 31, 2018	37,874.63
Balance as at March 31, 2019	**68,595.73**

5. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good		
Security Deposit	**67.53**	62.43
TOTAL	**67.53**	62.43

6. INCOME TAXES

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

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Current Income Tax on Profit for the year	**1,796.66**	1,531.01
Deferred Taxes (expenses) / benefits	**(20.96)**	580.94
TOTAL	**1,775.71**	2,111.95

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

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Deferred Tax relating to items recognised in OCI during the year		
Net (gain) / loss on remeasurement of defined benefits plan	**(0.26)**	2.83
Income Tax Charged to OCI	**0.06**	(0.60)

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

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Accounting Profit Before Income Tax	**10,624.46**	**7,351.54**
Enacted tax rate in India (%)	34.80	34.50

	As at March 31, 2019	As at March 31, 2018
Computed Tax Expenses	**3,697.31**	**2,536.30**
Add: Tax effects of amounts which are not deductible in calculating taxable income	8.56	4.30
Less: Tax effects of amounts which are deductible in calculating taxable income	(1,909.21)	(1,009.57)
Income Tax Expenses	**1,796.66**	**1,531.01**

d. **Deferred Tax** ₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Deferred Tax (Liabilities)		
On difference between Book Balance and Tax Balance of Depreciation	**1,808.66**	1,827.72
On Expenditure deferred in Books but allowable for Tax Purpose	**699.75**	699.75
Allowance under Section 43B	**29.55**	26.10
On difference between write-off of preliminary expenses in Books and as per Tax	**12.80**	12.80
Expenses earlier allowed under 43B, now written back	**(29.45)**	(29.45)
Total of Deferred Tax Liabilities	**2,521.32**	2,536.93
Deferred Tax (Assets)		
Provision for Compensated absences, gratuity and other employee benefits	**7.99**	7.99
Disallowances under 40A (7) of the Income Tax Act, 1961	**4.84**	4.07
Assets arising due to provisions of Income Tax Act, 1961	**1,097.58**	1,093.00
Total of Deferred Tax Assets	**1,110.41**	1,105.06
Adjustment as per Ind AS	**46.01**	46.01
MAT Credit entitlement	**2,488.04**	1,995.30
Total of Deferred Tax Assets as per Ind AS	**3,644.45**	3,146.38
Net Deferred Tax (Assets) / Liabilities	**(1,123.14)**	(609.45)

e. **Reconciliation of deferred Tax Assets / Liabilities (Net)** ₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Opening Balance	**1,385.86**	804.92
Tax Income / (expenses) for the year recognised in statement of Profit & Loss	**(20.96)**	580.94
MAT Credit Entitlement	**2,488.04**	1,995.30
Balance as on March 31	**(1,123.14)**	(609.45)

7. OTHER NON-CURRENT ASSETS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Provisions for Employee Benefits	**26.18**	21.54
TOTAL	**26.18**	21.54

8. INVENTORIES

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Raw Materials (including Packing Material & Goods in Transit)	**155.47**	155.69
Work-in-Progress	**2,771.73**	2,938.37
Finished Goods	**196.27**	208.32
Stores and Spares	**17.71**	17.50
TOTAL	**3,141.19**	3,319.88

9. TRADE RECEIVABLES

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Current		
Unsecured Considered Good	**10,155.42**	10,352.87
TOTAL	**10,155.42**	10,352.87

Footnotes

i. The Credit Period on sale of goods varies from Customer to Customer and generally ranges between 0 to 90 days. For Financial risk related to trade receivables Refer Note No. 30.17 (B)

ii. The Company has used a Practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

10. CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Cash on hand	**8.16**	3.06
Balances with Banks		
In Current Accounts	**71.77**	1,378.46
TOTAL	**79.93**	1,381.53

Footnotes

i. Balance with Bank includes balances of Unclaimed dividend accounts

ii. The Company has not entered into any non-cash investing and financing activities

11. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Deposits with Banks with Maturity more than 3 Months but less than 12 months	**222.32**	209.72
TOTAL	**222.32**	209.72

Footnotes

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

12. LOANS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good		
Loans to Employees	**10.86**	9.17
TOTAL	**10.86**	9.17

Footnotes

i. These financial assets are carried at amortised cost

13. OTHER CURRENT ASSETS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good		
Balance with Government Authorities	**3,412.89**	903.66
Prepaid Expenses	**110.38**	105.22
Advance to suppliers	**1,263.47**	2,464.66
Other Assets	**0.98**	59.73
TOTAL	**4,787.72**	3,533.27

14. EQUITY SHARE CAPITAL

₹ in Lakhs

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital				
Equity Shares of ₹ 10 each	**26,570,700**	**2,657.07**	25,000,000	2,500
Preference Shares of ₹10 each	**153,232,300**	**15,323.23**	151,300,000	15,130
Total Authorised Capital	**179,803,000**	**17,980.03**	176,300,000	17,630
Issued, Subscribed and Paid up Capital				
Equity Shares of ₹ 10 each	**24,600,000**	**2,460**	24,600,000	2,460
Total Issued, Subscribed and Paid up Capital	**24,600,000**	**2,460**	24,600,000	2,460

Footnote

i. The Company has Authorised Capital of Equity and Preference Shares.

ii. **Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of Capital.**

Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of Shareholders, except in case of interim dividend. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholding.

iii. 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.

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

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	%	No. of Shares	%
Name of the shareholders				
Mr. Ashok G Rajani	**4,765,329**	**19.37**	4,765,329	19.37
Mrs. Shalini A Rajani	**2,762,430**	**11.23**	2,761,930	11.23
Whiz Enterprise Pvt Ltd	**6,501,918**	**26.43**	6,501,918	26.43
Reliance Small Cap fund	**1,998,059**	**8.12**	1,997,868	8.12

15. OTHER EQUITY

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Reserves & Surplus		
Retained Earnings	**23,664.21**	15,104.47
General Reserve	**2,013.53**	2,013.53
Securities Premium Reserve	**23,034.72**	23,034.72
Other Reserves		
Impact of Fair Value of Property ie. Land in-accordance with Ind AS-16	**31,421.00**	31,421.00
TOTAL	**80,133.46**	71,573.72

Movement in other equity

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Retained Earnings		
Balance at the beginning of the year	**15,104.47**	10,150.07
Add: Profit attributable to owners of the Company (Profit for the year)	**8,848.76**	5,239.60
Items of other comprehensive Incomes recognised directly in retained earnings		
Remeasurement of post-employment benefits, obligations (Net of Tax)	**(0.21)**	2.23
Dividends	**(288.80)**	(287.43)
Balance at the end of the year	**23,664.21**	15,104.47
General Reserve		
Balance at the beginning of the year	**2,013.53**	2,013.53
Additions / (Deduction)	**-**	-
Balance at the end of the year	**2,013.53**	2,013.53
Securities Premium Reserves		
Balance at the beginning of the year	**23,034.72**	15,809.72
Add: Proceeds received from Exercise of Options attached to warrants	**-**	7,225.00
Balance at the end of the year	**23,034.72**	23,034.72
Other Reserves		
Balance at the beginning of the year	**31,421.00**	-
Fair Valuation of Property, Plant and Equipment (Land)	**-**	31,421.00
Balance at the end of the year	**31,421.00**	31,421.00

16. NON-CURRENT BORROWING

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Secured		
Term Loans from Banks	**46,555.68**	22,102.32
Unsecured		
Loans and Advance from Promoters & Related Parties	**-**	8,280.93
Net Present Value of Preference Shares (of Promoters and Related Parties) as per Ind AS	**15,126.17**	15,126.17
TOTAL	**61,681.85**	45,509.42

Footnote

i. Rupee Term Loan from banks comprises of Loan taken for expansion project of ₹35,516.21 Lakhs and Car loan of ₹229.41 Lakhs.

ii. 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.

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

iv. Terms of Repayments of Secured Loans

Repayment Schedule
Period

₹ in Lakhs

	Amount
2 to 4 Years	19,895.22
4 to 7 Years	21,505.35
7 to 10 Years	5,155.11
TOTAL	**46,555.68**

v. Rate of interest of Rupee term loan from Banks are in the range of base rate / MCLR plus 0.00% to 2.65% p.a. and is repayable on quarterly basis with last instalments payable from April 2020 to March 2027.

vi. Non-Convertible redeemable preference shares are redeemable not more than twelve years with a dividend rate as may be decided by Board of Directors.

17. OTHER FINANCIAL LIABILITIES

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
(a) Non-Current		
Other Payables for Goods & Services	238.54	293.71
Total Other Non-Current Financial Liabilities	**238.54**	293.71
(b) Current		
Current maturities of Long Term Debt	2,219.91	2,216.99
Unclaimed Dividend on Equity Shares	60.29	45.65
Total Other Current financial liabilities	**2,280.20**	2,262.64
TOTAL	**2,518.74**	2,556.35

18. PROVISIONS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
(a) Non-Current		
Provisions for Employees Benefit Obligations	26.18	21.54
Total Non-Current Provisions	**26.18**	21.54
(b) Current		
Provisions for Employees Benefit Obligations	94.12	64.86
Provisions for Income Tax	1.13	1,047.49
Other Provisions	55.70	38.44
Total Current Provisions	**150.96**	1,150.80
TOTAL	**177.14**	1,172.34

19. CURRENT BORROWINGS

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Secured		
From Bank	3,000.60	7,037.54
TOTAL	**3,000.60**	7,037.54

Footnote

i. Working capital loan from bank is secured against hypothecation of Stock of Raw Materials, Stock in Process, Semi-Finished and Finished goods, Stores and Spares (not relating to plant and machinery), book debts of Company's present manufacturing locations

ii. Rate of interest of Working Capital Loan is in range of Base Rate / MCLR plus 0.00% to 2.60% p.a. These Borrowings are repayable of Demand.

20. TRADE PAYABLES

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Dues of Micro, Small and Medium Enterprises	-	-
Dues of other creditors other than Micro, Small & Medium Enterprises	855.25	1,012.68
TOTAL	**855.25**	1,012.68

Footnote

i. The average credit period on goods purchased, ranges between 30 days to 180 days

21. OTHER CURRENT LIABILITIES

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Statutory Remittances	141.00	163.52
Other trade payables for Goods and Services	76.76	110.49
TOTAL	**217.76**	274.01

22. REVENUE FROM OPERATIONS

₹ in Lakhs

	2018-19	2017-18
Sale of Products	41,277.75	34,789.62
TOTAL	**41,277.75**	34,789.62

Footnote

i. Sale of goods includes excise duty of upto June 30, 2017 hence figures are not comparable.

ii. The Company operates in single segment that is Speciality Chemicals intermediates.

23. OTHER INCOME

₹ in Lakhs

	2018-19	2017-18
Interest Income On		
Deposits with Banks	14.00	9.88
Other non-operative income	71.62	4.52
Liability / Provisions no longer required written back	130.25	89.89
TOTAL	**215.88**	104.29

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

₹ in Lakhs

	2018-19	2017-18
Raw materials at the beginning of the year	139.99	66.14
Add: Purchases (Including Stock in Trade)	20,576.72	20,217.71
Less: Raw materials at the end of the year	(129.60)	(139.99)
Add: Excise Duty	-	174.09
TOTAL	**20,587.11**	20,317.95

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

₹ in Lakhs

	2018-19	2017-18
A. Opening Balance		
Work in Process	2,938.37	2,837.29
Finished Goods	208.32	193.49
	3,146.69	3,030.78
B. Closing Balance		
Work in Process	2,771.73	2,938.37
Finished Goods	196.27	208.32
	2,968.00	3,146.69
NET (INCREASE) / DECREASE IN INVENTORIES (A – B)	**178.69**	(115.91)

26. EMPLOYEE BENEFIT EXPENSES

₹ in Lakhs

	2018-19	2017-18
Salaries & Wages	609.25	430.61
Contributions to Provident and other Funds	26.53	24.05
Staff Welfare Expenses	4.69	4.28
TOTAL	**640.47**	458.94

27. FINANCE COST

₹ in Lakhs

	2018-19	2017-18
Interest Expenses on		
Borrowings	1,707.10	1,746.99
Trade Payables	0.27	0.10
Others		
Bank Charges	82.68	27.92
Other Borrowing Cost	27.94	10.14
TOTAL	**1,817.99**	1,785.05

28. DEPRECIATION AND AMORTISATION

₹ in Lakhs

	2018-19	2017-18
Depreciation of Plant, Property & Equipment *(Note No.4)*	**1,599.41**	1,509.81
TOTAL	**1,599.41**	1,509.81

29. OTHER EXPENSES

₹ in Lakhs

	2018-19	2017-18
Consumption of Stores and Spares	**1.81**	1.25
Consumption of Packing Material	**143.70**	95.29
Increase/(decrease) of excise duty on inventory	-	(21.50)
Power & Fuel charges	**4,659.72**	2,925.73
Rent	**120.00**	31.80
Payment to Auditors		
Statutory Audit Fees	4.00	4.00
Taxation Matters	1.50	1.50
Company Law Matters	0.97	0.91
Other services	0.60	0.60
	7.07	7.01
Insurance	**20.05**	13.32
Sales Promotions, Discounts & other Selling expenses	**376.10**	375.31
Repairs and Maintenance – Plant & Machinery	**240.04**	29.58
Miscellaneous Expenses	**477.01**	128.75
TOTAL	**6,045.49**	3,586.54

Footnote

i. Amount required to be spent by the Company during the year on CSR is ₹97.95 Lakhs (2018: ₹57.91 Lakhs) whereas the Company has spent ₹99.50 Lakhs (2018: ₹58.75 Lakhs).

30. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

30.1. Contingent liabilities and Capital commitments (to the extent not provided)

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Contingent Liabilities		
Financial Instruments		
Letter of Credit	**262.54**	533.27
Bank Guarantees		
-Financial	**90.54**	-
-Performance	**25.00**	25.00
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital Advances):		
- Property, Plant & Equipment	**3,000.00**	14,491.00
TOTAL	**3,378.08**	15,049.27

30.2. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

There are no Micro and Small Enterprises, to whom the Company owes dues which are outstanding as at the Balance Sheet date. The information has been identified to the extent such parties have been identified on the basis of information available with the Company.

30.3. Financial Instruments

The Company has negligible exposure in Foreign Currency during the year and hence has not availed any financial instrument, viz. Derivatives and Forward Contract Instruments for hedging its risks and exposure to foreign currency fluctuations.

30.4. Value of imports calculated on CIF basis: ₹NIL (Previous Year: NIL)

30.5. Expenditure in Foreign Currency

₹ in Lakhs

	2018-19	2017-18
Subscription Charges	**12.43**	15.73
Advance to supplier for Import of Plant and Machinery	**681.84**	88.17
TOTAL	**694.27**	103.90

30.6. Amounts remitted in foreign currency during the year on account of dividend: NIL (Previous year: NIL)

30.7. Earnings in Foreign Exchange: NIL (Previous Year: NIL)

31.8. Details of Consumption of Imported and Indigenous items ₹ in Lakhs

	2018-19		2017-18	
	₹ in Lakhs	%	₹ in Lakhs	%
Indigenous				
Raw Material	**20,576.72**	**100**	20,217.71	100
Spare Parts	**1.81**	**100**	1.25	100
	20,578.53	**100**	20,218.96	100
Imported				
Raw Material	**-**	**-**	-	-
Spare Parts	**-**	**-**	-	-
TOTAL	**20,578.53**	**100**	20,218.96	100

30.9. Disclosure under IND AS-19: Employee Benefits Obligations

30.9.1. **Defined Benefit Plan**

During the Period under review Company has made contribution towards Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India.

Both are funded defined benefit plans for qualifying employees. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of Five years of services.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Compensated Absences is recognised in the same manner as gratuity.

30.9.2. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

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

30.9.4. The expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets held, assessed risk of assets management and historical result of the return on plan asset.

30.9.5. In absence of specific details of plan assets from LIC, the details of plan assets have not been furnished. The details of experience adjustment relating to Plan assets are not readily available in valuation report and hence are not furnished.

30.9.6. The following table set out the funded status and amounts recognised in Company's financial statements as at March 31, 2019 for Defined Benefit Plan. (Disclosure as per IND AS-19)

Reconciliation of Opening and Closing Balances of Defined Benefits Obligation ₹ in Lakhs

	2018-19	2017-18
Balance at the beginning of the year	**21.54**	19.20
Current Service Cost	**4.03**	5.03
Interest Cost	**1.62**	1.38
Actuarial (gain) / losses	**(0.30)**	(3.26)
Benefits Paid	**(0.72)**	(0.81)
Balance at the end of the year	**26.18**	21.54

Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets ₹ in Lakhs

	2018-19	2017-18
Balance at the beginning of the year	**22.15**	19.71
Expected Return on Plan Assets	**1.27**	1.07
Contribution by the Company	**4.19**	2.18
Benefits Paid	**(0.72)**	(0.81)
Balance at the end of the year	**26.89**	22.15

Assets and Liabilities Recognised in the Balance Sheet ₹ in Lakhs

	2018-19	2017-18
Present Value of Defined Benefit obligations	**26.18**	21.54
Fair value of Plan Assets	**26.89**	22.15
Amounts Recognised as Assets / (Liability)	**(0.72)**	(0.61)

Expenses Recognised in the Statement of Profit and Loss ₹ in Lakhs

	2018-19	2017-18
Current Service Cost	**4.03**	5.03
Net interest Cost	**(0.21)**	(0.12)
Expense Recognised	**3.82**	4.91

Expenses Recognised in Other Comprehensive Income (OCI)

₹ in Lakhs

	2018-19	2017-18
Actuarial (Gain) / Loss recognised for the period	**(0.30)**	(3.26)
Return on Plan Assets excluding interest income	**0.57**	0.43
Total Actuarial (Gain) / Loss recognised in OCI	**0.26**	(2.83)

Major Category of Plan Assets

	2018-19		2017-18	
	₹ in Lakhs	%	₹ in Lakhs	%
Cash and Cash Equivalents	-	-	-	-
Gratuity Fund	-	-	-	-
Debt Security – Government Bond	-	-	-	-
Equity Securities – Corporate Debt Securities	-	-	-	-
Other Insurance Contracts (LIC of India)	**26.89**	**100**	22.15	100

Actuarial Assumption

	2018-19	2017-18
Discount Rate	**7.52%**	7.67%
Rate of Increase in Compensation	**4%**	4%
Expected Average remaining Services	**16.69**	15.89
Retirement Age	**58 Years**	58 Years
Employee Attrition Rate	**1% of all Ages**	1% for all Ages

Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

₹ in Lakhs

	2018-19	2017-18
Discount Rate - Increase of 1%	**23.86**	19.70
Discount Rate - Decrease of 1%	**28.92**	23.72
Salary Growth Rate - Increase of 1%	**28.99**	23.76
Salary Growth Rate - Decrease of 1%	**23.77**	19.64

In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the prior year.

30.9.7. Leave Encashment

(a) The Leave benefit Scheme is a defined Benefit Plan and is unfunded. Hence, there are no Plan Assets attributable to the Obligation

(b) Principal Actuarial Assumption

	2018-19	2017-18
Discount Rate	**7.52%**	7.67%

30.9.8. Defined Contribution Plan

Contribution to Defined Contribution Plans, recognised in Statement of Profit and Loss, for the year is as under

₹ in Lakhs

	2018-19	2017-18
Contribution to Provident Fund and Other Funds	**26.53**	24.05

Expected Contribution for the Next Year	₹ in Lakhs
Contribution to Provident Fund and Other Funds	27.00

30.10. Capital Management

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business.

The Company focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

For the purposes of Capital Management, the Company considers the following components of its Balance Sheet to manage capital.

₹ in Lakhs

	As at March 31, 2019	As at March 31, 2018
Total Equity (A)	**82,593.46**	74,033.72
(i) Non-Current Borrowings (including Current Maturities)	**63,901.76**	47,726.41
(ii) Current Borrowings	**3,000.60**	7,037.54
Total Borrowings (B) (i + ii)	**66,902.36**	54,763.95
Less: NCRPS of Promoters & Related Parties	**15,126.17**	15,126.17
Less: Unsecured Borrowings from Promoters & Related Parties	**-**	8,280.93
Less: Cash and Cash Equivalent	**79.93**	1,381.53
Less: Other Bank Balance	**222.32**	209.72
Net Borrowings (C)	**51,473.94**	29,765.60
Total Capital (D=A + B)	**149,495.80**	128,797.67
Net Borrowing as a % of Total Equity (C / A)	**62.32%**	40.21%
Net Borrowing as a % of Total Capital (C / D)	**34.43%**	23.11%

The Interest Coverage Ratio for the reporting period was as follows

₹ in Lakhs

	2018-19	2017-18
Earnings before Interest Depreciation and Tax (EBIDTA)	**14,041.86**	10,646.36
Interest	**1,817.99**	1,785.05
Interest Coverage Ratio (x)	**7.72**	5.96

30.11. Disclosure Under IND AS 108 – "Operating Segment"

(a) The Company is mainly engaged in manufacturing of Speciality Chemical Intermediates. These in the context of Ind AS 108 "Operating Segment" is considered to constitute one single primary segment.

(b) The Company is Domiciled in India and during the reporting period Company did not had any Direct Export.

30.12. Disclosures under IND AS-24: Related Party Disclosures

30.12.1. Details of Related Parties:

Description of Relationship	Name of the Parties
Key Management Personnel (KMP)	Mr. Ashok G Rajani – Chairman & Managing Director Mr. A. K. Bhowmik – Director Ms. Manisha Solanki – Company Secretary
Relatives of Key Managerial Personnel	Mr. Amrit Rajani – Son of Mr. Ashok Rajani
Entities in which either of KMP or their Relatives can exercise significant influence	

30.12.2. Related Party Transactions during the year ended March 31, 2019 and Balances Outstanding as on that day

₹ in Lakhs

	KMP		Entities in which KMP/ Relatives of KMP have significant influence	
Nature of Transaction	**2018-19**	**2017-18**	**2018-19**	**2017-18**
Remuneration to Directors & KMP	**138.31**	73.65	**-**	-
Leasing arrangements	**-**	-	**28.32**	31.80
Unsecured Loans Taken / (Repaid)	**-**	(0.59)	**-**	-
Balances outstanding at the end of the year:				
Long Term Borrowings (unsecured) [Including NCRPS]	**-**	59.98	**-**	8,220.95

Key Managerial Personnel Compensation

₹ in Lakhs

	2018-19	2017-18
Short Term Employee Benefits	**138.31**	73.65
Long-Term Employee Benefits	**-**	-

Terms and Conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided to any related party receivables or payables. For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (Previous Year: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

30.13. Disclosure Under IND AS 17: Leases

The Company has entered into operating lease arrangements as Lessee for certain facilities and office premises. The lease is for a period of 10 years and may be renewed for a further period of 10 years based on mutual agreement of the parties. The lease agreements provide for increase in the lease payments.

₹ in Lakhs

	2018-19	2017-18
Lease Payments		
not later than one year	28.32	31.80
Lease Payments Recognised in the Statement of Profit & Loss	**28.32**	31.80

30.14. Disclosure under IND AS-33: Earnings Per Share

	2018-19	2017-18
Nominal Value of Equity Shares (₹)	**10/-**	10/-
Net Profit available for equity shareholders (₹ in Lakhs)	**8,848.76**	5,239.60
Weighted average Number of shares Outstanding for basic EPS	**24,600,000**	22,475,000
Weighted average Number of shares Outstanding for diluted EPS	**24,600,000**	22,475,000
Basic Earnings Per Share (₹)	**35.97**	23.32
Diluted Earnings Per Share (₹)	**35.97**	23.32

30.15. Research and Development Expenses ₹ in Lakhs

	2018-19	2017-18
Capital Expenditure	**56.16**	49.66
Revenue Expenditure	**359.14**	234.90
Total R&D Expenditure	**415.30**	284.56
(% of Net Sales)	**1.01%**	0.82%

30.16. Financial Instruments

(A) The carrying value of Financial Instruments by Categories as at March 31, is as follows ₹ in Lakhs

	Amortised Cost	
	As at March 31, 2019	As at March 31, 2018
Financial Assets		
Trade Receivables	**10,155.42**	10,352.87
Loans	**10.86**	9.17
Cash & Cash Equivalents	**79.93**	1,381.53
Bank Balance other than Cash & Cash Equivalents	**222.32**	209.72
Other Financial Assets	**67.53**	62.43
Total Financial Assets	**10,536.06**	12,015.71
Financial Liabilities		
Borrowings[1]	**66,902.36**	54,763.95
Trade Payables	**855.25**	1,012.68
Other Financial Liabilities	**298.83**	339.36
Total Financial Liabilities	**68,056.44**	56,116.00

Footnote

1. Including Non-Convertible Redeemable Preference shares (₹15,126.17 Lakhs) and Unsecured Borrowings (₹8,280.93 Lakhs for FY 18) from Promoter and Related Parties.
2. The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

(B) Fair Value Hierarchy

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There are no Financial Assets which are required to be carried at Fair value using Fair value hierarchy

30.17. Financial Risk Management Objectives

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including interest rate risk and other price risk), credit risk and liquidity risk.

(A) Market Risk

Market Risk is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, and other price risks. Financial instruments affected by market risks, primarily include loans and borrowings.

(i) Interest Rate Risk

The Company borrows funds in Indian Rupees, to meet both the long term and short-term funding requirements. Interest on term borrowings is subject to Base rate / MCLR and is fixed for at least one year. The sensitivity analysis detailed below have been determined based on the exposure to variable interest rates on the average outstanding amounts due to bankers over a year.

If the interest rates had been 25 BPS higher / lower and all other variables held constant, the company's profit for the year ended March 31, 2019 would have been decreased/increased by ₹39.52 Lakhs.

(ii) Price Risk

100% of Company's revenues are generated from Local Markets and the raw materials are procured through local purchases where local purchases track import parity price. The Company is affected by the price stability of certain commodities. Due to the significantly increased volatility of certain commodities, the Company enters into contract with the customers that has provision to pass on the change in the raw material prices. The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs.

(B) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables)

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

Customer credit risk is managed by the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment through financial institutions. Outstanding receivables and the credit worthiness of its customers are periodically monitored and taken upon case to case basis.

Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

(C) Liquidity Risk

The Company manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows. The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposit which carry low risks. The Company monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts.

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2019

₹ in Lakhs

	< 1 Year	1-8 Years	Total
Borrowing (other than from Promoters and Related Party)	3,000.60	48,775.59	**51,776.19**
Trade Payables	855.25	-	**855.25**
Other Financial Liabilities	60.29	238.54	**298.83**
TOTAL	3,916.14	49,014.13	**52,930.27**

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2018

₹ in Lakhs

	< 1 Year	1-8 Years	Total
Borrowing (other than from Promoters and Related Party)	7,037.54	24,319.31	**31,356.85**
Trade Payables	1,012.68	-	**1,012.68**
Other Financial Liabilities	45.65	293.71	**339.36**
TOTAL	8,095.87	24,613.02	**32,708.89**

30.18. Investor Education and Protection Fund

There is no amount due and outstanding as at Balance Sheet date to be credited to the Investor Education and Protection Fund.

30.19. Corporate Social Responsibility

During FY 2018-19, the Company has spent ₹99.50 Lakhs on Corporate Social Responsibility activities, against the requirement of ₹97.95 Lakhs, being 2% of average of the net profits for the preceding three years

30.20. In the opinion of the Board of Directors, the Current Assets, Loans and Advances have value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the foregoing Balance Sheet and adequate provision for all known liabilities on the Company has been made.

31.21. The Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity, Statement of Significant Accounting Policies and the Other Explanatory Notes for the year ended March 31, 2019 forms an integral part of the financial statements of the Company.

31.22. Previous Year's figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure and to conform to Ind AS presentation requirements.

As per our report attached
For **ANIL CHAUHAN & ASSOCIATES**
Chartered Accountants
Firm Registration No.: 0140786W

For and on behalf of Board of Directors

Anil Chauhan	**Ashok G Rajani**	**Anand Taggarsi**	**Amrit Rajani**	**Manisha Solanki**
Proprietor	*Chairman & Managing Director*	*Director*	*Chief Financial Officer*	*Company Secretary*
Membership No. 166286	**DIN:** 01839535	**DIN:** 06959365		

Place: Mumbai
Date: May 14, 2019

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF SEYA INDUSTRIES LTD ("THE COMPANY") WILL BE HELD AT THE REGISTERED OFFICE OF THE COMPANY AT T -14, MIDC, TARAPUR INDUSTRIAL AREA, BOISAR, DIST. PALGHAR - 401506 MAHARASHTRA, ON FRIDAY, SEPTEMBER 27, 2019, AT 3:00 P.M. TO TRANSACT FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2019 together with the Reports of the Board of Directors and Auditors thereon.

2. To declare dividend of ₹1.5/- per equity Share of ₹10/- each (i.e. @15%) for the Financial Year 2018-19

3. To appoint a Director in place of Mr. Asit Kumar Bhowmik (DIN: 03522132), who retires by rotation and being eligible, seeks re-appointment.

4. To appoint auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, including any amendment, modification, or variation thereof, M/s. Anil Chauhan & Associates, Chartered Accountants, Mumbai (ICAI Firm Registration No. 140786W), be and is hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this 29th Annual General Meeting till the conclusion of the 32nd Annual General Meeting (AGM), at such remuneration as may be mutually agreed between the Board of Directors and the Auditors.

RESOLVED FURTHER THAT the Board of Directors (which term includes a duly constituted Committee of the Board of Directors) be and is hereby authorised to do all such act, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and / or otherwise considered by them to be in the best interest of the Company."

SPECIAL BUSINESS:

5. Re-Appointment of Ms. Kalpana Tirpude (DIN: 07166478) as an independent director and in this regard, to consider and if thought fit, to pass the following resolution **as a Special Resolution**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') 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 applicable provisions of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof (Listing Regulations), for the time being in force) Ms. Kalpana Tirpude (DIN: 07166478), an Independent Director of the Company whose term of office as an independent Director expires on March 31, 2020 and who being eligible for re-appointment as an independent Director, has given her consent along with a declaration that she meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and in respect of whom the company has received a notice in writing under section 160(1) of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation to hold office for 5 (Five) consecutive years for a term commencing from April 1, 2020 to March 31, 2025 (both days inclusive)

6. Ratification of remuneration of Cost Auditor for F.Y.2019-20 and in this regard, to consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of the Section 148 (3) and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force, the Company hereby ratifies the remuneration of ₹75,000/- per annum plus applicable taxes payable to M/s. Manish Shukla & Associates, Cost Accountants (Firm Registration No.101891) who are appointed by the Board of Directors as Cost Auditors of the Company to conduct cost audits relating to cost records of the Company for the year ending March 31, 2020

RESOLVED FURTHER THAT the Board of Directors (Which term includes a duly constituted committee of the Board of Directors) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and / or otherwise considered by them to be in the interest of the Company."

NOTES:

1. The Explanatory statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') in respect of the Special business set out in the Notice and the relevant details of the Directors seeking appointment / re-appointment as required by Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015 ('Listing Regulations') and as required under Secretarial Standard – 2 of General Meetings issued by the Institute of Company Secretaries of India are annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

3. Person can act as proxy on behalf of members not exceeding a count of fifty and holding in the aggregate not more than ten per cent of total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

4. The instrument appointing the proxy should, however, be deposited at the Registered Office of the company not less than forty-eight (48) hours before the commencement of the meeting i.e. by 3:00 p.m. on September 25, 2019. A Proxy Form is annexed to this Annual Report. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolution or authority as applicable.

5. Corporate members intending to send their authorised representatives to attend the Meeting are required to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

6. In case of joint holders attending the meeting. Only such joint holder who is higher in the order of names will be entitled to Vote.

7. Pursuant to the Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standards-2 on the General Meeting, brief resume of Directors including those proposed 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, are provided in Annexure to this notice.

8. The register of members and share transfer books of the Company shall remain closed from **Saturday, September 21, 2019 to Friday, September 27, 2019,** both days inclusive.

   The dividend, if declared at the meeting, will be paid on and from **Tuesday, October 1, 2019** to those persons:

   (a) whose names appear as beneficial owners as at the end of the business hours in Friday, September 20, 2019 in the list of beneficial owners to be furnished by Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) in respect of the shares held in electronic form; and

   (b) whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Share Transfer agent on or before Friday, September 20, 2019.

   To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided NACH facility to the members for the remittance of dividend. Members holding shares in physical form and desirous of availing this facility are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9-digit MICR and 11-digit IFS Code,) along with their folio number, to the Company's Registrar and Share Transfer Agents, Universal Capital Securities Private Limited (RTA)

   Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the depository participant of the members.

9. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA, for consolidation into one single folio.

10. Non-resident Indian Members are requested to inform their Registrar Transfer Agent (in case of shares held in physical form) or the Depository Participants (in case of shares held in dematerialized form) as the case may be about the:

    a. Change in their residential status on return to India for permanent settlement

    b. Particulars of their Bank accounts maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

11. Members holding shares in electronic mode are requested to submit their PAN and Bank Account Details to their Depository Participant(s), with whom they are maintaining their Demat account(s). Members holding shares in Physical form are required to submit their PAN and Bank Account details to the Company's RTA.

12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the depository participant(s) and holdings should be verified.

13. **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.**

14. As per the provisions of Section 72 of the Companies Act, 2013 the facility for making nominations is available to the shareholders in respect of the equity shares held by them. Members holding shares in physical form should file their nomination with Company's Registrar and Share Transfer Agents whilst those Members holding shares in dematerialized mode should file their nomination with their Depository Participant.

15. Members are requested to intimate to the Company, Queries if any, regarding the accounts at least 10 days before the Annual General Meeting to enable the Management to keep the information ready at the meeting. The queries may be addressed to: The Company Secretary, Seya Industries Ltd, B-12, Ghanshyam Chamber, Link Road, Andheri West, Mumbai – 400053 (E-mail: corporate@seya.in).

16. Members are requested to bring their attendance slip duly completed and signed mentioning therein details of their DP ID and Client ID/Folio number along with their copy of Annual Report to the Meeting.

17. Electronic copy of the Notice of the Meeting of the Company, inter alia, indicating the process and manner of e-voting along with the Company Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes, unless any Members who have not registered their e-mail address, physical copies of the Notice of the Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

18. Members may also note that the Notice of the Meeting and the Annual Report for FY 2018-19 will also be available on the Company's website **www.seya.in** to download.

19. A Route Map showing directions to the venue of the 29th Annual General Meeting and nearby prominent landmark is given at the end of this Notice.

20. Transfer of Unclaimed dividend to Investor Education and Protection Fund:

    Members are hereby informed that under the Act, the Company is required to transfer the dividend which remains unpaid or unclaimed for a period of seven years (from the date of transfer to Unclaimed Dividend Account) to the credit of the Investor Education and Protection Fund ('the IEPF').

    Members are requested to note the following due date(s) for claiming the unpaid / unclaimed dividend declared by the Company for the financial year 2015-16 and thereafter –

Financial Year	Date of Declaration	Last date for claiming unpaid dividend
2015-16	September 28, 2016	October 27, 2023
2016-17	September 27, 2017	October 26, 2024
2017-18	September 28, 2018	October 27, 2025

Members who have not encashed the dividend warrants so far in respect of the aforesaid period(s), are requested to make their claim to RTA, well in advance of the above due dates.

21. Voting through electronic means:

In Compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rules 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically through the e-voting services provided by Central Depository Services (India) Ltd (CDSL):

The remote e-voting period commences on Tuesday, September 24, 2019, (9.00 a.m. IST) and ends on Thursday, September 26, 2019, (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date i.e. Friday, September 20, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5:00 p.m. on September 26, 2019. Once the vote on a resolution is cast and confirmed by the Member, he shall not be allowed to change it subsequently. The voting rights of Members shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on cut-off date i.e. September 20, 2019.

The members who have cast their vote by e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the Meeting.

The Process and manner for remote e-voting are as under:

(i) The Shareholders should log on to the e-voting website www.evotingindia.com

(ii) Click on "Shareholders" tab

(iii) Enter your user ID:

a. For CDSL: 16 Digits beneficiary ID;

b. For NSDL: 8 character DP ID followed by 8 digits client ID;

c. For Members holding shares in physical form please enter Folio Number registered with the Company

(iv) Enter the image verification as displayed and click on login.

(v) If you are holding shares in electronic form and had logged on to www.evotingindia.com and e-voted on an earlier e-voting of any company, then your existing password is to be used.

(vi) If you are a first-time user or if you are holding shares in Physical form, please follow the steps given below:

PAN:

Enter your 10-digit alpha numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders) in the PAN Field.

Please note that Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters.

Dividend Bank Details or Date of Birth:

Enter the Dividend Bank details as or Date of Birth as recorded in your demat account or in the Company's Records for the said demat account or folio in dd/mm/yyyy format.

In case neither your Date of Birth nor Bank Account details are recorded in your demat account or in the Company's records, as aforesaid, then please enter your demat account number (client id) or your folio number in the bank account field.

(vii) After entering the above details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN of **Seya Industries Ltd.**

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the set password, then enter the User ID and the Image verification Code and click on 'Forgot password' option and enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from app Store and the Windows Phone Store respectively.

Please follow the instructions as promoted by the mobile app while voting on your mobile.

(xviii) Note for Non-Individual Shareholders and Custodians

- Institutional shareholders (i.e. other than Individuals, HUFs, NRIs etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

Please note that:

1. Mrs. Tanvi Shah (Membership No. ACS 51337) of M/s. TRS & Associates, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting/ballot voting process in a fair and transparent manner.
2. Members would be able to cast their votes at the meeting through ballot paper, if they have not availed the remote e-voting facility. If the vote is cast through remote e-voting facility then the members cannot exercise their voting rights at the AGM
3. The Scrutinizer shall after the conclusion of voting at the meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than 48 hours of conclusion of the meeting a consolidated scrutinizer's report of the votes cast in favour or against, to the Chairman or to any director or officer who may be authorised by the Chairman for this purpose.
4. The Results shall be declared on or after the meeting. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.seya.in and on the website of CDSL and communicated to the Stock Exchanges.
5. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of Meeting i.e. Friday, September 27, 2019.

By Order of the Board of Directors
For Seya Industries Ltd.

Manisha Solanki
Company Secretary and Compliance Officer

Date: August 5, 2019
Place: Mumbai

T-14, Tarapur Industrial Area, MIDC,
Boisar, Dist. Palghar – 401 506
: corporate@seya.in : www.seya.in
CIN:L99999MH1990PLC058499

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

(Following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice)

Item No. 5

Ms. Tirpude is eligible for re-appointment for a second term on the Board of the Company as an Independent Director, not liable to retire by rotation, effective from April 1, 2020 to March 31, 2025, subject to the approval of the Members by a Special Resolution. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors propose the re-appointment of Ms. Tirpude as an Independent Director of the Company. The Company has in terms of Section 160(1) of the Act received a notice from a Member proposing her candidature for the office of a Director

The Board of Directors of the Company and Nomination and Remuneration Committee have evaluated the performance of Independent Directors and on the basis of the said evaluations have concluded that the Independent Directors fulfil their responsibilities towards the Company in a professional and ethical manner, actively participate in discussions during the Board and Committee meetings and act objectively and constructively while bringing an independent Opinion during deliberations at the said meetings.

It is now proposed that Ms. Tirpude, Independent Director of the Company be appointed for a second term of five consecutive years, commencing from April 1, 2020 to March 31, 2025.

Ms. Tirpude is not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has also received declaration from Ms. Tirpude that she meets with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulation').

The Company has also received notice in writing from a member, proposing the candidature of Ms. Tirpude for the office of Directors of the Company.

In the Opinion of the Board, she fulfils the conditions for his re-appointment as Independent Director as specified in the Act and the Listing Regulations. She is Independent of the Management.

Details of the Directors as required to be provided pursuant to Regulation 36(3) of the Listing Regulations and SS-2 (Secretarial Standards on General Meetings) are provided as an Annexure to this Notice.

The Board acknowledges that she is stalwarts in her areas of operations and leader par excellence. She brings to the table rich and varied expertise including Administration and Human Resource.

Copy of the draft letter for appointment of as the Independent Directors setting out the terms and conditions is available for inspection by members at the Registered office of the Company during Business Hours (except on Saturdays and Sunday).

Except Ms. Kalpana Tirpude, none of the other 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 **Special Resolution** set out at Item No. 5 of the Notice for approval by the shareholders.

Item No. 6

The Company is directed under the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014 ('the Rules') to have the audits of its cost records conducted by a Cost Accountant in Practice. Further, in accordance with the provisions of Section 148 of the Act read with the rules, the remuneration payable to the cost Auditors has to be ratified by the Members of the Company.

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. M/s. Manish Shukla & Associates, Cost Accountants (Firm Registration No.101891) as the Cost Auditor to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2020 at a remuneration of ₹75,000/- per annum plus applicable taxes and out of pocket expenses, if any.

Accordingly, consent of the Members of the Company is sought for ratifying the remuneration payable to the Cost Auditor of the Company for the financial year ending on March 31, 2019 by way of an **Ordinary Resolution.**

None of the Directors or KMP or relatives of Directors and KMP is concerned or interested in the resolution at item no. 6 of the accompanying Notice.

By Order of the Board of Directors
For Seya Industries Ltd.

Manisha Solanki
Company Secretary and Compliance Officer

Date: August 5, 2019
Place: Mumbai

T-14, Tarapur Industrial Area, MIDC, Boisar,
Dist. Palghar – 401 506
✉ : corporate@seya.in : www.seya.in
CIN:L99999MH1990PLC058499

Details of Directors Seeking appointment / reappointment at the Annual General Meeting pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standards -2 on the General Meeting:

Name of the Director	Mr. Asit Kumar Bhowmik	Ms. Kalpana Tirpude
Date of Birth	February 1, 1954	March 13, 1954
Age	65 Years	65 Years
Date of Appointment	April 2, 2011	April 23, 2015
Qualification	B. Tech (Chemical Engg.)	M. A. in Sociology
Expertise in specific functional areas	Overall Management of Chemical Manufacturing Plants, Projects, etc	Administration and Education
Directorships in other public limited Companies held (excluding foreign Companies and Section 8 Companies)	None	None
Membership of Committees / Chairmanship in other public Limited Companies	None	None
No of Board Meeting Attended during the year	10	10
No. of Shares held in the Company	NIL	NIL

SEYA INDUSTRIES LTD

CIN: L99999MH1990PLC058499

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

☎ 022-26732894 | 🖷: 022-26732666, ✉ : info@seya.in, 🌐 : www.seya.in

ATTENDANCE SLIP

29th Annual General Meeting on Friday, September 27, 2019 at 3:00 p.m.
at T-14, MIDC, Tarapur Industrial Area, Boisar (West), Palghar– 401506

Folio No.	DP ID No.	Client ID No.

I / We hereby record my/our presence at the TWENTY NINTH ANNUAL GENERAL MEETING of the Company at T-14, MIDC, Tarapur Industrial Area, Boisar (West), Palghar– 401506, at 3:00 p.m. on Friday, September 27, 2019.

Name of the Member: ______________________ Signature______________

Name of the Proxy holder:______________________ Signature______________

Notes:
1. Only Member /Proxy holder can attend the Meeting.
2. Please complete the Folio No. / DP ID No. / Client ID No. and name of the Member/Proxy holder sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.
3. A Member/Proxy holder should bring copy of the Annual Report for reference at the meeting.

✂------------------ ✂ ------------------ ✂ ------------------ ✂ ------------------ ✂ ------

SEYA INDUSTRIES LTD

CIN: L99999MH1990PLC058499

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PROXY FORM

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

Name of the Member (s): ______________________

Registered Address:______________________

E-mail ID: ______________Folio No./Client ID No.:______________DP ID No. ______________

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

1. Name: ______________________E-mail ID: ______________________

   Address: ______________________

   ______________________Signature ______________________ or failing him/her;

2. Name: ______________________E-mail ID: ______________________

   Address: ______________________

   ______________________Signature ______________________ or failing him/her;

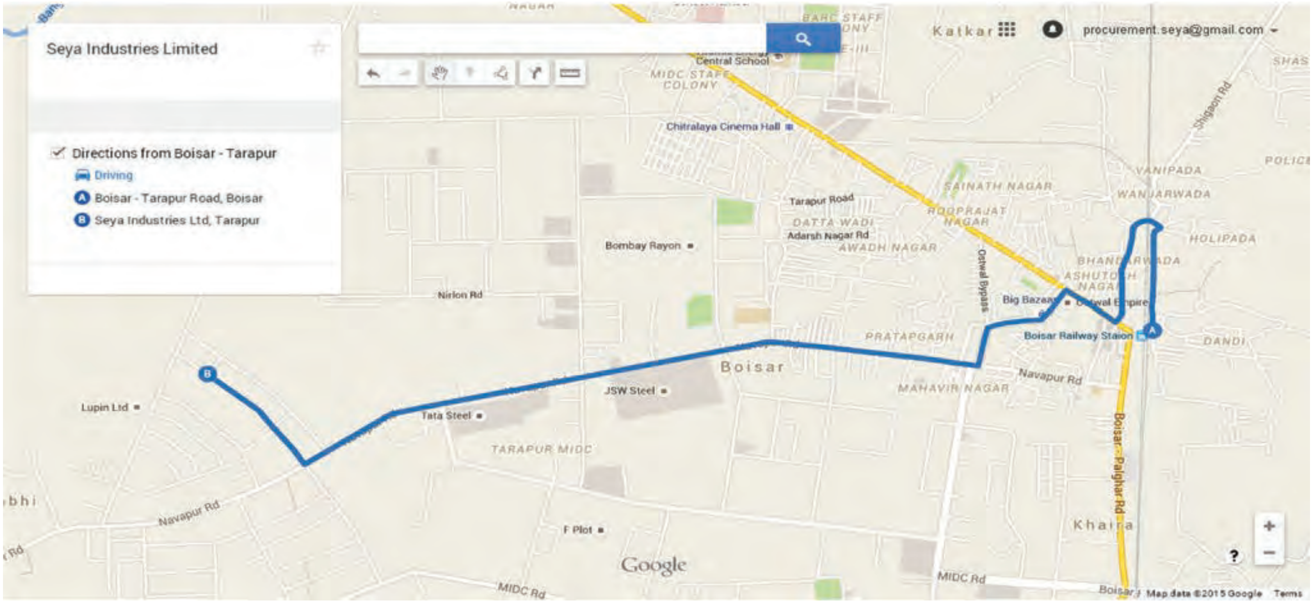
3. Name: ______________________E-mail ID: ______________________

   Address: ______________________

   ______________________Signature ______________________

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on Friday, September 27, 2019 at 3:00 p.m. at T-14, MIDC, Tarapur, Boisar, Palghar – 401506 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Route map to the venue of Annual General Meeting



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

	Resolutions	For *	Against *
	Ordinary Business		
1.	Receive, Consider and adopt Audited Financial Statements of the Company for the financial year ended on March 31, 2019, together with Reports of Board of Directors and Auditors thereon		
2.	Declare dividend on Ordinary Shares for the financial year ended March 31, 2019		
3.	Re-Appointment of Mr. Asit Kumar Bhowmik (DIN: 03522132) who retires by rotation		
4.	Appoint Statutory Auditors and fix their remuneration		
	Special Business		
5.	Re-appointment of Ms. Kalpana Tirpude (DIN: 07166478) as an Independent Director of the Company		
7.	Ratification of remuneration of Cost Auditors		

Signed this__________day of________________ 2019

Signature of Shareholder:_____________________________

Signature of Proxy holder: ____________________________

Affix 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. *Please put an 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. In case of Joint holders, the signature of any one holder will be sufficient, but names of all the joint holders shall be stated.

Corporate Office

Seya Industries Ltd
B-12, Ghanshyam Chamber, 502,
Link Road, Andheri West,
Mumbai-400053

Registered Office

T-14 MIDC, Tarapur,
Boisar-401506 Palghar

CIN: L99999MH1990PLC058499 | **BSE:** 524324 | **NSE:** SEYAIND