



*Seya ranked number
One on the
Business-World's
Fastest Growing
Companies – 2017
list in the category
of market cap below
Rs. 1,000 Crores*

ASHOK GHANSHYAMDAS RAJANI
CMD, SEYA INDUSTRIES

NO.1
SEYA INDUSTRIES

4-yr CAGR Revenue: **76.5%**

4-yr CAGR PAT: **135.14%**



BOARD OF DIRECTORS

Mr. Ashok G Rajani
Chairman & Managing Director

Mr. Asit Kumar Bhowmik
Executive Director

Mr. Anand Taggarsi
Independent Director

Ms. Kalpana Tirpude
Independent Director

COMPANY SECRETARY

CS Manisha Solanki

STATUTORY AUDITORS

M/s. Jagiwala and Co.
Chartered Accountants

COST AUDITOR

Hemant Shah & Associates
Cost Accountants

BANKERS & FINANCIAL INSTITUTION

Bank of Baroda
Central Bank of India
Indian Bank
IFCI Ltd

REGISTRAR & SHARE TRANSFER AGENT

Universal Capital Securities Pvt. Ltd
Mumbai

AGM

Wednesday, 27-Sep-17 at 02:00 p.m.

VENUE

T-14, MIDC, Boisar, Palghar – 401506

BOOK CLOSURE

21-Sep-17 to 27-Sep-17 (both days inclusive)

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their Copies to the meeting

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



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.....

Chairman's Message

My Dear Valued Stakeholders,

Congratulations to All of you!!!

Once again it gives me immense pleasure to welcome you in yet another year of Celebrations, a milestone year engraving heartening odyssey of growth, excellence and highest ever record performance. It's been a year of assurance and exhilaration, measuring every winning step taken by your Company towards achieving a blissful future. As we celebrate this eventful journey with gratification, it's been an enthralling saga of daring to dream, taking the road less travelled, making a mark, gaining insights, exploiting opportunities and expanding our horizons in the World of Speciality Chemicals. Despite the tides of amplified volatility in economic landscape, Your Company continues to deliver irrepressible performance and Value Creation prodded by Speciality Chemicals segment, delivering yet strong double-digit growth. Your Company continues to Crown more than Triple centurion growth Y-o-Y in its share price on BSE with highest recorded at ₹666/share.

Winning Excellence

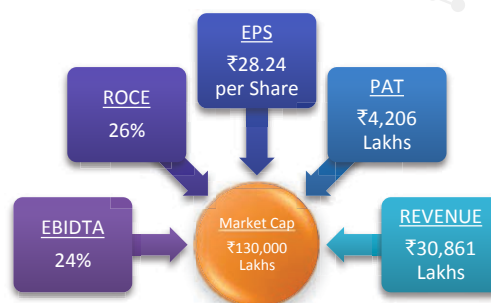
Your Company's Silver Jubilee journey chronicles a performance characterised by a never say die spirit that soars in Prosperity and endures in adversity. The efforts, enthusiasm and commitment capitalised by your Company and its Human capital over the years, have been demonstrated by consistent resilient operational performance with sprinting profitability tractioned by Speciality Chemicals segment. In recognition of this excellence, your company was **Ranked at 1st position** for the **'Fastest Growing Company – under ₹1000 Crores market cap'** by the most coveted **Business World Magazine** in the national and International fora. I am further delighted to inform that our past performance and Company's future potential has also bred interest of various investors and your Company was considered among the **'Top Six Stock-picks by Mutual Fund Houses'** and one of the **Marque Investor Reliance Mutual Fund has picked up 9.83% stake in your Company** through Reliance Nippon Life Asset Management Limited. Seya has been investing in upgradation and capacity addition to enter value added products, which has resulted in the improvement of performance of the Company and more than 10-fold growth in less than half a decade. Your Company raised ₹500 Mn through Preferential allotment in Nov'16 at a price of ₹180 per Equity share (including a premium of ₹170 per share). The proceeds were deployed towards the Greenfield expansion project.

Winning Performance

SEYA, exhibited exhilarating performance during the year in retrospect. The Seeds that your Company sowed 5 years back are now bearing the fruit and I am delighted to announce that in FY 2016-17 Revenue from Operation grew by almost 12% to ₹30,861 Lakhs while EBITDA margin robustly increased to 24.22% (₹7,474 Lakhs) underscoring an extra-ordinary growth of 49% (PY ₹5,009 Lakhs) even amidst extremely challenging backdrop of sharp declining global crude oil prices considerably reducing realisations. The Profit After Tax (PAT) stood at ₹4,206 Lakhs up by a mammoth 57% as compared to ₹2,678 Lakhs in previous year. The lordlier numbers also abridged the Net Debt to EBITDA to 1.30 (PY 1.88). All of this has resulted in deleveraging of Debt: Equity and leveraging Interest Coverage ratio at 0.29x and 5.29x respectively.

While top-line growth was relegated due to alignment of product prices with that linked to crude oil, the positive momentum in Speciality Chemicals business was epitomised by the growth in volumes, margins and overall profitability. 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. On the main

stay of good performance, the Board of Directors has recommended a dividend of ₹1.00 per share of a face value of ₹10 in line with previous year dividend rate despite the expanded Capital base.



Winning Strategies

The future is nothing but a culmination of the Present

With a clear defined vision to emerge as Most Integrated Global producer for Speciality Chemicals and having invested ₹4.41 Bn Capex in last 5 years, Seya took its next step forward to start ₹7.35 Bn round of expansion to be completed over next 2-3 years. With reasonably complex (not complicated) and fully backward & forward integrated manufacturing blueprint, capital and technologically intensive scale of operations, your Company continues to create a large base to outpace the industry and deliver persistent growth year-on-year on the vertebrae of its strengths, combined with cost leadership and value-added product offerings. Gaining further momentum from stability in the global crude oil prices and related petrochemicals, your Company has already initiated work for its upcoming projects integral to its existing business operations by embarking on a backward & forward integration project with capacity expansion of captive products, initiative to reduce cost of energy and diversification in new high value Speciality Chemical products. The Greenfield expansion, being one of its kind full integrated state-of-art manufacturing facility with Global scale and size of Individual plants, shall have an aggregate installed capacity of 512,550 MTPA and shall be in vicinity of existing manufacturing operations, there by further integrating manufacturing operations. I am glad to underline that your Company has achieved its financial closure on 25th March 2017 and is expected to commission its Commercial Production in the second half of FY 19. Once implemented it will further immensely strengthen your Company's sustainability and resilience and create value for its esteemed shareholders. The Greenfield expansion project entails:

- ❖ **Backward Integration** to manufacture Bulk Raw materials which are being procured at 2.5 to 3 times their manufacturing cost due to no Imports and Limited No. of manufacturers in India who are competitors of Seya.
- ❖ **Recycle & Reuse of By-Products** to produce Value Added Products thereby reducing its Disposal Cost.
- ❖ **Set-up of 14 MW Free Captive and Cogen Power Generation from Process Waste Heat:** 8 MW of Free Power shall be generated by Recovery of Waste Heat generated during the process of manufacture of proposed raw materials using Waste Heat Recovery Systems and 6 MW of Power shall be generated using Cogen Thermal Power Plant.
- ❖ **Forward Integration in High value and High margin Speciality Chemicals** on similar lines as the earlier forward Integration project successfully executed 3 years back resulting in Value addition and increase in EBITDA margin
- ❖ **Horizontal Integration into fast moving High margin and High Value Speciality Chemicals** used in Lithium Ion batteries for Mobiles/laptops/etc, Agrochemicals, Pharmaceuticals, Soaps & Detergent Industry, Dyes, Wine, Paper, Mining Industry, Food

Industry, Aeronautical Fuel, Dye & Pigment intermediates, Printing Inks used in ball point pens, curing of polyester and vinyl ester resins, Fabric softeners, Synthesis of cosmetics and colouring agents

Winning Outlook

Steady revival in global trade in 2017 and 2018 is expected to be driven by rebound in import demand from large Emerging Markets and Developing Economies (EMDEs). While the overall trend for growth in the global economy continues to point upwards, the pace of growth is likely to be moderate in the immediate term. Acceleration in USA's growth due to expansionary fiscal policies and the attempts to accelerate infrastructure spending could provide a major boost to the global economy.

India is currently at the brightest spot among global economies to deliver improving growth, as economic fundamentals remain stronger than in other emerging market economies with the combined impact of strong structural government reforms, RBI's inflation focus supported by higher disposable income and improvement in economic activity. Implementation of bold reforms in economic and industrial policies has gathered momentum with the economy being restored on a high growth path. The Indian chemical industry stands to gain from this growth and the policy like 'Make in India' campaign and alongside theme of Ease-of-Business announced by the Government has been reciprocated by several global leading companies coming forward to commit investments in setting-up world-class manufacturing units in the country. Several large commitments in the Chemical sector will undoubtedly increase the output and contribution of the sector in the years ahead. India is witnessing a shift globally and Asia, being the epicentre of growth and enjoying abundant skilled resources, is emerging as the world's chemical manufacturing hub. India enjoys low-cost manufacturing capabilities by virtue of relatively lower-cost labour, highly competent leadership and geographic proximity with the Middle East, one of the world's key raw material sources. Recent developments contributing to a stronger and stable currency, positive governance environment and improvement in skills and capabilities is serving to enhance the competitive advantage. With the benefits of several tailwinds and the Government's focus on eliminating the infrastructure gaps in the country through investments in the sector, India continues to emerge as a critical manufacturing hub for the Chemical Industry.

Structural advantage with a growing market and purchasing power due to growing disposable incomes and increasing urbanization have led to demand for paints, textiles, adhesives and construction. India has all the requisite ingredients for a Robust, High-growth Chemical Industry – the same ingredients that throttled Chemical Industry growth in China, which include a large and growing population, Mass urbanization and a rapidly expanding middle class supporting numerous consumer markets. *"Never give up. Today is hard, tomorrow will be worse, but the day after tomorrow will be sunshine"*. With a Pioneering Past, Persistent Present, and Purposeful Future, Your Company continues to expand its footprint in Speciality Chemicals by ushering in products having wide spectrum of applications in Pharmaceuticals (like Paracetamol, floxacins, etc), Personal & Health Care Products (like Hair dyes, Protein & Health Supplements), Printing Inks & Paints (used in Laser/Ink jet Printers, for Road markings, etc), Agrochemicals (like DDT, etc) Insecticides/ Pesticides (like Quinalphos, etc), Rubber chemicals (for Leather protection), Textile dyes (Dye of Cotton & Denim fabrics), Thermic fluids (used as heating medium), etc. Seya's strength lies in its in-depth product expertise, ability to adapt to new markets, provide superior Quality Products at Competitive Prices with Timely Delivery

to the Satisfaction of the Customer. Your company continues to focus tottraction consistent, profitable and sustainable growth with its forward integration products in the Speciality Chemicals segment which witnessed Revenue from the segment contributing to almost 99% of the total revenue and those from the new products comprising 91% of Net Sales.

The world's epicentre 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 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 and wide international market presence through merchant exports. With a sense of excitement and anticipation, your Company is diligently persevering to welcome its next level of transformational growth once the Commercial production from the proposed Greenfield expansion has been put on rolls.

We are positive about a stepped-up performance in FY 18 as the Speciality Chemicals are on a strong growth path. SEYA, with its diversified product portfolio catering across various businesses, unmatched backward and forward integrated infrastructure and improved market sentiments, will continue delivering profitable growth, leading to higher returns and value creation for our Stakeholders.

Winning Team

Team Seya's competence, professionalism and superlative 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, SEYA has notched up an impressive tally of awards for excellence at individual as well as organisational level across various industry platforms and categories. 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.

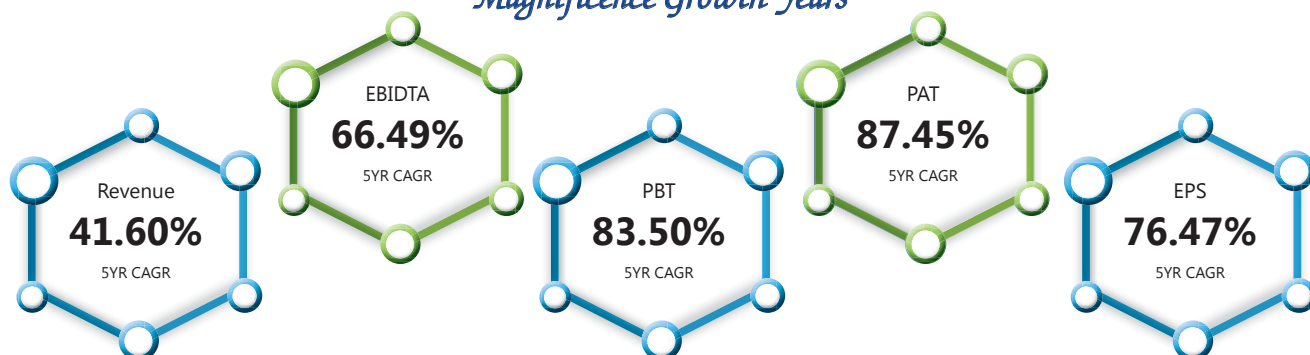
My dear shareholders your support gave SEYA Incredible strength which can't be explained in words. Your belief and confidence in the company and its management helped SEYA to achieve what it has achieved today. We resolute to remain committed to significantly keep enhancing value of our stakeholders. 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 their support and encouragement SEYA's growth story is incomplete. I will complete with words of exhortation by Stephen Covey, *"Your most important work is always ahead of you, never behind you"*. With great satisfaction and greater anticipation, I call upon Team SEYA, to surpass ourselves still stronger, to win the goals that we have set for ourselves in pursuit of Excellence

Best Wishes,

ASHOK G RAJANI
Chairman & Managing Director



Magnificence Growth Years



₹in Lakhs

Statement of Profit & Loss	2016-17	2015-16	2014-15	2013-14	2012-13
Net Revenue	30,860.52	27,528.04	24,761.11	13,130.89	5,421.66
Other Income	84.57	183.75	70.30	153.66	48.37
Finance Cost	1,412.58	1,271.94	991.05	122.27	5.58
Profit Before Taxation	4,672.09	2,644.11	1,370.97	587.94	224.54
Profit After Taxation	4,206.23	2,678.34	1,303.07	335.60	181.73
Earnings per share (₹)	28.24	24.35	11.85	3.05	1.65

Balance Sheet	FY 17	FY 16	FY 15	FY 14	FY 13
Reserves & Surplus	27,514.14	7,809.10	5,414.40	4,111.34	3,775.74
Net-Worth	44,675.31	24,035.27	21,640.57	20,337.51	20,001.71
Net Fixed Assets	42,160.41	39,709.26	35,513.32	35,796.56	29,113.70
Current Assets	16,129.19	14,766.14	10,924.92	5,538.01	3,035.79
Current Liabilities	8,923.06	6,190.61	6,466.29	3,861.25	1,560.98

Segment Results	2016-17	2015-16	2014-15	2013-14	2012-13
Speciality Chemical Intermediates	30,655.48	26,177.73	22,559.84	9,394.40	1,127.44
Organic Chemical Intermediates	-	918.28	1,499.98	2,632.32	2,302.86
Inorganic Chemical Intermediates	30.63	8.52	34.23	45.27	27.02
Pharmaceutical Intermediates	163.11	362.95	658.57	744.60	680.07
Agrochemical Intermediates	11.30	60.57	8.49	267.30	1,092.63
Others	-	-	-	0.45	191.65

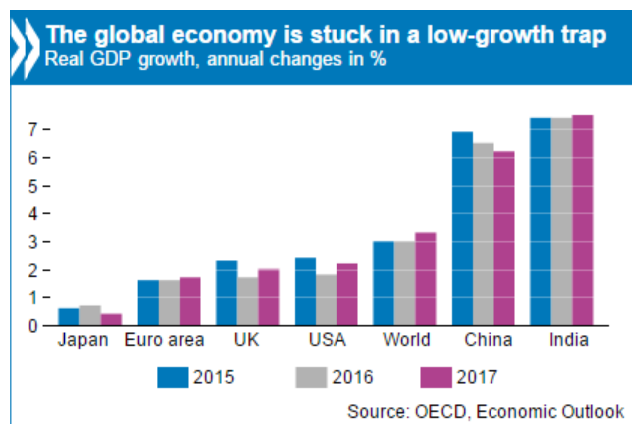
Key Ratios	FY 17	FY 16	FY 15	FY 14	FY 13
EBIDTA Margin (%)	24.22	18.20	13.80	12.17	10.78
PBT / Net Sales (%)	15.14	9.61	5.54	4.48	4.14
PAT / Net Sales (%)	13.63	9.73	5.26	2.56	3.35
Net Debt to EBIDTA	1.30	1.88	1.23	1.98	0.00
Return on Capital Employed (%)	25.63	19.76	16.92	8.15	4.93

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS ENVIRONMENT

Global

The year in retrospect remained challenging and eventful year for the world economy owing to sluggish global trade, subdued investment, heightened geopolitical uncertainty, regional protectionism and change of leadership in some of the leading global economies. There have been several impacting events like – election of new President in the USA, UK's protectionism through BREXIT, potential political insulation of other EU economies, entry of Iran in global oil supply, missile and nuclear testing by North Korea, tension in Indo-Pak border – all these are expected to have serious impact on world trade and commerce. Amidst all these, global growth was 3.1% in 2017, which is projected to improve only marginally to 3.5% in 2018 largely on the back of recovery in emerging markets and select developing economies due to improved commodity prices, resumption in investments, improved consumer confidence and increasing consumption on the back of pent up demand. The lack of decisive improvement in the investment climate continues to weigh on the medium-term prospects across many emerging markets and developing economies. However, fiscal stimulus and similar growth enhancing policies in major economies hold the potential to boost global growth above expectations.



Advances in major developed economies, including United States of America (USA) - the world's largest economy, will have positive repercussions on the rest of the world. Acceleration in USA's growth due to expansionary fiscal policies and infrastructure spending could provide a major boost to the global economy. Major advanced economies reported muted growth at 1.6% in 2016 due to policy uncertainties, weak external demand, soft exports, declining investments and subdued productivity growth which is expected to rebound to 2.3% in 2017 and 2.5% in 2018 backed by expectations of fresh fiscal stimulus from the administration. Growth in 2017 is being led by cyclical recovery in inventory accumulation, rebounding consumer confidence and assumption of a looser fiscal policy stance backed by anticipated shift in fiscal policy tractioning financial markets and uplifting business confidence.

Real GDP growth in the Euro area declined to 1.7% in 2016 as exports and investments lost momentum and is expected to continue at the same pace. A modest recovery is projected to be supported by a mildly expansionary fiscal stance, accommodative financial conditions, a weaker euro and beneficial spillovers from a likely U.S. fiscal stimulus. However, risks associated with Brexit coupled with uncertainty arising from elections in several countries, will weigh down on the growth.

In the United Kingdom (UK), the magnitude of the impact of Brexit is yet to be determined completely following a stronger than expected

performance in the second half of 2016, leading to GDP growth of 1.8%. Real GDP growth is expected to improve marginally to 2.0% in 2017 but fall to 1.5% in 2018 as the impact of Brexit is projected to materialise more gradually than expected.

The Japanese economy grew at 1.0%, fueled by stronger-than-expected net exports in 2016 backed on the momentum of improving exports, a fiscal stimulus package and Tokyo Olympics (scheduled in 2020) related spending. Growth is expected to slow down to 0.6% in 2018 as the fiscal stimulus is withdrawn and imports recover.

The primary factor underlying the strengthening global outlook for 2018 over 2017 is the expected pickup in Emerging Markets and Developing Economies (EMDE) growth. EMDE is expected to grow at 4.5% in 2018 compared to 4.1% in 2017. Emerging markets and developing economies account for more than one-third of the global GDP and about three-quarters of the world's population. Any slowdown in these economies can have a consequent effect on the developed nations. Weak investments in these economies pose a significant challenge. While policy priorities depend on country circumstances, policymakers are progressively employing full range of cyclical and structural policies to accelerate investment growth in these countries. EMDEs grew at an estimated 3.4% in 2017, broadly in line with expectations and is expected to accelerate to 4.2% in 2018 and to an average of 4.7% in 2018-19. With an expected increase in commodity prices, particularly for crude oil, the divergence in growth outlook between commodity exporters and importers is set to narrow. The long-term prospects of EMDE would depend on host of aspects, the most prominent being uncertainty about global trade prospects and advanced economy policies, weakening in potential output resulting from subdued investment, lower productivity growth, and demographic factors.

Growth in China is expected to reduce to 6.6% in 2018 compared to 6.7% in 2017 as the economy is rebalancing from industry to services which have now overtaken industry as the leading growth driver. However, continued reliance on policy stimulus measures, with rapid expansion of credit and slow progress in addressing corporate debt, raises the risk of a sharper slowdown or a disruptive adjustment. Capital outflows and depletion in foreign reserves have eased but remain a concern. Industrial production growth in China has stabilised at around 6% year-on-year in 2017 despite concerns of sluggish activity due to widespread overcapacity. Accommodative monetary policy continues to fuel consumer spending and growth.

The three key transitions that are likely to continue influencing the global outlook are :

- Policy uncertainty in advanced economies particularly the United States and the Euro Area.
- Impact of Brexit and negotiations between the UK and European Union (EU).
- Possible eruption of trade tensions amongst the major countries, triggered by geo-politics, currency movements or climate of protectionist tendencies in recovering advanced economies.
- High corporate debt, declining profitability, weak bank balance sheets and vulnerability of large emerging market economies to external shocks.
- Devaluation of Chinese Yuan, change in Chinese fiscal, business and social policies may play a major role in world commerce and economy.

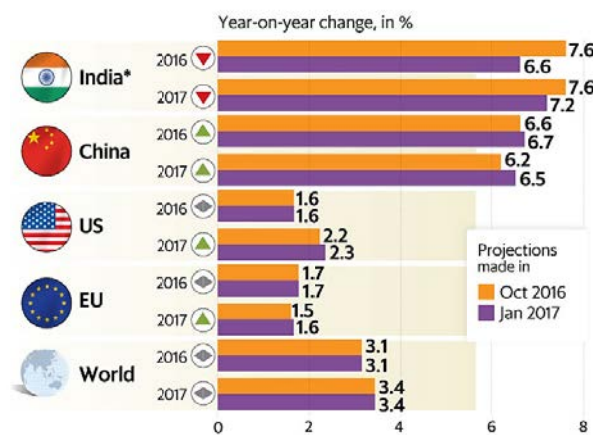
Domestic

India's economy has grown at a strong pace in recent years owing to the implementation of critical structural reforms, favorable terms

of trade, and lower external vulnerabilities. India's GDP is expected to grow by 7.2% in FY 2017-18 compared to 7.1% in FY 2016-17 and it is likely to remain the fastest growing major economy in the world with increased consumption post demonetisation and cheaper borrowing costs. During the first half of FY 2016-17, India's growth was supported by strong private and public consumption, which compensated for the moderated fixed investment, sluggish industrial activity and continued slow down in exports. The economy is set to emerge from the cyclical downturn in infrastructure spending and asset creation at the backdrop of low oil and commodity prices and robust agricultural output. Lower energy costs accelerated overall consumption, public sector remunerations and favorable monsoons which in turn boosted urban and rural incomes. A surge in foreign direct investment (FDI) and an increase in public infrastructure spending positively impacted the economic activity in the country barring momentary impacts by the 'Demonetisation' initiative, which resulted in short-term disruptions, tweaked by government actions to normalise economy post a successful demonetisation drive. Downsizing in private investment, reflecting excess capacity, corporate deleveraging and credit constraints owing to impaired assets of commercial banks' had a cascading effect on the economy.

ECONOMIC DISRUPTION

In its update to the World Economic Outlook released in October, IMF said India is likely to grow 6.6% in 2016-17, against its earlier estimate of 7.6%.



*Projections for India are for April-March fiscal

Source: IMF World Economic Outlook Update

Higher agricultural growth and Waning global oil prices have improved the fiscal deficit facilitating lower inflation and Greater macroeconomic stability at the backdrop of sustained fiscal consolidation and an anti-inflationary monetary policy. India witnessed four crucial reforms viz. Bankruptcy and Insolvency Code, 100% ownership in previously restricted sectors, Goods and Services Tax (GST) Amendment Bill and a monetary policy framework. GST by far was one of the most critical reforms, which aims to streamline the country's complex indirect tax structure, reduce fragmentation in markets for goods and services, lower business costs and widen the overall tax base. Additionally, a monetary policy framework including setting up a monetary policy committee would help enhance the Reserve Bank of India's (RBI) operational independence, and help to anchor inflation expectations.

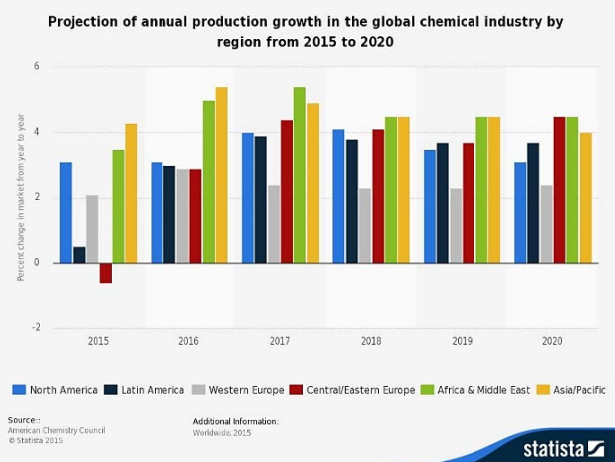
Going Forward, Indian economy is set strengthen further owing to increased government spending in infrastructure and the implementation of Goods and Services Tax (GST). Good monsoon, higher private investment and expected surge in consumer spending led by pent up demand are other catalysts which will aid economy barring specific negative risks arising out of protectionism sentiment prevailing across various economies, higher interest rates by the Fed, upside risk to inflation, increasing crude oil prices, slower growth in investment and credit, rising bad loans issue and uncertain trade prospects with appreciating rupee. India is expected to be back on a

strong growth path of 7.6% which would further strengthen to 7.8% in FY 2018 -19. A slew of reform initiatives undertaken in the past will unlock domestic supply bottlenecks and raise productivity. The Government of India's ambitious 'Make in India' initiative would further augment the manufacturing sector backed by domestic demand and further regulatory reforms. Modest inflation as well as service pay hike to support real income and consumption backed by likely bumper harvests and favorable monsoons are expected to provide a fillip to economic growth. Sustained benefit of demonetisation will lead to liquidity expansion and enhanced tax network in the system thereby helping to lower lending rates and lift economic activity.

CHEMICAL INDUSTRY OVERVIEW AND OUTLOOK

Global

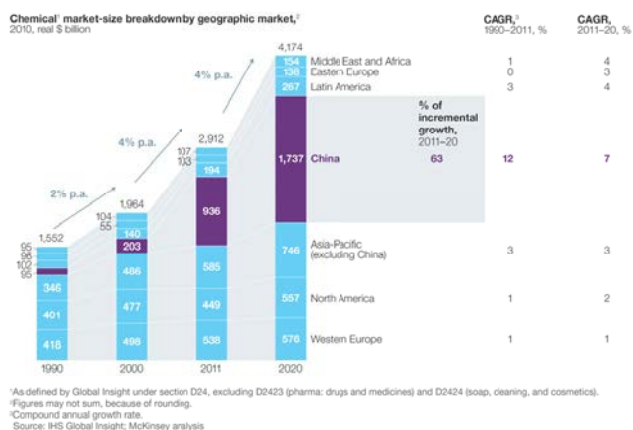
The global chemical industry has been expanding at a steady pace over the past couple of years with emerging Asian markets becoming a new manufacturing hub for the global chemical giants largely led by China where chemicals sales have increased manifold. Repelled by the slowdown in the economy and plant shutdowns resulting from pollution control strictures by its Government, has surfaced India as an obvious beneficiary bringing it to lead market position in the global chemical market. Over the past decade, India's capacity expansion growth rate has been the 2nd highest after China. Between 2000-2016, with a CAGR of 8.8%, double the global industry's growth rate on global level. Global chemical production will probably grow by 3.4% in 2018, the same pace as 2017 (+3.4%). A marginally higher expansion rate in the advanced economies (2016: +0.9%, 2017: +1.1%). Growth in the emerging markets will presumably weaken somewhat (2016: +5.4%, 2017: +5.1%).



The global growth rate of the chemical market will be largely determined by developments in China, which accounts for more than a third of worldwide production. There, the upward trend may continue to slacken but producers in China are nevertheless likely to contribute more than two percentage points to worldwide chemical industry growth. Yet macroeconomic risks in China remain high, therefore, our forecast for global chemical growth is marked by particular uncertainty.

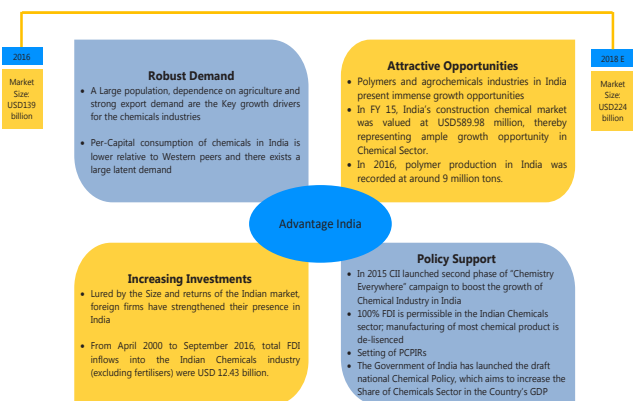
Chemical production in the European Union is expected to remain modest against the backdrop of a sluggish domestic market. Despite naphtha-based European chemical industry benefits more from low oil prices than the gas-based production in the United States, the competitive pressure is expected to remain intense on export markets. With onstream of new production capacity being available for export In the United States, growth is expected to be accelerated in chemical production, overall chemical growth is likely to decelerate somewhat in the emerging markets of Asia, mainly due to the slowdown in China, which will affect the other developing countries in the region. In Japan, a weak overall economic environment and minimal growth

is presumed in chemical production. In South America, the anticipated end of the recession in Argentina and Brazil will result in slight growth in chemical production in the region.



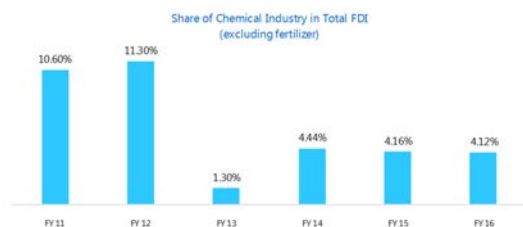
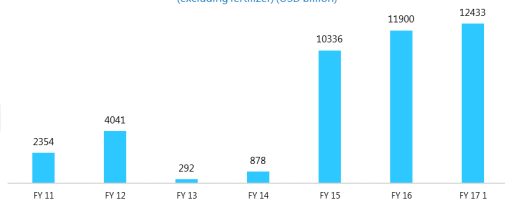
Domestic

The Indian chemical industry enjoys the position of third largest producer in Asia and sixth largest producer in the world, in terms of volume of production.



The Indian chemical industry has been one of the most established and rapid growing sectors for the country and an integral part of the Indian economy even as the story has recently gained prominence. It plays a vital role in the economic development thereby serving as a critical input for the industrial and agricultural development. This sector has always witnessed considerable growth in the past and is currently poised to further this momentum. Bulk chemicals account for 39% of the Indian chemical industry, followed by agrochemicals 20.3% and speciality chemicals 19.5%. Pharmaceuticals and biotechnology account for the remaining share. India's growing per capita consumption and demand for agriculture related chemicals offer huge scope of growth for the sector in the near-term. Consequently, foreign firms have increasingly strengthened their presence in the Indian chemical space attracted by the emerging size and returns. By 2020, the Indian chemical industry is projected to reach USD 226 billion. In terms of volume, the Indian chemical exports have shown a remarkable growth of 7.51% from 52.9 lakhs tonnes in FY 2014-15 to 56.9 lakhs tonnes in FY 2015-16, which is a positive sign.

Annual FDI inflow to the Chemical Industry (excluding fertiliser) (USD billion)

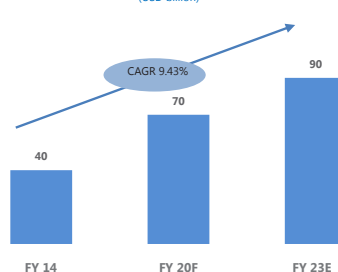


India's disadvantages in feedstock position and lack of adequate infrastructure have hindered its progress into the big league. Additionally, due to lack of innovation of new products or applications, these businesses have developed largely to meet immediate local demand, which requires relatively smaller investment. Not surprisingly, this industry is highly fragmented among 40,000 companies – where 60% of volume is produced by SMEs. The 'Make in India' initiative of the Government of India is also likely to add impetus to the emergence of India as a manufacturing hub for the chemical industry in the medium term. Overall, the Indian speciality chemical space is set to emerge as the fastest growing globally and is projected to reach US\$ 80-100 billion* by FY 2023.

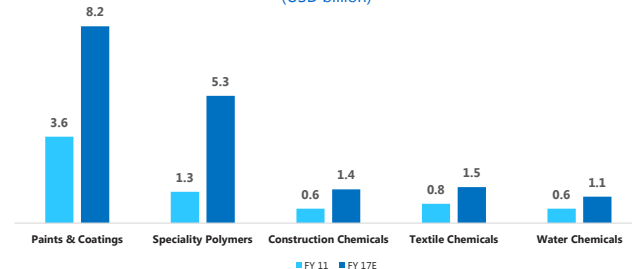
INDIAN SPECIALTY CHEMICAL INDUSTRY

The \$ 25 billion Indian Speciality Chemicals Industry has grown from one dominated by small niche players into a multi-faceted global footprint and has been an integral part of the Indian economy even as the story has recently gained prominence. Speciality chemicals comprise high value, low volume chemicals recognized for their performance enhancing end use applications. Being 'usage-specific', speciality chemicals touch upon every population segment, finding downstream applications in paints, coatings, plastics, home care surfactants, flavours and fragrances. Traditionally, a majority of the Indian market was characterised by SMEs working around low costs but without processes, quality and customer engagement capabilities at par with global peers. India's speciality chemical industry is highly fragmented, and growth is largely governed by domestic demand and exports in select segments.

Speciality Chemical Growth outlook by FY 23 (USD billion)



Major Sub-segments & their growth outlook by FY 17 (USD billion)



Source: FICCI, Dept. of Chemicals and Petrochemicals Techsd Research

These chemicals are witnessing increased usage in customer-related industries such as agrochemical, pharmaceutical, automotive and textiles, with higher consumer demand for better quality and superior products. 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.



In recent years, there has been a decisive shift, the Indian specialty chemicals industry moving from a generic space to a knowledge based and innovation driven niche. The industry grew from \$ 16 billion in FY09-10 to \$ 25 billion in FY13-14 and projected to grow to \$ 70 billion by FY2020. The structural foundation of the Indian specialty chemicals sector remains strong, catalysed by a visible increase in the consumption of value added high performance

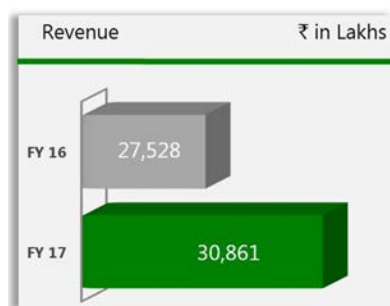
products in all spheres of life. India's position as a manufacturing hub for specialty chemicals strengthened following an increasing shift in manufacturing capacities to Asia, following a weakening in Chinese exports and a sustained improvement in India's competitiveness. The road map appears promising 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 to 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 specialty 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

FINANCIAL PERFORMANCE

The Company's continued focus in expanding business in newer horizons resulted in significant growth in operations during the year. The Company has added another year of achievements in its success book. During the year, business delivered a record revenue performance exceeding ₹38n mark for the first time.

REVENUES



Net Sales during the year was ₹30,860.52 lakhs as compared to ₹27,528.04 Lakhs in PY, reporting an increase by **12.11%**. 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, declined significantly thereby muting top-line growth. Despite this, overall volume growth stood healthy at 15% driven by balanced growth of almost 5% from the Specialty Chemicals contributing 99.34% of Revenue, followed by 0.53% in Pharmaceuticals and Agrochemicals/Inorganic Chemicals finishing the top-line at 0.04% & 0.1% respectively. Your Company has aligned its capacities from Organic Chemicals to Specialty Chemicals. The new products launched continued to deliver double digit growth despite sharp decline in International Crude Oil prices which resulted in disruption of volume off-take by some customers, however the same was set-off as Global prices of crude oil stabilised at albeit lower levels.

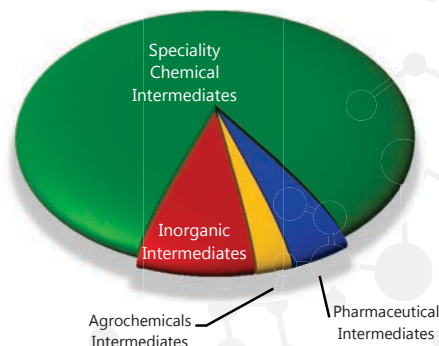
	FY 17	FY 16	Change	% Change
Revenue from Operations	30,860.52	27,528.04	3,332.48	+12.11

Segment Revenue

For better understanding of Company's business, your Company has classified its business segments based on the respective end use of its products which does not have any financial impact, viz.

Fine & Specialty Chemicals

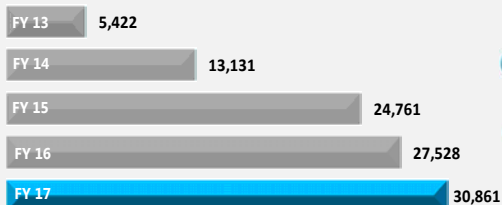
Revenues from this segment were ₹30,655.48 Lakhs in FY 17, compared to ₹26,177.73 Lakhs in FY 16, contributing 99.34% to total revenue during the year and demonstrating highest momentum in performance as several end-user segments continued to benefit from increased demand thereby professing bright future 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



KEY PERFORMANCE INDICATORS

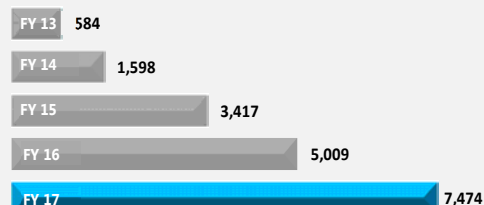
REVENUE

₹ In Lakhs



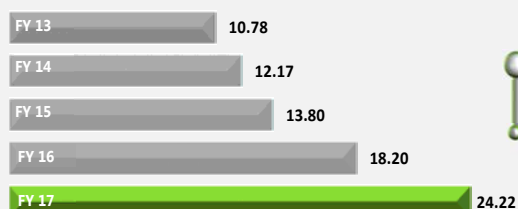
EBIDTA

₹ In Lakhs



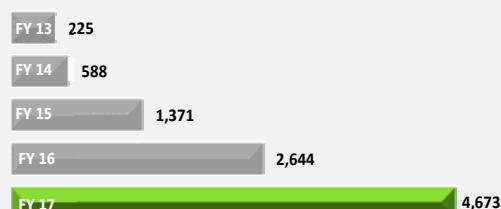
EBIDTA MARGINS

(%)



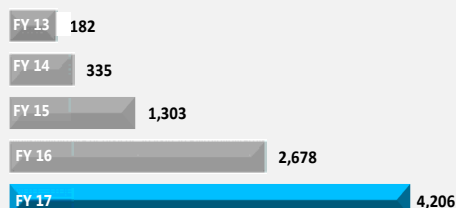
PBT

₹ In Lakhs



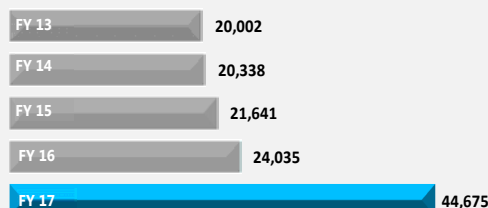
PAT

₹ In Lakhs



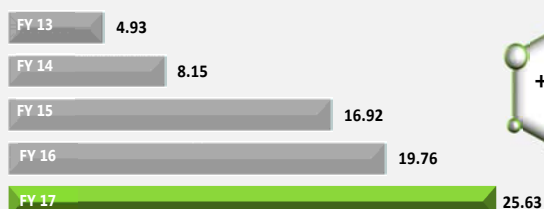
NET-WORTH

₹ In Lakhs



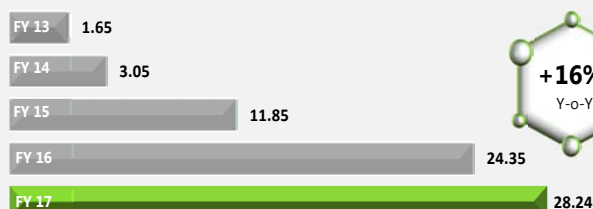
ROCE

(%)

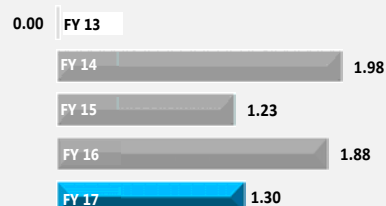


EARNINGS PER SHARE

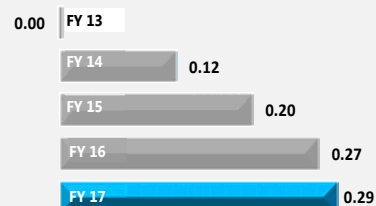
(₹)



NET-DEBT / EBITDA



DEBT / EQUITY



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.

Pharmaceutical Intermediates

Revenues from this segment end-user stood at ₹163.11 Lakhs compared to ₹362.95 Lakhs in PY contributing 0.53% to total revenue. The lower revenues are due to conscious decision taken by your Company to leverage higher operating capacities for high margin Fine & Speciality Chemicals segment however consolidation in prices of some key raw materials, improved realisations.

Inorganic Intermediates

Revenues from this segment end-user stood at ₹30.63 Lakhs for FY17 compared to ₹8.52 Lakhs in PY. The higher revenues from this segment were due to better realisations from this product segment, however the revenue contributed to only 0.03% in the Topline.

Agrochemical Intermediates

Revenues from this segment end-user were at ₹11.30 Lakhs in FY17 compared to ₹60.57 Lakhs in PY due to conscious decision taken by your Company to leverage higher operating capacities for high margin Fine & Speciality Chemicals segment however consolidation in prices of some key raw materials, improved realisations.

Organic Intermediates

Revenues from this segment end-user were at NIL for the year (PY ₹1,499.98 Lakhs) due to conscious decision taken by your Company to leverage higher operating capacities for high margin Fine & Speciality Chemicals segment.

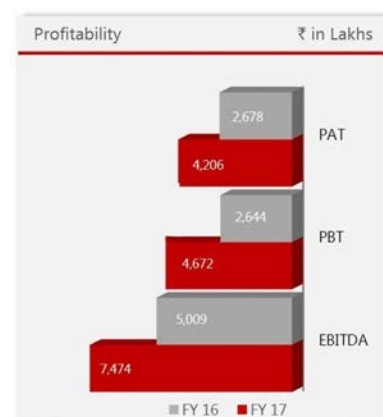
Your Company demonstrated its versatility, adaptability and dynamism by focusing on Speciality Chemical segment end-users with higher profitability, higher volumes, stable and increasing demand thereby remarkably increasing the Top line and Bottom line growth of your Company despite falling crude prices correcting input cost resulting in muted top-line due to alignment of sales prices of products.

	FY 17	FY 16	Change	% Change
Speciality Chemical Segment	30,655.48	26,177.73	4,477.75	17.11
Organic Chemical Intermediate Segment	-	918.28	(918.28)	(100.00)
Inorganic Chemical Intermediate Segment	30.63	8.52	22.11	259.51
Agrochemical Intermediate Segment	11.30	60.57	(49.27)	(81.34)
Pharmaceutical Segment	163.11	362.95	(199.84)	(55.06)

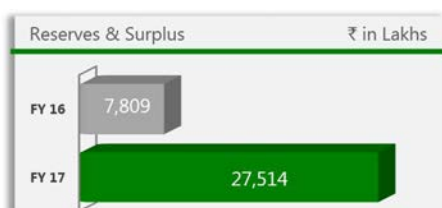
Profitability

EBITDA for FY 17 was higher by **49.00%** at ₹ 7,473.64 lakhs compared to ₹ 5,009.26 lakhs in PY. The growth in EBITDA was driven by high value led growth from new products introduced in the Fine & Speciality Chemical segments with improved cost efficiencies, gain in Inventories due to stringent Inventory control and spurt in Raw material prices in Q4-17 and positive impact because of de-bottlenecking initiatives. Your Company could maintain the spread in key products despite the reduction in selling prices of certain products, namely those that are linked to petrochemical intermediates. A combination of factors including favourable product mix, efficiency gains and better realisations across key products also contributed to better EBITDA performance.

Profit before Tax (PBT) was up **76.70%** at ₹4,672.09 lakhs compared to ₹2,644.12 lakhs in PY. **Profit after Tax (PAT)** was higher by **57.05%** at ₹4,206.23 lakhs in FY 17 compared to ₹2,678.34 lakhs in PY 16 despite significant increase in Interest and Depreciation cost on account of commissioning of upgraded facilities with Capacity addition. Steering the headwinds of slowdown in emerging markets combined with lower commodity prices, your Company was able to maintain its trend of steady growth in profitability on vertebrae of value-added products.



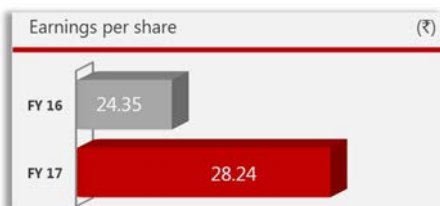
	FY 17	FY 16	Change	% Change
Earnings before Interest, Depreciation & Tax	7,473.64	5,009.26	2,464.38	49.20
Profit Before Tax	4,672.09	2,644.12	2,027.97	76.70
Profit After Tax	4,206.23	2,678.34	1,527.89	57.05



There has been no transfer to the general reserve account during the period under review. Total reserves and surplus increased by a whopping 252.33% to reach the level of ₹27,514.14 Lakhs as compared to previous year of ₹7,809.10 Lakhs with major contribution on account of Securities Premium arising out of issue of 93,50,000 Equity Share at premium of ₹170/share on Preferential allotment basis to Promoter and Others.

₹ in Lakhs

	FY 17	FY 16	Change	% Change
General Reserves	2,013.53	2,013.53	-	-
Profit & Loss account	9,605.61	5,795.57	3,810.04	65.74
Securities Premium account	15,895.00	-	15,895.00	100.00
Reserves & Surplus	27,514.14	7,809.10	19,705.04	252.33

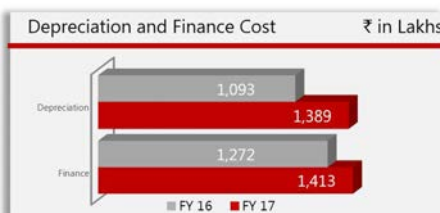


Earnings per Share (EPS) increased to ₹28.24 in FY 17 as compared to ₹24.35 in FY 16. It has showed 15.97 % growth on Y-o-Y in spite of increase in Equity base. Your Company continued its dividend paying track record during the year and the Board of Directors recommended a dividend of 10% i.e. ₹1.00 (Rupee One Only) per Equity Share of a Face Value of ₹10/- each. The Diluted EPS was at ₹25.24 owing to outstanding and potential conversion of 42,50,000 Share warrants

	FY 17	FY 16	Change	% Change
Basic EPS (₹)	28.24	24.35	3.89	15.98
Diluted EPS (₹)	25.24	24.35	0.89	3.66

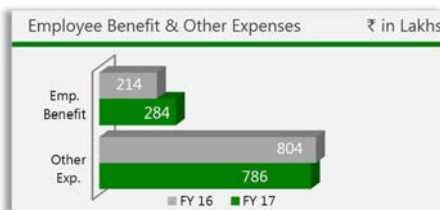


Raw material cost stood at ₹ 20,729 Lakhs compared to ₹ 20,330 Lakhs in PY, an increase of 11.57% against net Revenue of increase by 12.11%, on account of better negotiations. There were no Inventory losses due to efficient Inventory Management and Price correction forecast by your Company.



Finance cost was higher at ₹ 1,413 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 during the year under review.

Depreciation and Amortisation Expenses increased to ₹ 1,389 Lakhs from ₹ 1,093 Lakhs (Y-o-Y) due to post commissioning Depreciation expense of Added capacity of Nitro Chlorobenzene Production Plants which was commissioned during the year.



Employee Benefit Expenses increased to ₹ 284 Lakhs from ₹ 214 Lakhs (YOY) due to 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 marginally lower at from ₹ 786 Lakhs vs. ₹ 804 Lakhs (YOY) due to economies of scale.

₹ in Lakhs

	FY 17	FY 16	Change	% Change
Raw Material Cost	22,682.84	20,330.55	2,352.29	11.57
Finance Cost	1,412.58	1,271.94	140.64	11.06
Depreciation & Amortisation Expenses	1,388.96	1,093.21	295.75	27.05
Employee Benefit Expenses	284.31	214.18	70.13	32.74
Other Expenses	785.51	804.31	(18.80)	(2.34)

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:

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 totting impetus to the emergence of India as a manufacturing hub for the chemical industry. Your Company driven by extensive product and process innovation, a significant differentiator over the commoditized Indian chemical industry. With strong technical expertise, high Safety Health & Environment standards as well as deep customer relationships, it remain at the forefront to make significant headway in high value chemicals strengthening product mix and scale resultantly driving earnings efficiency.

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

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

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

Key Challenges

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

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

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. The recently introduced forward integrated products in the Fine and Speciality chemicals are expected to report good volumes.

Increasing utilisation of these newly launched products will further propel volume growth and profitability. Going forward, your Company foresees stronger customer relations, higher efficiencies and robust growth in Fine & Speciality Chemicals end-user segment.



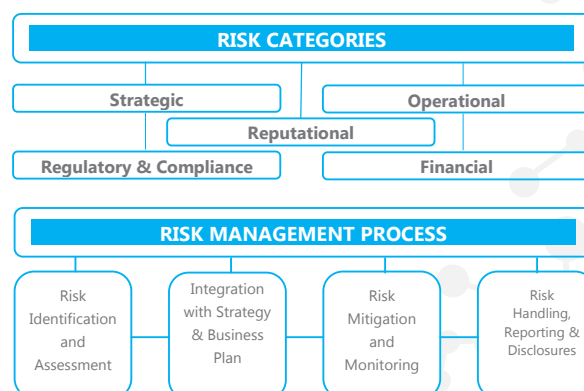
With a clear defined vision to emerge as Most Integrated Global producer for Speciality Chemicals and having invested ₹4.41Bn Capex in last 5 years, Seya took its next step forward to start ₹7.35Bn round of expansion to be completed over next 2-3 years. With reasonably complex (not complicated) and fully backward & forward integrated manufacturing blueprint, capital and technologically intensive scale of operations, your Company continues to create a large base to outpace the industry and deliver persistent growth year-on-year on the vertebrae of its strengths, combined with cost leadership and value-added product offerings. Gaining further momentum from stability in the global crude oil prices and related petrochemicals, your Company has already initiated work for its upcoming projects integral to its existing business operations by embarking on a backward & forward integration project with capacity expansion of captive products, initiative to reduce cost of energy and diversification in new high value Speciality Chemical products. The Greenfield expansion, being one of its kind full integrated state-of-art manufacturing facility with Global scale and size of Individual plants, shall have an aggregate installed capacity of 512,550 MTPA and shall be in vicinity of existing manufacturing operations, thereby further integrating manufacturing operations. Your Company has achieved its financial closure on 25th March 2017 and is expected to commission its Commercial Production in the second half of FY19. Once implemented it will further enhance the Company's revenue by ₹10Bn/yr and EBITDA by ₹3-3.5Bn/yr which shall immensely strengthen your Company's sustainability and resilience and create value for its esteemed shareholders. The Greenfield expansion project entails:

- **Back ward Integration** to manufacture Bulk Raw materials which are being procured at 2.5 to 3 times their manufacturing cost due to No Imports and Limited No. of manufacturers in India who are competitors of Seya.
- **Recycle & Reuse of By-Products** to produce Value Added Products thereby reducing its Disposal Cost and enhancing the Value of the By-Products.
- **Set-up of 14 MW Free Captive and Cogen Power Generation from Process Waste Heat:** 8 MW of Free Power shall be generated by Recovery of Waste Heat generated during the process of manufacture of proposed raw materials using Waste Heat Recovery Systems and 6 MW of Power shall be generated using Cogen Thermal Power Plant.
- **Forward Integration in High value and High margin Speciality Chemicals** on similar lines as the earlier forward Integration project successfully executed 3 years back resulting in Value addition and increase in EBITDA margin
- **Horizontal Integration into fast moving High margin and High Value Speciality Chemicals** used in Lithium Ion batteries for Mobiles / laptops / etc, Agrochemicals, Pharmaceuticals, Soaps & Detergent Industry, Dyes, Wine, Paper, Mining Industry, Food Industry, Aeronautical Fuel, Dye & Pigment intermediates, Printing Inks used in ball point pens, curing of polyester and vinyl ester resins, Fabric softeners, Synthesis of cosmetics and colouring agents.

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



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.

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 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.

HUMAN RESOURCES

Seya's talent base, as on March 31, 2017 stands at 132. 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. Due to greater use of polyester and cotton-based fabrics, there has been a shift towards reactive dyes used in cotton-based fabrics and disperse dyes used in polyester, hence the demand is expected to grow with textile industry being the largest consumer; however, substantial growth will also be driven by markets such as printing inks, paints and plastics considering increasing use of these products in recent times.

Speciality chemicals market size is set to touch USD 1,273 billion by 2024. Global speciality chemicals growth is primarily led by increasing population along with rapid industrialization shrinking the arable land. The world population is estimated to reach 9 billion by 2040, causing a surge in food demand. Substantial increase in yield is conceivable through use of agrochemicals. Governments across the world are encouraging agrochemicals use to secure food supply to meet the increasing food demand owing to drive industry growth. The global specialty chemicals market is expected to gain from strong growth in end user industries including construction and automotive. Growing consumer demand for lubricants to ease frictional forces in the vehicles will improve growth. Growing construction industry, particularly in China, India and Brazil, will push industry growth in the coming years. Present usage of specialty chemicals in India is

significantly low when compared to developed markets. Per capita consumption of chemicals in India is much lower than the western countries, about 1/10th of the world average. The Indian middle-class household is expected to grow from 31 million in 2008 to 148 million by 2030, fueling huge demand for specialty chemicals in automotives, water treatment and construction.

Globally, Speciality chemicals are driven by extensive product and process innovation, a significant differentiator over the commoditized Indian chemical industry. Companies with strong technical expertise, high safety health & environment standards as well as deep customer relationships remain at the forefront to make significant headway in high-value industries. 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 realisation however the operating profit margins shall continue to grow.

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 Seventh Annual report together with the Audited Financial Statements for the Financial Year (FY) 2016-17

ground of reduced realizations on account of lowering of crude oil prices and contributing to whopping Earnings Per Share at ₹28.24 on enhance capital compared to ₹24.35 per Share (PY).

Financial Performance

₹ in Lakhs

Financial Results	Year Ended 31-Mar-17	Year Ended 31-Mar-16	% Change
Total Revenue	30,945.09	27,711.79	+12%
Profit Before Interest, Depreciation and Exceptional items (EBIDTA)	7,473.63	5,009.27	+49%
Depreciation and Amortization	1,388.96	1,093.21	
Finance Cost	1,412.58	1,271.94	
Profit Before Tax	4,672.09	2,644.12	+77%
Tax	465.86	34.23	
Profit After Tax	4,206.23	2,678.35	+57%
Earnings per Share (₹)	28.24	24.35	+16%
Book Value per share (₹)	145.56	80.99	+80%

Performance Review

Your Company delivered a strong performance with steady growth in profitability while recording progress on several strategic initiatives, including expansion plans even amidst extremely challenging backdrop for the chemical industry in wake of sharp decline in the global crude oil prices and related petrochemical intermediates and slow recovery in key emerging Markets. The Financial Year ("FY") 2016-17 was a challenging year on multiple fronts, and your Company has delivered a resilient performance indicating robustness of the business model. The emphasis on quality and sustainability of operations, widening of portfolio of products, active customer engagement, focus on profitable products and a healthy mix of end-user industries and markets served has enabled it to emerge stronger and better positioned to capture the opportunities ahead. Against this backdrop and in light of the several challenges faced from the wave of regional protectionism spread across the developed world and increased pitch for supporting local production to preserve jobs, the growth in export markets has been muted. These were coupled with BREXIT and instability in EU region. The lingering effects of the depressed crude oil prices and resultant impact on petrochemical intermediates also continued to exert pressure on growth, although re-entry of Iran as a global crude supplier improved the availability of higher grades of crudes in the mirage of reversing the waning prices of commodities.

Despite these head winds, your Company clocked double-digit growth of 12% (Y-o-Y) in revenues which stood at ₹30,945.09 Lakhs compared to PY ₹27,711.79 Lakhs despite decline in crude oil prices and related petrochemical intermediates, considerably reducing realisation of all products. Amplified operating margins and strong growth in volumes was equipoise by lower realisation steering to temperate growth in absolute revenues. Modernization and Upgradation initiatives taken by your Company to improve operating efficiency, abetted 49% growth in Earnings (Profit) Before Interest, Depreciation, Tax & Amortization (EBIDTA) to ₹7,474 Lakhs from ₹5,009 Lakhs (PY). The traction from newly introduced products has been instrumental in healthy trajectory in the Speciality Chemicals segment resulting in commendable growth in volumes and higher contribution in the overall product mix aggressive marketing. Your company leveraged its strength by switching and enhancing the volumes of the Value added products to mitigate the impact from down cycle from the up stream product categories. Going ahead, your company will continue to widen and deepen its market presence.

Profit Before Tax stood at ₹4,672.09 Lakhs whereas Profit after Tax was at ₹4,206.23 Lakhs, up 77% and 57% respectively (Y-o-Y) breaking the

Dividend

For the year under review, the Directors have recommended a dividend of ₹1 per share (10%) on the Ordinary Shares of the Company (previous year ₹1 per share). If declared by the members at the ensuing Annual General meeting (AGM), the total dividend out go during FY 2017-18 would amount to ₹244.93 Lakhs including Dividend tax (previous year ₹132.39 Lakhs, including Dividend Tax).

Share Capital

During the period under review your Company has issued and allotted 9,350,000 Equity Shares and 4,250,000 convertible warrants of face value of ₹10/- each and at a premium of ₹170/- per share in accordance with the provisions of Section 42 and 62 of the Companies Act, 2013 ("the Act"). Post issue of the Equity Shares, the issued, subscribed and paid up capital of your Company has increased from ₹11.00 Crores to ₹20.35 Crores and on conversion of warrants to Equity it shall be further expanded to ₹24.60 Crores

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

During the year in retrospect your Company has successfully completed modernisation and upgradation Project of its Nitro Chlorobenzene manufacturing plant which has resulted in Increase in Raw material efficiency, Improvement in product quality, Reduction in Utilities consumption, increase in ease of operation and more over increase in Capacity of Nitro Chlorobenzenes from 15000 TPA to 33000 TPA. This expansion will further enhance the profitability by contributing to the Top & Bottom line.

Last year your Company had announced setting-up of a Greenfield 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. Your Company has successfully achieved the financial closure for its capital Outlay of ₹73,458 Lacs and have incurred ₹38,871 Lacs until June 30th, 2017. The Project once commissioned shall phoenix up the Top Line by ₹1000 Crores and Bottom-line by

₹300 Crores of the Company and shall make it achieve leading and dominant position in Speciality Chemicals globally for all its products. The combined Capacity of the various Product Plants under set-up shall be 512,550 MTPA of which 48% of the Capacity shall be utilised for Captive consumption to produce High Value and High Margin Products.

Credit Rating

Credit Rating agencies have reaffirmed the ratings to A- (A Minus) ratings for the long term loan facilities availed by the company and A2 (A Two) for short-term facilities enjoyed by the Company, despite the ongoing Greenfield Expansion Project.

Finance

Your Company obeys to austere guiding principles to efficiently manage its working capital level and maintain its debt at a reasonable level. The long term debt of your Company increased during the year due to borrowing of Long Term Loans for Upgradation, Modernisation and Set-up of additional facility of Nitro Chlorobenzenes, expanding your Company's footprint from 15000 TPA to 33000 TPA which resulted in modest increase in Interest cost on additional term borrowings. Depreciation increased due to capitalisation of the Upgraded and Modernised facility; 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 0.29x with a Net Debt/EBITDA of 1.30x, propounding much more financial flexibility for Upcoming Projects. The Overall Capital outlay of the Greenfield Expansion Project is ₹73,458 Lacs, which is being funded through a combination of Debt and Equity. Your Company has achieved the financial closure for the said Project on March 25, 2017.

Reserves & Surplus

The Reserves, at the beginning of the year were ₹7,809.10 Lakhs and the Reserves at the end of the year are ₹27,514.14 Lakhs. During the period under review no amount is transferred to General Reserves.

Deposits

The Company has neither accepted nor renewed any deposits during the year under review. The Company does not have any deposits which are not in compliance with the requirements of Chapter V of the Act.

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 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 27th Annual General Meeting.

Key Managerial Personnel (KMP)

Mr. Ashok G Rajani, Managing Director and Ms. Manisha Solanki, Company Secretary are the KMP as per the definition under Section 2(51) and Section 203 of the Act.

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

The Nomination and Remuneration (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.

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 2016-17 forms part of the Corporate Governance Report.

Employee Stock Option

The Company has not issued any Employee Stock Options 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 2016-17. 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 for the financial year ended March 31, 2017, 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, 2017 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 safe guarding 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.

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 2016-17, your Company has spent ₹30.75 Lacs on CSR activities, against the requirement of ₹30.69 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 bio-diversity, 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 and material orders

No significant and material Orders were passed by the Regulators / Courts / Tribunals, impacting the Company's going concern status and future Operations.

Internal Financial Control

Internal Financial control systems of the Company are commensurate with its size and the nature of its operations, these have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable accounting standards and relevant status, safe guarding 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.

Auditors

Statutory Auditors

As per the provisions of Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the terms of office of M/s. Jagiwala and Co., Chartered Accountants, (firm Registration Number 131184W), as a Statutory Auditor of the Company will

conclude from the close of the forth coming AGM of the Company. The Board of Directors places on record its appreciation for the services rendered by them as the Statutory Auditors of the Company. Subject to the approval of the members, the Board of Directors, of the Company has recommended the appointment of M/s. Anil Chauhan & Associates, Chartered Accountants, Mumbai (ICAI Firm Registration No. 140786W), as the Statutory Auditors of the Company pursuant to Section 139 of the Act.

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 Report given by M/s. Jagiwal and Co., Chartered Accountants, on the financial statement of the Company for FY 2016-17 is a part of the Annual Report. There has been no qualification or adverse remarks in their report.

Cost Auditors

The Board has appointed M/s. Hemant Shah & Associates, Cost Accountants as the Cost Auditor for the Financial Year 2016-17. M/s. Hemant Shah & Associates, have been appointed as Cost Auditor of the Company for the Financial Year 2017-18 and approval of members is being sought for ratification of their remuneration.

Secretarial auditor

In terms of Section 204 of the Act and Rules made there under, M/s. Dipali Kapadia & Associates, Practising Company Secretary have been appointed as Secretarial Auditor of the Company. The Report of the Secretarial Auditors is enclosed as Annexure – III to this report. With respect to remark on CFO your Board would like to inform that this is crucial position which requires proper due diligence before appointing anyone on this position. There has been a delay in appointing CFO. Interviews are in process and the Company shall appoint CFO very soon. At present, responsibility of CFO is carried out by the Managing Director of the Company.

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 i.e. www.seya.in.

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.

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, 2017, the Company did not have any subsidiary, joint venture or associate company. Since the Company doesn't have any subsidiary, a policy on material subsidiary has not been formulated.

Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013, during FY 2016-17

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 Company is given as an Annexure IV of this report.

Human Resources Management

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 heading 'Five Magnificence Growth Years' and various other headings in this Report and in the Management Discussion and Analysis Report annexed to the Directors' 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 its 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 stakeholders 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 ecofriendly 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 are equivalent to ISO 9001, ISO 14001 & OHSAS 18001. 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 the General Meeting are sent to all the Members whose email addresses are registered with the Company for communication purposes. For members who have not registered their email addresses, physical copies of the Notice and Annual Report are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

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.

You 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 2016-17:

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.

Future Outlook

Your Company endures to trek forward with robust growth and increase in Profitability tractioned by the newly introduced forward integrated products. The road ahead appears encouraging as your Company foresees several opportunities in the Indian chemicals space. Your Company is confident of its prospects as the focus of strategies and efforts of the last few years has been to diversify and strengthen the business model and allow your Company to further elevate the growth trajectory by strengthening all of the growth engines.

Buoyance by an Optimistic economic landscape in Speciality Chemicals, your Company is confident of delivering value-led growth through its customised Speciality Chemicals portfolio steered by customer acceptance resulting in increased volumes gearing increase capacity utilisation. Your Company will continue to accelerate its momentum given the relative stability in the global prices of crude oil, improved sentiment in both domestic and international markets and its foray into diversified speciality chemical segments further improving its operational efficiency along with cost reduction.

Specialty chemical industry is a knowledge driven industry. In India it has been growing rapidly at 1.2-1.3x of GDP growth rate. Domestic demand of specialty chemicals is expected to follow an accelerated growth path driven by the strong growth outlook for end use industries. This along with increased adoption of specialty chemicals and newer usages shall propel the growth further which is evident from the contribution of 99% of the said segment to the total revenue of the Company.

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

ASHOK G RAJANI

Chairman & Managing Director
Mumbai, August 26, 2017

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 Sesa 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.

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 Taggarsri - Member
3. Average Profit Before Tax of the Company for Last three Financial Years: ₹1,534.34 Lakhs
4. Prescribed CSR expenditure (two per cent of the amount as in item no. 3 above)
The Company is required to spend ₹30.69 Lakhs towards CSR
5. Details of CSR Spend during the financial year:
 - (a) Total Amount spent for the Financial Year: ₹30.75 Lakhs.
 - (b) Amount unspent, if any: NIL
 - (c) Manner in which the amount spent during the year is detailed below:

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 enhancement & infrastructure support	Pan India	30.70	30.75	Implementing Agency
Total				30.70	30.75	

During the year ended March 31, 2017, 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 under privileged 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 under privileged 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.

ANNEXURE – III

FORM NO. MR-3

Secretarial Audit Report

For the Financial Year ended March 31, 2017

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

To,
The Members,
Seya Industries Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Seya Industries Limited** (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 31st March, 2017 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 31st March, 2017 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 Bye-laws 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 amendments from time to time.
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - **(Not Applicable during the audit period);**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - 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 - **(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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 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 The Company is yet to appoint a Chief Financial Officer (CFO) as required under the provision of Section 203 of the Act.

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. Some of the promotes have been reclassified under Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The Company had increased its authorised share capital from ₹171 crores to ₹176.30 Crores.
3. On November 8, 2016, the Company had allotted 9,350,000 Equity shares and 4,250,000 warrants on preferential allotment basis to the promoters and non-promoters.

Dipali Kapadia & Associates
Practicing Company Secretary

Dipali Kapadia
Proprietor

Mumbai, August 26, 2017

ACS No.: 31157 CP No.: 11448

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

Annexure "A"

To,

The Members,

Seya Industries Limited

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The

verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The Compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the

management. My examination was limited to the verification of procedures on test basis.

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

Dipali Kapadia & Associates
Practicing Company Secretary

Dipali Kapadia
Proprietor

Mumbai, August 26, 2017

ACS No.: 31157 CP No.: 11448

ANNEXURE – IV

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

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

A. CONSERVATION OF ENERGY:

a) Energy Conservation Measures taken

- Replaced incandescent lamps in Plant Lighting to LED lamps
- Energy Audit and implementation of recommendations therein
- Complete utilization of Flash steam
- Installed Energy Efficient Plate Heat Exchangers as replacement of conventional Heat Exchangers, wherever possible
- Up-gradation of Solvent process of Crystallisation to Dry Crystallisation Process
- Reduction of un-burnt carbon in fly ash and bed ash High Pressure Boiler
- Vacuum Pump Water Recovery
- In addition to the above the Company is into continuous process of further energy conservation through improved operational and maintenance practices resulting in reduction of Energy and ultimately savings in Cost of Production.

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

- Reduction of un-burnt carbon in fly ash and bed ash High Pressure Boiler
- Further Replacement of incandescent lamps in Plant Lighting to LED lamps
- Solar Lighting
- Power trading Open Access Mechanism
- Further Change of Utility pumps and drives to High Energy Efficient systems
- Installation of Continuous systems replacing Batch systems, wherever possible
- Further Replacement of existing utility systems with Highly Energy Efficient systems
- Further Installation of Energy Efficient Plate Heat Exchangers as replacement of conventional Heat Exchangers, wherever possible
- System Audit at specific Intervals to identify system leakages in Utilities.

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

- The measures described under (a) 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
- Installation of Waste Heat Recovery Systems
- Evaluation of Solar Power Generation Systems

B. TECHNOLOGY ABSORPTION:

a) Effort made towards Technology absorption

- New Product Development
- Reduction in 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

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

- Cost reduction, Energy conservation, Waste minimisation / recycling and reuse,
- Increase Product 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 in last 3 years: Nil

d) Expenditure incurred on Research and Development:

To foster technical excellence and to maintain its leadership position, your Company continues to accord high priority to R&D.

(i) Specific areas in 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 and has spent following amounts during the year:

₹ in Lakhs

Particulars	2016-17	2015-16
-Capital Expenditure	68.96	4.50
-Revenue Expenditure	212.08	787.92
-Total R&D Expenditure	281.04	792.42
(% of Net Sales)	0.91%	2.88%

(ii) Benefits derived because of above

The Company has been successful in new products and process development, quality, safety, standard, environmental protection measures and conservation of energy.

(iii) Future Plan of action

R&D in the relevant areas of business operations will continue. Emphasis will be on adopting products and processes to improve performance, be more environment friendly with a view to meeting customer needs.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review there were no foreign exchange earnings or outgo

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 2016-17, 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	17.60	9.29:1	--	Profit Before Tax increased by 77% and Profit After Tax increased by 57%
Mr. Asit Kumar Bhowmik	9.95	5.25:1	4.96%	
Ms. Manisha Solanki (Company Secretary)	7.80	Not Applicable	44.44%	

(b) The percentage increase in the median remuneration of the Employee in the financial year: 4.10%

(c) Number of permanent employees on the rolls of the Company: 132 Employees

(d) Explanation on the relationship between average increase in remuneration and company performance:

Profit Before Tax for FY 2016-17 has grown from ₹2,644.12 Lakhs to ₹4,672.09 Lakhs, an increase of 77% against which, increase in median remuneration is 4.10%. The average increase in median remuneration is in line with the remuneration policy of the Company.

(e) Variation in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2017	March 31, 2016	% change
Market Capitalisation (₹ in Lakhs)	61,491.60	15,579.00	303.33
Price Earnings Ratio	10.70	5.69	87.99

Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer

Particulars	March 31, 2017 (₹)	April 6, 1993 (IPO) (₹)	% change
Market Price	302.17	10.00	2,921.70

(f) Average Percentile increase in Remuneration of employees other than Managerial Personnel was 4.36% and average increase in remuneration of Managerial Personnel was 1.74%.

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.

(g) 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.

(h) 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.

(i) 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.

(j) 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.

ANNEXURE – VI

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED MARCH 31, 2017

[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@uniseq.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
i.	Di-Chloro Benzidines	24114	55%
ii.	Nitro Anilines	24114	16%

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-2016)				No. of Shares held at the end of the Year (31-Mar-17)				% Change During the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters										
(1) Indian										
(a) Individual / HUF		7503900	294300	7798200	70.89	7527259	0	7527259	36.99	(3.47)
(b) Central / State Govt.		0	0	0	0	0	0	0	0	0
(c) Bodies Corporates		0	50000	50000	0.45	6957741	0	6957741	34.19	13,815.48
(d) Banks / FIs		0	0	0	0	0	0	0	0	0
(e) Any other		0	0	0	0	0	0	0	0	0
Sub-Total (A) (1)		7503900	344300	7848200	71.35	14485000	0	14485000	71.18	13,812.01
(2) Foreign										
(a) NRIs – Individuals		0	0	0	0	0	0	0	0	0
(b) Other Individuals		0	0	0	0	0	0	0	0	0
(c) Bodies Corporate		0	0	0	0	0	0	0	0	0
(d) Banks / FIs		0	0	0	0	0	0	0	0	0
(e) Any other		0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1) + (A)(2)		7503900	344300	7848200	71.35	14485000	0	14485000	71.18	13,812.01
B. Public Shareholding										
(1) Institutions										
i. Mutual Funds		0	0	0	0	2000000	0	2000000	9.83	100
ii. Banks / FI		0	1400	1400	0.01	0	1400	1400	0.01	0
iii. Central Govt.		0	0	0	0	0	0	0	0	0
iv. State Govt.		0	0	0	0	0	0	0	0	0
v. Venture Capital Funds		0	0	0	0	0	0	0	0	0
vi. Insurance Companies		0	0	0	0	0	0	0	0	0
vii. FIIs		0	0	0	0	9674	0	9674	0.05	100
viii. FPIs		0	0	0	0	0	0	0	0	0
ix. Others (Specify)		0	0	0	0	0	0	0	0	0
Sub-Total (B) (1)		0	1400	1400	0.01	2009674	1400	2011074	9.88	200
(2) Non-Institutions										
(a) Bodies Corporate										
i. Indian		0	0	0	0	0	0	0	0	0
ii. Overseas		0	0	0	0	0	0	0	0	0
(b) Individuals										
i. Individual Shareholders holding nominal share capital upto ₹ 2 lakh		209500	1891000	2100500	19.10	403596	1727510	2131106	10.47	1.46
ii. Individual Shareholders holding nominal share capital in excess of ₹ 2 lakh		25000	222900	247900	2.25	422125	201990	624115	3.07	151.76
(c) Others (Specify)										
i. Trust		0	0	0	0	0	0	0	0	0
ii. NRIs / OCB		362000	440000	802000	7.29	623305	475400	1098705	5.40	37.00
iii. Qualified Foreign Investors		0	0	0	0	0	0	0	0	0
iv. Foreign Nationals		0	0	0	0	0	0	0	0	0
Sub Total (B) (2)		596500	2553900	3150400	28.64	1449026	2404900	3853926	18.94	190.21
Total Public Shareholding (B) = (B) (1) + (B) (2)		596500	2555300	3151800	28.65	3458700	2406300	5865000	28.82	390.21
C. Shares held by Custodian for GDRs & ADRs		0	0	0	0	0	0	0	0	0
Total (A+B+C)		8100400	2899600	11000000	100	17943700	2406300	20350000	100	14202.22

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the Year (as on 1-Apr-16)			Shareholding at the end of the Year (as on 31-Mar-17)			% 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	46,73,070	42.48	0	47,65,329	23.42	0	1.97
2.	Shalini A Rajani	27,61,930	25.11	0	27,61,930	13.57	0	0
3.	Sunlife Trusteeship Pvt. Ltd*#	0	0	0	21,57,495	10.60	0	100
4.	Ankita Trusteeship Pvt. Ltd*#	0	0	0	21,48,328	10.56	0	100
5.	Whiz Enterprise Pvt Ltd*	0	0	0	26,51,918	13.03	0	100
Total		7435000	67.59	0	14485000	71.18	0	301.97

* Part of Promoter Group

holding on behalf of various Trust

Note : During the period under review persons who were part of promoter group as on April 1, 2016 have been reclassified as public as per Regulation 31A of Listing Regulations.

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-16)		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	4673070	42.48	08.11.16	Allotment	92259	0.45	4765329	23.42
				31.03.17	End of the year	-	-	4765329	23.42
2	Shalini A Rajani	2761930	25.11	01.04.16	No Change	-	-	2761930	13.57
				31.03.17	End of the year	-	-	2761930	13.57
3	Sunlife Trusteeship Pvt. Ltd*#	-	-	08.11.16	Allotment	2157495	10.60	2157495	10.60
				31.03.17	End of the year	-	-	2157495	10.60
4	Ankita Trusteeship Pvt. Ltd*#	-	-	08.11.16	Allotment	2148328	10.56	2148328	10.56
				31.03.17	End of the year	-	-	2148328	10.56
5	Whiz Enterprise Pvt Ltd*	-	-	08.11.16	Allotment	2651918	13.03	2651918	13.03
				31.03.17	End of the year	-	-	2651918	13.03

* Part of Promoter Group

holding on behalf of various trust

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	-	-	-	-
	Bought during the year	2000000	9.83	2000000	9.83
	Sold during the year	-	-	2000000	9.83
	At the end of the year	2000000	9.83	2000000	9.83
2.	Zillow Real Estate LLP				
	At the beginning of the year	-	-	-	-
	Bought during the year	300000	1.47	300000	1.47
	Sold during the year	-	-	300000	1.47
	At the end of the year	300000	1.47	300000	1.47
3.	Veena M Khatri				
	At the beginning of the year	198300	0.97	198300	0.97
	Bought during the year	85500	0.42	283800	1.39
	Sold during the year	-	-	283800	1.39
	At the end of the year	283800	1.39	283800	1.39

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	250000	1.23	250000	1.23
	Bought during the year	-	-	250000	1.23
	Sold during the year	(100)	0.00	249900	1.23
	At the end of the year	249900	1.23	249900	1.23
5.	Prakash Jaisingh				
	At the beginning of the year	140100	0.69	140100	0.69
	Bought during the year	-	-	140100	0.69
	Sold during the year	-	-	140100	0.69
	At the end of the year	140100	0.69	140100	0.69
6.	Deepa Jaisingh				
	At the beginning of the year	125500	0.62	125500	0.62
	Bought during the year	-	-	125500	0.62
	Sold during the year	-	-	125500	0.62
	At the end of the year	125500	0.62	125500	0.62
7.	Heera Ahuja				
	At the beginning of the year	9000	0.04	9000	0.04
	Bought during the year	92625	0.46	101625	0.50
	Sold during the year	(9000)	0.04	92625	0.46
	At the end of the year	92625	0.46	92625	0.46
8.	G. Ramchand				
	At the beginning of the year	21800	0.11	21800	0.11
	Bought during the year	53900	0.26	75700	0.37
	Sold during the year	-	-	75700	0.37
	At the end of the year	75700	0.37	75700	0.37
9.	Big Apple Exports				
	At the beginning of the year	50000	0.25	50000	0.25
	Bought during the year	-	-	50000	0.25
	Sold during the year	-	-	50000	0.25
	At the end of the year	50000	0.25	50000	0.25
10.	Devendra Solanki				
	At the beginning of the year	16600	0.08	16600	0.08
	Bought during the year	22300	0.11	38900	0.19
	Sold during the year	-	-	38900	0.19
	At the end of the year	38900	0.19	38900	0.19

Note:

- The above information is based on the weekly benpos received from depositories.
- Shareholding at the beginning of the year is adjusted after giving effect of Preferential Allotment of Equity Shares.
- 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	No. of Shares	% of total shares of the Company
1	Mr. Ashok G Rajani				
	At the beginning of the Year	4673070	22.96	4673070	22.96
	Bought during the year	92259	0.45	4765329	23.42
	Sold During the year	0.00	0.00	4765329	23.42
	At the end of the year	4765329	23.42	4765329	23.42
2	Mr. Asit Kumar Bhowmik				
	At the beginning of the Year	1000	0.00	1000	0.00
	Bought during the year	0.00	0.00	1000	0.00
	Sold During the year	0.00	0.00	1000	0.00
	At the end of the year	1000	0.00	1000	0.00

Note:

- For changes in shareholding of Mr. Ashok G Rajani, kindly refer clause III (iii) above
- Shareholding at the beginning of the year is adjusted after giving effect of Preferential Allotment of Equity Shares.
- Mr. Anand Taggars (Independent Director), Ms. Kalpana Tirpude, (Independent Director) and Ms. Manisha Solanki (Company Secretary) 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-16)				
i Principal amount	13,546.63	12,520.54	--	26,067.17
ii Interest due but not paid	--	--	--	--
iii Interest accrued but not due	--	--	--	--
Total (i. + ii. + iii.)	13,546.63	12,520.54	--	26,067.17
Change in indebtedness during the financial year				
i Addition	3,711.29	--	--	3,711.29
ii Reduction	(1,544.11)	4,239.04	--	(5,783.15)
Net Change	2,167.18	(4,239.04)	--	(2,071.86)
Indebtedness at the end of the financial year (as on 31-Mar-17)				
i Principal Amount	15,713.82	8,281.50	--	23,995.32
ii Interest due but not paid	--	--	--	--
iii Interest accrued but not due	--	--	--	--
Total (i + ii + iii)	15,713.82	8,281.50	--	23,995.32

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	17.60	9.95	27.55
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)		17.60	9.95	27.55
Ceiling as per the Act (@ 10% of net profits calculated under Section 198 of the Companies Act, 2013)				467.20

B. Remuneration to Other Directors:

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Mr. Anand Taggars	Ms. Kalpana Tirpude	Total Amount
1.	Independent Directors			
a.	Fees for attending Board / Committee Meetings	0.40	0.40	0.80
b.	Commission	-	-	-
c.	Others, please specify	-	-	-
Total (B1)		0.40	0.40	0.80
2.	Other Non-Executive Directors			
a.	Fees for attending Board / Committee Meetings	-	-	-
b.	Commission	-	-	-
c.	Others, please specify	-	-	-
Total (B2)		-	-	-
Total (B) = (B1) + (B2)		0.40	0.40	0.80
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)				513.93

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

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	7.33
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.)	0.47
	Total	7.80

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			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			None		
Compounding					

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

ASHOK G RAJANI

Chairman & Managing Director
Mumbai, August 26, 2017

REPORT ON CORPORATE GOVERNANCE

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

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

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

The Company is in Compliance with the requirements stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with regard to corporate governance.

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, 2017, 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 Eight times on the following dates during the Financial Year (FY) 2016-17.

28 th May 2016	8 th November 2016
18 th July 2016	14 th November 2016
13 th August 2016	14 th February 2017
6 th October 2016	23 rd March 2017

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.

Minutes of the Board meeting are circulated 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.

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	8	8	Yes	-	-
Mr. Asit Kumar Bhowmik – Executive Director	8	7	Yes	-	-
Mr. Anand Taggarsari – Independent Director	8	8	Yes	-	-
Ms. Kalpana Tirpude – Independent Director	8	8	No	-	-

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.

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 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 October 6, 2017 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.

The familiarisation programme for Directors is disclosed on the website of the Company www.seya.in and the web link is 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 www.seya.in.

All the Board members and Senior Management of the Company as on March 31, 2017 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
Ms. Kalpana Tirpude - NEID	4	4
Mr. Anand Taggarsari - NEID (Chairman)	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 back ground 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 2016-17 Four Meetings of Audit and Risk Management Committee were held on the following dates:

28 th May 2016	14 th November 2016
14 th August 2016	14 th February 2017

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 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, 2016

NOMINATION AND REMUNERATION COMMITTEE (NRC)

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

Meetings Held

During FY 2016-17 1 (one) meeting of NRC were held on November 8, 2016 and all the members of the Committee were present in the meeting.

Composition

As on March 31, 2017, 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

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.

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- 2016-17)

₹ in lakhs

Director	Salary*
Mr. Ashok G Rajani – Managing Director	17.60
Mr. Asit Kumar Bhowmik – Executive Director	9.95

* 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, 2019
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, one meeting was held on February 14, 2017 and all the members of the Committee were present in the meeting.

Status of Investor Complaints

Complaints as on April 1, 2016	1
Received during the year:	22
Resolved During the year:	15
Pending as on March 31, 2017	8*

* as on date of the report all the complaints have been disposed off by SEBI based on Action taken report uploaded on SCORES.

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.

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

As on March 31, 2017, 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 Taggars	Member

Meetings

During the period under review, one meeting was held on May 28, 2016 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 AS-18, there were no other related party transactions with promoters, directors, management. During FY 2016-17, all the transactions with related parties were in normal course of business. 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 the website of the Company i.e. '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. 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.

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
2013-14	27-Sep-14	11:00 a.m.	Two
2014-15	28-Sep-15	11:00 a.m.	NIL
2015-16	28-Sep-16	4:00 p.m.	Two

- 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 Thursday September 21, 2017 to Wednesday, September 27, 2017 (both days inclusive for the purpose of AGM and Dividend)

Dividend Payment Date

On or after Friday, September 29, 2017

Listing

At present, the Equity Shares of the Company are listed on the BSE Ltd (Stock Code: 524324). The Annual Listing fee for the year 2016-17 was paid to the BSE Limited.

Market Price Data

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

Month	High (₹)	Low (₹)
Apr-16	157.50	139.90
May-16	157.50	157.50
Jun-16	157.50	157.50
Jul-16	157.50	157.50
Aug-16	157.50	157.50
Sep-16	157.50	157.50
Oct-16	204.75	165.35
Nov-16	266.15	209.00
Dec-16	291.35	217.10
Jan-17	335.70	250.00
Feb-17	375.00	295.05
Mar-17	333.05	290.10

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



Share Transfer Process

Shares in physical form are 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 the Company Secretary have been severally empowered to approve transfers.

Distribution of Shareholding as on March 31, 2017

No. of Shares held	No. of shares	% of shares	No. of shareholders	% of shareholders
< 500	1479544	7.27	9125	94.21
501-1000	237136	1.17	287	2.96
1001-2000	157458	0.77	102	1.05
2001-3000	126598	0.62	50	0.52
3001-4000	56095	0.28	16	0.17
4001-5000	114613	0.56	24	0.25
5001-10000	239825	1.18	33	0.34
> 10001	17938731	88.15	49	0.51
Total	20350000	100	9686	100

Category of Shareholding as on March 31, 2017

Category	No. of Shares	Percentage %
Promoter & Promoter Group	14485000	71.18
Individual Shareholders	2755221	13.54
Qualified Foreign Investor	9674	0.05
Mutual Funds	2000000	9.83
Financial Institutions	1400	0.01
Others	1098705	5.39
Total	20350000	100.00

Dematerialisation of shares and liquidity

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

Shares held in physical form	11.82%
Electronic form with CDSL	54.81%
Electronic form with NSDL	33.36%

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 Dipali Kapadia & Associate, Practicing Company Secretary Firm has conducted a Secretarial Audit of the Company for FY 2016-17. Their Audit report confirms that the Company has complied with applicable provisions of the Act, and the Rules made there under, 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.

DISCLOSURES

Code of Conduct for Prevention of Insider Trading

As per SEBI (Prohibition of Insider Trading) Regulations, 2015 that became effective from May 15, 2015, the Company has inter-alia, devised and adopted Code of Conduct to regulate, monitor and report trading in Company's securities by persons having access to

unpublished price sensitive information of the Company. Company Secretary is the Compliance officer for the purpose of this code. During the year, there has been due compliance with the Code by the Company and all insiders.

Accounting Treatment in preparation of Financial Statements

The Company has prepared the Financial Statements in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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.

CEO / CFO Certification

The Managing Director (CEO) 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, 2017

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 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, 2017.

For Seya Industries Ltd

Ashok G Rajani
Managing Director
Mumbai, August 26, 2017

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To The Members

Seya Industries Ltd

We have examined the compliance of Corporate Governance by **SEYA INDUSTRIES LTD** (the Company), for the year ended March 31, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of the regulation 46(2) and Para C, D and E of Schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ('Listing Regulations') for the year ended March 31, 2017

Managements' Responsibility

1. The Compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governances stipulated in Listing Regulations.

Auditors Responsibility

2. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the Books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
4. We have carried out an examination of the relevant records and of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143 (10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) for firms that Perform Audits and Reviews of Historical Financial Information and other Assurance and Related services Engagements.

Opinion

6. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has Complied with the Conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
7. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **JAGIWALA AND CO**
CHARTERED ACCOUNTANTS
Firm Registration No. 131184W

NILESH Y JAGIWALA
Partner
Membership no.: 154464
Mumbai, August 26, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of
SEYA INDUSTRIES LTD

Report on the Financial Statements

We have audited the accompanying Financial Statements of **SEYA INDUSTRIES LTD** ('The Company'), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 fraud 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal financial control relevant to the Company's preparation of the financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles

generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its profit and its cash flows for the year ended on that date.

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.
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 and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
 - e. On the basis of written representations received from the Directors as on March 31, 2017 taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2017 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company does not have any pending litigation which would impact its financial position.
 - ii. 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.
 - iii. 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.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on the management representation we report that the disclosures are in accordance with books of accounts maintained by the Company and as produced to us by the management.

For **JAGIWALA AND CO**
Chartered Accountants
Firm Registration No.: 131184W

Nilesh Y Jagiwal
Partner
Membership No. 154464
Mumbai, May 30, 2017

"ANNEXURE A" TO INDEPENDENT AUDITOR'S REPORT

[Statement on matters specified in paragraphs 3 and 4 of the Companies (Auditor's report) Order, 2016 – Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date]

i. Fixed Assets

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

ii. Inventories

- The inventories, except goods-in-transit, were physically verified at reasonable intervals by the management during the year and no material discrepancies were noticed on physical verification.
- The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventories. No discrepancies were noticed on verification between the physical stock and the books records.

iii. Loans and Advances

The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a) and (iii)(b) of the said orders 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 in accordance with the provisions of Sections 73 to 76 of the Act and the Rules framed there under.

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

- According to information and explanation given to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Central Sales tax, Service tax, Customs duty, Excise duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
- According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Service tax, Central Sales-tax, Customs duty, Excise duty, Value Added Tax, Cess and other undisputed statutory dues which were outstanding, at the year end, for

a period of more than six months from the date they became payable.

- 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/Borrowings from Financial Institutions/Banks.

ix. Money Raised

The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. However, the money was raised by way of term loans from Banks/ Financial Institutions and the same were applied for the purposes for which those were raised.

x. Frauds Noticed

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial Statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company 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 financial statements etc. as required by the applicable accounting standards.

xiv. Preferential Allotment

According to the information and explanations given to us and on an overall examination of the balance sheet, during the year, the Company has allotted 93,50,000 Equity shares and 42,50,000 warrants on preferential basis the requirement of the Act have been complied with and the amount raised have been used for the purpose for which the funds were raised.

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 Companies Act, 2013 are not applicable.

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.

For **JAGI WALA AND CO**
Chartered Accountants
Firm Registration No.: 131184W

Nilesh Y Jagiwal
Partner
Membership No. 154464
Mumbai, May 30, 2017

"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, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing 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, 2017, 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 **JAGI WALA AND CO**
Chartered Accountants
Firm Registration No.: 131184W

Nilesh Jagiwal

Partner

Membership No. 154464
Mumbai, May 30, 2017

BALANCE SHEET

As at March 31, 2017

₹ in Lakhs

	Note	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholder's Fund			
Share Capital	3	17,161.17	16,226.17
Reserves and Surplus	4	27,514.14	7,809.10
Monies Received against Warrants		7,110.00	-
		51,785.32	24,035.27
Non-Current Liabilities			
Long Term Borrowings	5	17,611.61	34,749.44
Deferred Tax Liability	6	1,959.88	1,523.43
Other Long Term Liabilities	7	633.89	5,291.76
Long Term Provisions	8	19.20	13.09
		20,224.57	41,577.73
Current Liabilities			
Short Term Borrowings	9	5,727.81	3,909.21
Trade Payables	10	1,670.72	578.05
Other Current Liabilities	11	1,060.02	935.22
Short Term Provisions	12	464.50	768.13
		8,923.06	6,190.61
TOTAL		80,932.95	71,803.61
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	13	42,160.41	39,709.26
Capital Work in Progress		21,351.28	16,094.39
		63,511.69	55,803.65
Deferred Tax (Assets)	6	1,115.50	1,113.20
Long Term Loans and Advances	14	62.42	59.83
Other Non-Current Assets	15	114.15	60.79
		64,803.76	57,037.47
Current Assets			
Inventories	16	3,116.99	2,842.43
Trade Receivables	17	7,917.23	6,641.98
Cash and Cash Equivalents	18	272.74	200.42
Short Term Loans and Advances	19	1,995.54	3,125.06
Other Current Assets	20	2,826.69	1,956.25
		16,129.19	14,766.14
TOTAL		80,932.95	71,803.61
Significant Accounting Policies & Notes on Financial Statements	2 & 29		

As per our report attached
For **JAGIWALA AND CO**
Chartered Accountants
Firm Registration No.: 131184W

Nilesh Jagiwala
Partner
Membership No. 154464

Place: Mumbai
Date: May 30, 2017

Manisha Solanki
Company Secretary

Ashok G Rajani
Chairman & Managing Director
DIN: 01839535

Anand Taggarasi
Director
DIN: 06959365

For and on behalf of Board of Directors

STATEMENT OF PROFIT & LOSS

For the period ended March 31, 2017

		₹ in Lakhs	
	Note	2016-17	2015-16
INCOME			
Revenue from Operations	21	33,195.16	29,485.06
Less: Duties & Taxes		2,334.64	1,957.02
Revenue From Operations (Net)		30,860.52	27,528.04
Other Income	22	84.57	183.75
Total Revenue		30,945.09	27,711.79
EXPENDITURE			
Cost of Material Consumed (including stock-in-trade)	23	22,729.46	20,330.55
Change in Inventories of Finished Goods, Stock in Process & Stock in Trade	24	(327.83)	1,353.48
Employee Benefit Expenses	25	284.31	214.18
Finance Cost	26	1,412.58	1,271.94
Depreciation and Amortisation Expenses	13 & 27	1,388.96	1,093.21
Other Expenses	28	785.51	804.31
Total Expenses		26,273.00	25,067.67
Profit Before Tax		4,672.09	2,644.12
Tax Expenses			
Current Tax		954.43	563.92
Earlier Year Tax		(9.06)	-
MAT Credit Entitlement		(913.66)	(564.30)
Deferred Tax (Net)		434.15	(33.86)
Net Tax Expenses		465.86	(34.23)
Net Profit for the period		4,206.23	2,678.35
Earnings per Equity Share of face value of ₹ 10 each			
Basic (₹)		28.24	24.35
Diluted (₹)		25.24	24.35
Significant Accounting Policies & Notes on Financial Statements	2 & 29		

As per our report attached
For **JAGIWALA AND CO**
Chartered Accountants
Firm Registration No.: 131184W

For and on behalf of Board of Directors

Nilesh Y Jagiwala
Partner
Membership No. 154464

Manisha Solanki
Company Secretary

Ashok G Rajani
Chairman & Managing Director
DIN: 01839535

Anand Taggarshi
Director
DIN: 06959365

Place: Mumbai
Date: May 30, 2017

CASH FLOW STATEMENT

For the period ended March 31, 2017

₹ in Lakhs

	2016-17		2015-16	
A: CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit After Tax as per Statement of Profit and Loss		4,206.23		2,678.35
Adjustment for				
Depreciation and Amortisation	1,388.96		1,093.21	
Finance Cost	1,412.58		1,271.94	
Interest Income	(19.00)		(25.49)	
Other Non-Operating Income	(65.57)		(158.26)	
		2,716.98		2,181.40
Operating Profit before Working Capital changes		6,923.21		4,859.75
Changes in Working Capital				
Adjustment for (increase)/decrease in operating assets:				
Trade Receivables	(1,275.25)		(1,400.03)	
Inventories	(274.56)		1,330.18	
Short Term Loans and Advances	1,129.52		(3,078.10)	
Other Current Assets	(870.44)		(677.49)	
Adjustment for increase/(decrease) in operating liabilities:				
Trade Payables	1,092.67		(54.95)	
Other Current Liabilities	78.02		118.27	
Short Term Provisions	(256.84)		458.49	
		(376.88)		(3,303.64)
Net Cash from / (used in) Operating Activities (A)		6,546.32		1,556.11
B: CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES:				
Capital expenditure on fixed assets, including capital advances	(9,097.01)		(6,818.56)	
Other Non-Current Assets	(55.66)		(252.62)	
Dividend on Preference Shares	(151.26)		(151.26)	
Provision for Dividend on Equity Shares	(244.93)		(132.39)	
Long Term Loans and Advances	(2.59)		(4.86)	
Other Long Term Provisions	6.11		4.96	
Other Long Term Liabilities	(4,221.42)		135.13	
Other Non-Operating Income	65.57		158.26	
Net Cash Flow from / (used in) Investing Activities (B)		(13,701.19)		(7,061.35)
C: CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES:				
Finance Cost	(1,412.58)		(1,271.94)	
Interest Income	19.00		25.49	
Proceeds from Issue of Equity Shares	16,830.00		-	
Proceeds from Issue of Share Warrants	7,110.00		-	
Proceeds from Long Term Borrowings	(17,137.84)		7,564.94	
Proceeds from Short Term Borrowings	1,818.60		(797.48)	
Net Cash Flow From / (used in) Financing Activities (C)		7,227.18		5,521.01
Net Increase / (Decrease) In Cash and Cash Equivalent (A + B + C)		72.32		15.78
Cash and Cash Equivalents at the Beginning of the Year		200.42		184.64
Cash and Cash Equivalents at the End of the Year (Refer Note No. 18)		272.74		200.42

As per our report attached
For **JAGIWALA AND CO**
Chartered Accountants
Firm Registration No.: 131184W

Nilesh Y Jagiwal
Partner
Membership No. 154464

Place: Mumbai
Date: May 30, 2017

Manisha Solanki
Company Secretary

Ashok G Rajani
Chairman & Managing Director
DIN: 01839535

Anand Taggarsi
Director
DIN: 06959365

For and on behalf of Board of Directors

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

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, Pharmaceutical Intermediates, Agrochemical Intermediates and Inorganic Chemical Intermediates.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis for Preparation of Financial Statements

2.1.1. The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP"), the Accounting Standards ("AS") as specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies' (Accounts) Rules 2014. The financial statements are prepared on the basis of going concern under the historical cost convention using the accrual method of accounting. The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the 2013 Act.

2.1.2. The financial statements have been prepared on accrual basis under the historical cost convention except for those with significant uncertainties. The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

2.1.3. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule III to the Act. Based on the nature of business and its activities, the Company has ascertained its operating cycle as twelve months for the purpose of Current & Non-Current classification of Assets & Liabilities.

2.2. Use of Estimates:

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

2.3. Inventories:

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

2.4. Fixed Assets (Tangible) and Depreciation

Fixed assets are stated at their original cost, less accumulated depreciation / amortization and impairment losses, if any. The Original Cost of fixed assets includes its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the assets ready for its intended use, interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses related to acquisition, installation and other pre-operative expenses incurred up to that date which generally coincides with the commissioning date of such assets.

Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets subsequent expenditure, if any, on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in future benefits from such assets beyond its previously assessed standard of performance.

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

Capital Work in Progress

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

Depreciation and Amortization

Depreciation has been provided as per Section 123 of the 2013 Act on a straight line method basis ("SLM") over the estimated useful lives. Management believes based on a technical evaluation that the revised useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

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

2.5. Leases

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

2.6. Revenue Recognition

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

Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

2.7. Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect the ultimate collection.

2.8. Foreign Currency Transactions

Initial Recognition

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

Measurement at the Balance Sheet date

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

Treatment of exchange differences

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

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

2.9. Employee benefits

Employee benefits include Gratuity fund, Compensated absences, Long service awards.

Defined benefit plans

For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term Employee Benefits

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

renders the related service. The cost of such compensated absences is accounted as under:

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

Long-term Employee Benefits

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

2.10. Finance Costs

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

2.11. Segment Reporting

The Company has disclosed business segment as primary segment. The Company operates in four segments: Specialty Chemicals Intermediates, Inorganic Chemical Intermediates and Agrochemical Intermediates, Pharmaceutical Intermediates.

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

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

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

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

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

- i. India
- ii. Outside India

2.12. Earnings per share

Basic earnings per share are computed by dividing the net profit for the year by the weighted average number of Ordinary equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year by the weighted average number of Ordinary equity shares outstanding during the year plus the weighted average no of Ordinary equity shares that would be issued on conversion of all the dilutive potential ordinary equity shares in Ordinary equity shares.

2.13. Taxes on Income

Tax on income for the current period is determined on the basis of taxable income after considering the various deductions available under the Income Tax Act, 1961. Income Tax comprises both current and deferred tax.

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

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

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable

income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisation. Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss

2.14. Research and Development Expenses

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

2.15. Impairment of Assets

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

2.16. Provisions and Contingencies

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

2.17. Cash and Cash equivalents (for purposes of Cash Flow Statement)

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

2.18. Cash Flow Statement

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

2.19. Service tax input credit

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

3. SHARE CAPITAL

3.1. Authorised Capital

₹ in Lakhs

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	Amount	No. of Shares	Amount
Class of Shares				
Equity Shares of ₹ 10 each	25,000,000	2,500	19,700,000	1,970
Non-Convertible Redeemable Preference Shares of ₹10 each	151,300,000	15,130	151,300,000	15,130
Total	176,300,000	17,630	171,000,000	17,100

3.2. Issued, Subscribed and Paid up Capital (Fully Paid up)

₹ in Lakhs

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	Amount	No. of Shares	Amount
Class of Shares				
Equity Shares of ₹ 10 each fully paid up	20,350,000	2,035.00	11,000,000	1,100
Non-Convertible Redeemable Preference Shares of ₹ 10 each (NCRPS)	151,261,714	15,126.17	151,261,714	15,126.17
Total	171,611,714	17,161.17	162,261,714	16,226.17

3.3. The reconciliation of the number of shares outstanding is set out below

₹ in Lakhs

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares at the beginning of the year		11,000,000		11,000,000
Movement during the year		+9,350,000		-
Equity Shares at the end of the year		20,350,000		11,000,000
NCRPS at the beginning of the year		151,261,714		-
Movement during the year		-		+ 151,261,714
NCRPS at the end of the year		151,261,714		151,261,714

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

₹ in Lakhs

Name of the shareholders	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	%	No. of Shares	%
Mr. Ashok G Rajani	4,765,329	23.42	4,673,070	42.48
Mrs. Shalini A Rajani	2,761,930	13.57	2,761,930	25.11
Whiz Enterprise Pvt Ltd	2,651,918	13.03	-	-
Reliance Small Cap fund	2,000,000	9.83	-	-

3.5. Rights, preferences and restrictions attached to shares

The Company has only one class of Equity Shares having a par value of ₹10/- per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of Shareholders, except in case of interim dividend. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholding.

3.6. 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.

3.7. During the period under review the Company has allotted 9,350,000 Equity Shares and 4,250,000 convertible warrants of face value of ₹ 10/- each and at a premium of ₹170/-. Out of 4,250,000 convertible warrants, 3,850,000 warrants have been issued to Promoters (including related Parties) and 400,000 warrants have been issued to Non-Promoters, on a preferential basis entitling the allottee of warrants, from time to time to apply for and obtain allotment of one equity share of the face value of ₹ 10/- each fully paid up against each of such warrant at Price and on such terms and conditions as have been approved in the Extra-Ordinary General Body Meeting (EOGM) on November 1, 2016 in accordance with applicable provisions of law including SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended thereof. The Company has received full subscription money from the Promoters (including related parties) being 100% of the warrant price and subscription money from Non-Promoter being 25% of warrant price in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Fully paid-up equity shares of the face value of Rs. 10/- each of the Company will be allotted to both Promoters (including Related parties) and Non-Promoters on receipt of balance 75% warrant price from Non-Promoters on each warrant within eighteen months from 1st November 2016.

4. RESERVES AND SURPLUS

₹ in Lakhs

	As at March 31, 2017	As at March 31, 2016
General Reserves		
Opening Balance	2,013.53	2,013.53
Add: Transferred from surplus in statement of Profit and Loss	-	-
Less: Utilised / transferred during the year	-	-
Closing Balance	2,013.53	2,013.53
Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	5,795.57	3,400.88
Add: Profit / (Loss) during the year	4,206.23	2,678.35
Less: Dividend on Preference Shares	151.26	151.26
Less: Dividend on Equity Shares (incl. DDT)	244.93	132.39
Closing Balance	9,605.61	5,795.57
Securities Premium Account	15,895.00	-
TOTAL	27,514.14	7,809.10

5. Long Term Borrowings

₹ in Lakhs

	As at March 31, 2017	As at March 31, 2016
Term Loans		
From Banks		
Secured (Refer Note No. 11)	9,330.10	8,980.58
Loans & Advances from related parties		
Unsecured	8,281.50	25,768.86
TOTAL	17,611.61	34,749.44

5.1. Rupee Term Loan from banks comprises of Loan taken for expansion project of ₹9,326.53 Lakhs and Car loan of ₹3.57 Lakhs

5.1.1. Term loan for expansion of project is secured by way of first charge, having pari-passu rights, on factory – land and building (Save and except stock and book debts), situated at one of the Company's location.

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

5.2. Terms of Repayments of Secured / Unsecured Loans

₹ in Lakhs

Period	Amount
2 to 4 Years	4,811.80
4 to 7 Years	4,514.73
TOTAL	9,330.10

6. DEFERRED TAX (DISCLOSURES UNDER AS-22)

₹ in Lakhs

	As at March 31, 2017	As at March 31, 2016
Deferred Tax Liability		
On difference between book balance and tax balance of Depreciation	1,266.81	820.93
On expenditure deferred in the books but allowable for tax purposes	699.75	699.75
Allowances Under 43B	28.95	34.66
On difference between amortisation of Preliminary in books and as per Tax	(6.19)	(2.46)
Expenses earlier allowed Under 43B, now written back	(29.45)	(29.44)
	1,959.88	1,523.44
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	2.88	2.88
Assets arising due to Provisions of Income Tax Act	1,104.63	1,102.33
	1,115.50	1,113.20
Deferred Tax (Net)	844.38	410.24

7. OTHER LONG TERM LIABILITIES

₹ in Lakhs

	As at March 31, 2017	As at March 31, 2016
Others		
Other Payables for Goods & Services	633.89	5,291.76
TOTAL	633.89	5,291.76

8. LONG TERM PROVISIONS

	As at March 31, 2017	As at March 31, 2016
Provisions for Employee Benefits		
Provision for Gratuity	19.20	13.09
TOTAL	19.20	13.09

9. SHORT TERM BORROWINGS

	As at March 31, 2017	As at March 31, 2016
Loans Repayable on Demand		
From Banks		
Secured	5,727.81	3,909.21
TOTAL	5,727.81	3,909.21

*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.

10. TRADE PAYABLES

	As at March 31, 2017	As at March 31, 2016
Other than Acceptances	477.32	265.61
Acceptances	1,193.39	312.44
TOTAL	1,670.72	578.05

11. OTHER CURRENT LIABILITIES

	As at March 31, 2017	As at March 31, 2016
Current maturity of long term debt (Refer Note No. 5)	655.90	656.84
Other Payables		
Advance from customers	15.65	15.35
Statutory Remittances	77.22	35.98
Unclaimed dividend	24.39	-
Other trade payables for Goods and Services	286.86	227.05
TOTAL	1,060.02	935.22

12. SHORT TERM PROVISIONS

	As at March 31, 2017	As at March 31, 2016
Provisions –For Employee Benefits		
Provisions for Bonus	16.75	18.05
Provisions – Other		
Provisions for Tax	141.71	562.67
Others	306.04	187.41
TOTAL	464.50	768.13

13. FIXED ASSETS

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 31-Mar-16	Additions	Deduction / Transfer	As at 31-Mar-17	Upto 31-Mar-16	For the Year	Deduction / Transfer	Upto 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
Tangible Assets										
Leasehold Land	22,045.70	0.56	-	22,046.26	-	-	-	-	22,046.26	22,045.70
Buildings	2,729.53	25.41	-	2,754.94	468.67	107.28	-	575.95	2,179.00	2,260.86
Plant & Machinery	21,638.02	3,579.13	-	25,217.15	6,277.70	1,252.58	-	7,530.27	17,686.88	15,360.33
Furniture & Fixtures*	26.38	3.35	-	29.73	15.16	2.38	-	17.55	12.18	11.22
Vehicles	46.64	210.47	-	257.11	15.48	5.54	-	21.03	236.09	31.16
TOTAL	46,486.28	3,818.93	-	50,305.20	6,777.01	1,367.78	-	8,144.79	42,160.41	39,709.26
PREVIOUS YEAR	41,213.02	5,273.25	-	46,486.28	5,699.71	1,077.31	-	6,777.01	39,709.26	35,513.31

*Includes Office Equipments

14. LONG TERM LOANS AND ADVANCES

₹ in Lakhs

	As at March 31, 2017	As at March 31, 2016
Security Deposits		
Unsecured, Considered Good	62.42	59.83
TOTAL	62.42	59.83

15. OTHER NON-CURRENT ASSETS

₹ in Lakhs

	As at March 31, 2017	As at March 31, 2016
Provisions for Employee Benefits	19.20	13.09
Preliminary Expenses	94.95	47.70
TOTAL	114.15	60.79

16. INVENTORIES

₹ in Lakhs

	As at March 31, 2017	As at March 31, 2016
Raw Materials	55.50	91.13
Goods in Transit	12.18	28.82
	67.68	119.95
Work in Progress	2,837.29	2,573.68
Manufactured Goods	193.49	129.27
Other Inventories	17.70	18.29
Others	0.84	1.25
TOTAL	3,116.99	2,842.43

17. TRADE RECEIVABLES

₹ in Lakhs

	As at March 31, 2017	As at March 31, 2016
Other Trade Receivable		
Unsecured, considered good	7,913.20	6,625.83
Outstanding for a period exceeding six months from the date		
Unsecured, considered good	4.03	16.15
TOTAL	7,917.23	6,641.98

18. CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at March 31, 2017	As at March 31, 2016
Cash on hand	13.25	9.87
Balances with Banks		
In Current Accounts	59.36	13.29
In Deposit Accounts *	200.13	177.26
TOTAL	272.74	200.42

* Deposits of ₹126.53 Lakhs (Previous year ₹108.75 Lakhs) are held as margin money against Short Term Borrowings.

Specified Bank Notes

Pursuant to the notification issued by MCA vide G.S.R. 308 (E) dated 30th March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November 2016 to 30th December 2016, the Company has disclosed denomination wise SBN's and other Denomination notes as under

₹ in Lakhs

	SBN	Other Denomination Notes	Total
Closing Cash on hand as on 8th November 2016	8.98	0.46	9.44
(+) Permitted receipts	-	20.14	20.14
(-) Permitted payments	-	4.97	4.97
(-) Amounts deposited in banks	8.98	-	8.98
Closing cash on hand as on 30th December 2016	-	15.63	15.63

19. SHORT TERM LOANS AND ADVANCES

	₹ in Lakhs	
	As at March 31, 2017	As at March 31, 2016
Others - Unsecured, Considered good		
Advance to Supplier of Goods and Services	1,986.97	3,117.64
Loans and Advances to Employees	8.57	7.42
TOTAL	1,995.54	3,125.06

20. OTHER CURRENT ASSETS

	₹ in Lakhs	
	As at March 31, 2017	As at March 31, 2016
Accruals		
Interest Accrued on Deposit	2.19	13.82
Interest Accrued but not due on borrowings	-	102.61
Others		
MAT Credit Entitlements	1,957.74	1,044.08
Balance with Government Authorities	748.69	746.38
Preliminary Expenses	32.76	15.91
Prepaid Expenses	84.29	32.42
Other Current Assets	1.03	1.03
TOTAL	2,826.69	1,956.25

21. REVENUE FROM OPERATIONS

	₹ in Lakhs	
	2016-17	2015-16
Sale of Products (Refer Note No. 21.1)	33,195.16	29,485.06
Revenue from Operations (Gross)	33,195.16	29,485.06
Less: Duties & Taxes	2,334.64	1,957.02
Revenue From Operations (Net)	30,860.52	27,528.04

21.1 Details of Product sold (net of excise duty)

	₹ in Lakhs	
	2016-17	2015-16
Sale of Finished Goods (including Stock in trade)		
Speciality Chemical intermediates	30,655.48	26,177.73
Pharmaceutical intermediates	163.11	362.95
Inorganic intermediates	30.63	8.52
Agrochemical intermediates	11.30	60.57
Organic intermediates	-	918.28
TOTAL	30,860.52	27,528.04

22. OTHER INCOME

	₹ in Lakhs	
	2016-17	2015-16
Interest Income Comprises		
Interest received from Banks on:		
Deposits	14.46	21.76
Other Interest	4.54	3.74
Other Non-Operating Income Comprises		
Liability/Provisions no longer required written back	65.57	158.26
TOTAL	84.57	183.75

23. COST OF MATERIAL CONSUMED (INCLUDING STOCK-IN-TRADE)

	₹ in Lakhs	
	2016-17	2015-16
Opening Stock	112.75	82.33
Add: Purchases	22,682.84	20,360.97
	22,795.60	20,443.30
Less: Closing Stock	66.14	112.75
COST OF RAW MATERIAL CONSUMED	22,729.46	20,330.55

23.1 Details of Raw Material Consumed (including stock-in-trade)

₹ in Lakhs

	2016-17	2015-16
Aromatics	11,584.01	5,182.82
Acids	4,204.71	3,189.37
Others	6,940.74	11,958.36
TOTAL	22,729.46	20,330.55

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

₹ in Lakhs

	2016-17	2015-16
(A) Inventories at the beginning of the year		
Manufactured Goods	129.27	144.96
Work in Process	2,573.68	3,911.47
	2,702.95	4,056.43
(B) Inventories at the end of the year		
Manufactured Goods	193.49	129.27
Work in Process	2,837.29	2,573.68
	3,030.78	2,702.95
NET (INCREASE) / DECREASE IN INVENTORIES (A – B)	(327.83)	1,353.48

25. EMPLOYEE BENEFIT EXPENSES

₹ in Lakhs

	2016-17	2015-16
Salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under their contract of service / employment	263.80	205.57
Contributions to Provident and other Fund	17.97	4.75
Staff Welfare Expenses	2.54	3.86
TOTAL	284.31	214.18

26. FINANCE COST

₹ in Lakhs

	2016-17	2015-16
Interest Expenses on		
Borrowings	1,388.20	1,176.92
Trade Payables	0.44	13.27
Others	0.08	31.14
Others		
Bank Charges	2.84	23.86
Other Borrowing Cost	21.03	26.75
TOTAL	1,412.58	1,271.94

27. DEPRECIATION AND AMORTISATION

₹ in Lakhs

	2016-17	2015-16
Depreciation (Refer Note No.13)	1,367.78	1,077.31
Preliminary Expenses Amortised	21.18	15.91
TOTAL	1,388.96	1,093.21

28. OTHER EXPENSES

₹ in Lakhs

	2016-17	2015-16
Consumption of Stores and Spares	1.72	2.97
Consumption of Packing Material	22.36	11.88
Increase/(decrease) of excise duty on inventory	7.14	(1.74)
Power & Fuel charges	509.74	432.39
Repairs and Maintenance – Machinery	45.68	33.10
Rent	22.40	22.40
Insurance	14.24	14.19
Sales Promotions, Discounts & other Selling expenses	44.27	220.55
Payment to Auditors (Refer Note No. 28.1)	6.80	6.75
Miscellaneous Expenses	111.15	61.83
TOTAL	785.51	804.31

28.1 Payment to Auditors

	2016-17	2015-16
As Auditor – Statutory Audit Fees	3.95	3.90
For Taxation Matters	1.50	1.50
For Company Law Matters	0.75	0.75
For other services	0.60	0.60
TOTAL	6.80	6.75

29. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS**29.1. Contingent liabilities and Capital commitments to the extent not provided**

	As at March 31, 2017	As at March 31, 2016
Contingent Liabilities		
<i>Financial Instruments</i>		
Letter of Credit	465.00	251.20
Bank Guarantees		
-Financial	12.32	14.41
-Performance	25.00	25.00
Capital Commitments		
<i>Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital Advances):</i>		
-Tangible Assets	6,229.83	11,486.73
TOTAL	6,732.15	11,777.34

29.2. 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.

29.3. 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.

29.4. Value of imports calculated on CIF basis: NIL (Previous Year: NIL)**29.5. Expenditure in Foreign Currency**

	2016-17	2015-16
Subscription Charges	3.10	-
TOTAL	-	-

29.6. Amounts remitted in foreign currency during the year on account of dividend: NIL (Previous year: NIL)**29.7. Earnings in Foreign Exchange: NIL (Previous Year: NIL)****29.8. Details of Consumption of Imported and Indigenous items**

	2016-17		2015-16	
	₹ in Lakhs	%	₹ in Lakhs	%
Indigenous				
Raw Material	22,729.46	100	20,330.55	100
Spare Parts	1.72	100	2.97	100
	22,731.18	100	20,333.52	100
Imported				
Raw Material	-	-	-	-
Spare Parts	-	-	-	-
TOTAL	22,731.18	100	20,333.52	100

29.9. Disclosure under AS-15: Employee Benefits**29.9.1. 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.

29.9.2. 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.

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

29.9.4. 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.

29.9.5. 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.

29.9.6. The following table set out the funded status and amounts recognised in Company's financial statements as at March 31, 2017 for Defined Benefit Plan. (Disclosure as per AS-15)

₹ in Lakhs

	2016-17		2015-16	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Changes in Present value of Obligation				
At the beginning of the year	13.09	6.29	8.13	4.34
Current Service Cost	4.44	3.38	3.33	2.62
Interest Cost	0.98	0.50	0.65	0.34
Actuarial(Gain)/Loss on obligation	2.39	(3.20)	0.98	(1.01)
Benefit Paid	(1.70)	-	-	-
At the Close of the year	19.20	6.97	13.09	6.29
Changes in fair value of Plan Assets				
At the beginning of the year	13.86	-	8.96	-
Expected return on plan assets	1.44	-	0.96	-
Actuarial(Gain)/Loss	(0.75)	-	0.00	-
Employer Contribution	6.86	-	4.10	-
Benefit Paid	(1.70)	-	-	-
At the Close of the year	19.71	-	13.86	-
Reconciliation of fair value of assets and funded obligations				
Present Value of plan assets at the end of the year	19.71	-	13.86	-
Present Value of obligation at the end of the year	19.20	-	13.09	-
Net Assets / (Liability) recognised in the Balance Sheet	0.51	(6.97)	0.76	(6.29)
Expenses Recognised in the Statement of Profit & Loss				
Current Service Cost	4.44	3.38	3.33	2.62
Interest Cost	0.98	0.50	0.65	0.34
Expected Return on Plan Assets	(1.44)	-	(0.96)	-
Actuarial (Gain)/Loss	3.14	(3.20)	1.14	(1.01)
Expenses recognized in the Statement of Profit & Loss	7.12	0.68	4.16	1.95
Actuarial Assumptions				
Mortality Table	IALM (2006-08) Ult.		IALM (2006-08) Ult.	
Discount Rate (per annum)	7.33%	7.33%	8%	8%
Expected return on plan assets (per annum)	8.15%	-	8.75%	-
Rate of escalation in salary (per annum)	4%	4%	4%	4%

29.10. Disclosure under AS-17: Segment Information

	₹ in Lakhs	
	2016-17	2015-16
Revenue (Net of Excise)		
Inorganic Intermediates	30.63	8.52
Organic Intermediates	-	918.28
Speciality Chemical Intermediates	30,655.48	26,177.73
Pharmaceutical Intermediates	163.11	362.95
Agrochemicals Intermediates	11.30	60.57
Total Revenue	30,860.52	27,528.04
Segment Results		
Speciality Chemical Intermediates	8,402.69	5,557.36
Pharmaceutical Intermediates	44.71	77.05
Inorganic Intermediates	8.40	1.81
Agrochemicals Intermediates	3.10	12.86
Organic Intermediates	-	194.94
Total Results	8,458.89	5,844.02
Less:		
i Finance Cost	1,412.58	1,271.94
ii Other Unallocable Expenditure (net of un-allocable income)	2,374.22	1,927.97
Total Profit Before Tax	4,672.09	2,644.11
Tax Expenses	465.86	(34.23)
PROFIT AFTER TAX	4,206.23	2,678.35

29.10.1. Classification of Business Segments*Primary Segments*

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

Secondary Segments

The Company sells its products mainly within India where the conditions prevailing are uniform. Hence disclosures w.r.t. Secondary segments have not been provided.

29.10.2. Segment-wise Capital Employed

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

29.11. Disclosures under AS-18: Related Party Disclosures**29.11.1. Details of Related Parties:**

Description of Relationship	Name of the Parties
Key Management Personnel (KMP)	1. Mr. Ashok G Rajani – Chairman & Managing Director 2. Mr. A. K. Bhowmik – Director
Company in which either of KMP or their Relatives can exercise significant influence	-

29.11.2. Related Party Transactions details during the year ended March 31, 2017 and Balances Outstanding as on that day

	₹ in Lakhs			
	KMP		Entities in which KMP/ Relatives of KMP have significant influence	
Nature of Transaction	2016-17	2015-16	2016-17	2015-16
Remuneration to Directors	27.55	27.08	-	-
Leasing arrangements	-	-	22.40	22.40
Unsecured Loans Taken/(Repaid)	73.85	(2.60)	2,456.42	-
Balances outstanding at the end of the year:				
Long Term Borrowings (unsecured)	60.57	134.42	-	-

29.12. Disclosure under AS-19: Leases

The Company has entered into operating lease arrangements as Lessee for certain facilities and office premises. The lease is non-cancellable and is for a period of 10 years and may be renewed for a further period of 10 years based on mutual agreement of the parties. The lease agreements does provide for any increase in the lease payments.

₹ in Lakhs

	2016-17	2015-16
Future minimum lease payments		
not later than one year	22.40	22.40
Lease Payments Recognised In the Statement of Profit And Loss	22.40	22.40

29.13. Disclosure under AS-20: Earnings Per Share

₹ in Lakhs

	2016-17	2015-16
Nominal Value of Equity Shares (₹)	10/-	10/-
Net Profit available for equity shareholders (₹ in Lakhs)	4,206.23	2,678.35
Weighted average Number of shares Outstanding for basic EPS	14,895,833	11,000,000
Weighted average Number of shares Outstanding for diluted EPS	16,666,667	11,000,000
Basic Earnings Per Share (₹)	28.24	24.35
Diluted Earnings Per Share (₹)	25.24	24.35

29.14. 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.

29.15. 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.

29.16. Impairment of Assets (AS-28)

Based on exercise of impairment of assets undertaken by the management in due cognizance of paragraphs 5 to 13 of Accounting standard -28, the Company has concluded that no impairment loss is required to be booked.

29.17. Previous Year's figures:

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

As per our report attached
For **JAGI WALA AND CO**
Chartered Accountants
Firm Registration No.: 131184W

For and on behalf of Board of Directors

Nilesh Jagiwal
Partner
Membership No. 154464

Manisha Solanki
Company Secretary

Ashok G Rajani
Chairman & Managing Director
DIN: 01839535

Anand Taggar
Director
DIN: 06959365

Place: Mumbai
Date: May 30, 2017

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-SEVENTH 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 WEDNESDAY, SEPTEMBER 27, 2017, AT 2:00 P.M. TO TRANSACT FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2017 and the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date, together with Director's Report and the Auditor's Report thereon;
2. To declare dividend of ₹1/- per equity Share of ₹10/- each (i.e. @10%) for the Financial Year 2016-17
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, in place of retiring auditor M/s. Jagiwala And Co. to hold office from the conclusion of this 27th Annual General Meeting till the conclusion of the 28th 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. Ratification of remuneration of Cost Auditor for F.Y. 2017-18 and in this regards, 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 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, M/s. Hemant Shah & Associates, Cost Accountants who have been appointed Cost Auditor of the Company be paid are remuneration of ₹85,000/- plus applicable taxes to conduct the audit of cost records of the Company as prescribed under the Companies (Cost Records and Audit), Rules 2014, for the Financial Year ending March 31, 2018.

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. **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.**
2. Person can act as proxy on behalf of members not exceeding

a count of fifty and holding in the aggregate not more than ten percent of total share capital of the Company carrying voting rights. A member holding more than ten percent 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.

3. 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.
4. 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.
5. 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.
6. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the special Business to be transacted at the Meeting is annexed hereto.
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 Thursday September 21, 2017 to Wednesday, September 27, 2017 both days inclusive.

The dividend, if declared at the meeting, will be paid on or after September 29, 2017 to those persons:

- (a) whose names appear as beneficial owners as at the end of the business hours on Wednesday, September 20, 2017 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 Wednesday, September 20, 2017.

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 Universal Capital Securities Private Limited (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.** The Security and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities Market. Members holding shares in electronic mode are, therefore, requested to submit their PAN to their Depository Participant(s), with whom they are maintaining their Demat account(s). Members holding shares in Physical form can submit their PAN to the Company / RTA.
- 12. 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.**
- 13.** 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 while those Members holding shares in dematerialized mode should file their nomination with their Depository Participant.
- 14.** 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).
- 15.** 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.
- 16.** 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.
- 17.** Members may also note that the Notice of the Meeting and the Annual Report for FY 2016-17 will also be available on the Company's website www.seya.in to download.
- 18.** A Route Map showing directions to the venue of the 27th Annual General Meeting and nearby prominent landmark is given at the end of this Notice.
- 19. 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 Sunday, September 24, 2017, (9.00 a.m. IST) and ends on Tuesday, September 26, 2017, (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. Wednesday, September 20, 2017 may cast

their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5:00 p.m. on September 26, 2017. 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, 2017.

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 (which is mentioned on address label affixed on annual report). 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 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 for Seya Industries Ltd.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the set password, then enter the User ID and the Image verification Code and click on 'Forgot password' option and enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from app Store and the Windows Phone Store respectively. Please follow the instructions as promoted by the mobile app while voting on your mobile.

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. Ms. Dipali Kapadia (Membership No. ACS 31157) of M/s. Dipali Kapadia & 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 immediately 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 late than two days 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. Wednesday, September 27, 2017.

By Order of the Board of Directors
For Seya Industries Ltd.

Manisha Solanki
Company Secretary and Compliance Officer

Date: August 26, 2017

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. 4

M/s. Jagiwal and Co., Chartered Accountants, Mumbai (ICAI Firm Registration No. 131184W), were appointed as auditors before the enactment of Companies Act, 2013, they are holding office of the Auditors upto conclusion of the 27th AGM. As per second provision to Section 139(2) of the Act, a transition period of three years from the commencement of the Companies Act, 2013 is provided to appoint a new Auditor if the existing auditor's firm has completed terms of five consecutive years. Accordingly, as per the said requirements of the Act, M/s. Anil Chauhan & Associates, Chartered Accountants (Firm Registration No.140786W) are proposed to be appointed as auditors for a period of One year commencing from the Conclusion of 27th AGM till the conclusion of 28th AGM, by shareholders, as may be applicable, in place of M/s. Jagiwal and Co., Chartered accountants. M/s. Anil Chauhan & Associates, Chartered Accountants, have consented to the said appointment, and confirmed that their appointment, if made would be within the limits specified under section 141 (3) (g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditor in terms of the provisions of the proviso to Section 139 (1), Section 141(2) and Section 141(3) of the Act and the Provisions of the Companies (Audit and Auditors) Rules, 2014. The Audit Committee and the Board of Directors recommend the appointment of M/s. Anil Chauhan & Associates, Chartered Accountants, as statutory auditors of the Company from the conclusion of the 27th AGM till the Conclusion of 28th AGM, to the shareholders.

None of the Directors or KMP or relatives of Directors and KMP is concerned or interested in the resolution at item no. 4 of the accompanying Notice.

Item No. 5

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.

The Board, on the recommendation of the Audit Committee, has approved the appointment and the remuneration of the Cost Auditors to conduct the Audit of Cost records of the Company for the financial year ending 31st March 2018.

In accordance with the provisions of Section 148 of the Companies act, 2013 read with the Rules the remuneration payable to the Cost Auditor of the Company for doing audit of the Cost records of the Company, shall be required to be approved by the members of the Company.

Accordingly, consent of the Members of the Company is sought for ratifying the remuneration payable to the Cost Auditor of the Company for the financial year ending on March 31, 2018 by way of Ordinary Resolution.

None of the Directors or KMP or relatives of Directors and KMP is concerned or interested in the resolution at item no. 5 of the accompanying Notice.

By Order of the Board of Directors
For Seya Industries Ltd.

Manisha Solanki
Company Secretary and Compliance Officer

Date: August 26, 2017
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
Date of Birth	February 1, 1954
Age	62 years
Date of Appointment	April 2, 2011
Qualification	B. Tech (Chemical Engg.)
Expertise in specific functional areas	Overall Management of Chemical Manufacturing Plants, Projects, etc
Directorships in other public limited Companies held (excluding foreign Companies and Section 8 Companies)	None
Membership of Committees / Chairmanship in other public Limited Companies (Includes only Audit and Stakeholders Relationship Committee)	None
No of Board Meeting Attended during the year	7
No. of Shares held in the Company	1000

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 SLIP27th Annual General Meeting on Wednesday, September 27, 2017 at 2:00 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 SEVENTH ANNUAL GENERAL MEETING of the Company held on Wednesday, September 27, 2017 at 2:00 p.m. at T-14, MIDC, Tarapur Industrial Area, Boisar (West), Palghar- 401506.

Name of the Member: _____ Signature _____

Name of the Proxy holder: _____ Signature _____

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

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

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

✂-----✂-----✂-----✂-----✂-----

SEYA INDUSTRIES LTD**CIN:** L99999MH1990PLC058499**Registered Office:** T-14, MIDC, Tarapur, Boisar, Dist. Palghar- 401506

☎ 022-26732894 | 📠 022-26732666, ✉ : info@seya.in, 🌐 : www.seya.in

PROXY FORM

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

Name of the Member (s): _____

Registered Address: _____

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

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

1. Name: _____ E-mail ID: _____

Address: _____

Signature _____ or failing him/her;

2. Name: _____ E-mail ID: _____

Address: _____

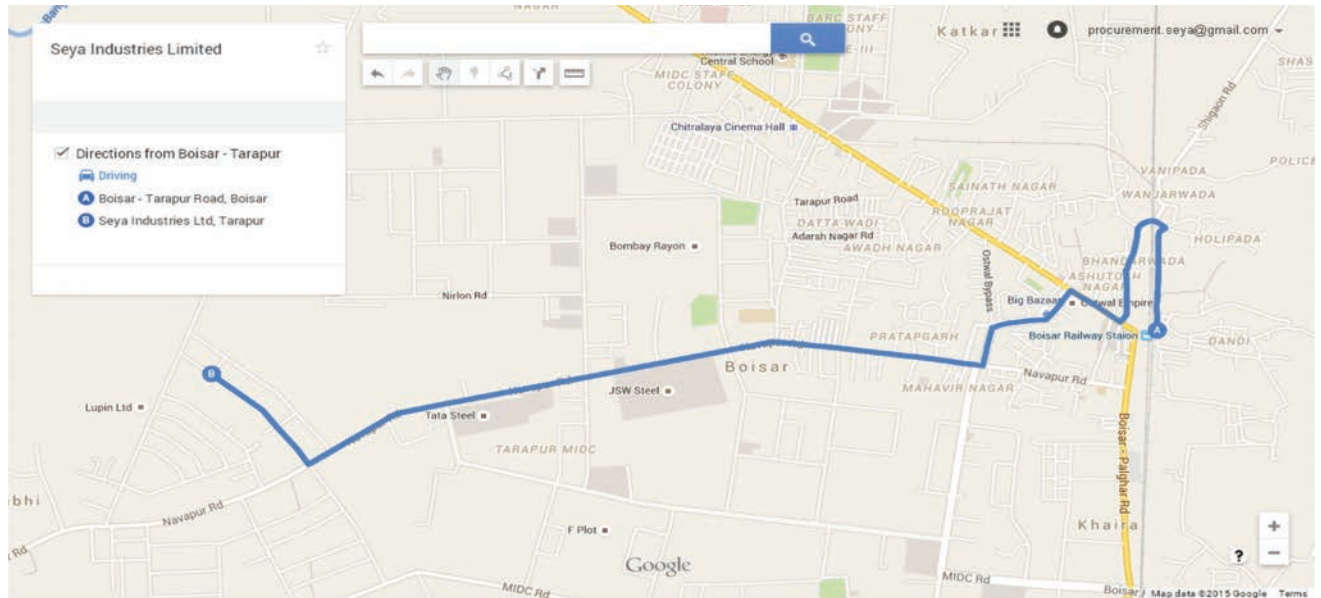
Signature _____ or failing him/her;

3. Name: _____ E-mail ID: _____

Address: _____

Signature _____as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Wednesday, September 27, 2017 at 2:00 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.	Consider and adopt Audited Financial Statements for the financial year ended on March 31, 2017, together with Reports of Board of Directors and Auditors thereon		
2.	Declare dividend on Ordinary Shares for the financial year ended March 31, 2017		
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.	Ratification of remuneration of Cost Auditors		

Signed this _____ day of _____, 2017

Signature of Shareholder: _____

Signature of Proxy holder: _____

Affix
Revenue
Stamp

NOTES:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- A Proxy need not be a member of the company.
- *Please put an 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In case of Joint holders, the signature of any one holder will be sufficient, but names of all the joint holders shall be stated.

ALL



OF





Corporate Office

Seya Industries Ltd
B-12, Ghanshyam Chamber, 502,
Link Road, Andheri West,
Mumbai-400053



Registered Office

Seya Industries Ltd
Registered Office: T-14 MIDC
Tarapur Boisar-401506 Palghar
CIN:L99999MH1990PLC058499 | BSE:524324