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# SEYA INDUSTRIES LIMITED



**21<sup>st</sup> Annual Report  
2010-2011**

**BOARD OF DIRECTORS**

Mr. Ashok G. Rajani *Chairman & Managing Director*  
Mr. Virendra Singh Khurana *Director*  
Mr. Ram Nath Arora *Director*  
Mr. Asitkumar Bhowmik *Additional Director*  
(Appointed w.e.f. from 2nd April 2011)

**Company Secretary**

Namita Tiwari

**Auditors**

M/s Jagiwala and Associates,  
Chartered Accountants  
Mumbai - 400 056.

**Solicitors**

S.K . Srivastav & Co.  
Advocates & Solicitors

**Bankers**

IDBI Bank  
Bank of India

**Registered Office & Works**

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

**Registrar and Transfer Agent**

M/s Universal Capital Securities Pvt. Ltd  
(Formerly Mondkar Computers Pvt. Ltd)  
21, Shakil Niwas, Opp. Satya  
Saibaba Temple, Mahakali Caves Road,  
Andheri (East),  
Mumbai - 400093.  
Tel.: +91 (22) 28207203-05/28257641  
Fax: +91 (22) 28207207  
E-mail: info@unisec.in

**Corporate Office**

B-12, Ghanshyam Chambers,  
New Link Road, Andheri (West),  
Mumbai- 400053.  
Tel: +91-22-26732894  
Fax: +91-22-66779569  
E-mail: corporate@seya.in,  
Website: www.seya.in

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### Your Chairman Speaks:



Dear Shareholders,

Any human adventure, no matter how singular it may seem, represents a commitment for all humanity.

Last year we had expressed tremendous hope in the future of the company and the industrial environment in which the company is to operate. Subsequent events and developments have shown that these hopes were based on a sound insight into the economic and business environment.

As promised, your company has now established the strong foundation of a well researched broad range of quality products, with economies of scale, and at the same time with full attention to a modernized and eco-friendly manufacturing process. The processes of backward and forward integration as well as the mechanics of being cost and energy effective, have also now been put in place.

Our team of dedicated professionals inspired by the wisdom of Samuel Johnson that "Great works are performed not by strength, but by perseverance", have gone the extra mile to ensure that despite various difficulties, they have managed to bring the company to a position where the commercial production has now rolled out.

The global economy has withstood the recession though its recovery has been rather sluggish. The global growth has evidenced a deceleration in the second half of calendar year 2010 to 3.8% as compared to that of first half at 5.3%. The US economy grew at 3% last year while the Euro zone was languishing at 2%. In sharp contrast emerging economies have logged in a growth in excess of 7%. China and India have pegged their growth rate at 10% and 9% as clear standouts. Your company is confident of achieving a much higher growth rate than the national average, and one that is among the best in the industry, in time to come. The journey towards that end has begun on the basis of a firm foundation.

I take this opportunity to thank our bankers, our investors, our business associates, our management team & professionals and above all our shareholders for their continuing support and faith in the company.

I am delighted by the diligent hard work put in by our employees who have cooperated and put the Company back on rails. And with the wind in our sails I feel buoyant of achieving our stretch of targets of lowest energy user and highest quality downstream products manufacturer in the near future.

Jai Hind.

Yours sincerely  
Ashok G Rajani

## **NOTICE**

NOTICE is hereby given that the Twenty-First Annual General Meeting of the members of SEYA INDUSTRIES LIMITED (Formerly known as Sriman Organic Chemical Industries Ltd.), will be held at the registered office of the Company at T -14, MIDC Tarapur, Boisar Dist. Thane- 401506, Maharashtra, on Thursday, the 29th day of September, 2011, at 4.00 p.m. to transact following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date, and also to consider reports of the Directors and Auditors' Report thereon;
2. To appoint a Director in place of Mr. Virendra Singh Khurana who retires by rotation and being eligible offers himself for reappointment;
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration by considering and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT M/s. Jagiwala and Associates, Chartered Accountants, Mumbai, the retiring Auditors of the Company, be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration as may be fixed by the Board of Directors of the Company".

### **SPECIAL BUSINESS**

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. Asitkumar Bhowmik, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, under the provisions of the Section-257 of the Companies Act, 1956, be and is hereby appointed as an Executive Director of the Company liable to retire by rotation".
5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of section 198, section 269, section 309, section 310, section 311 and other applicable provisions, if any, read with schedule XIII of the Companies Act, 1956 and all applicable guidelines for managerial remuneration issued by the Central Government from time to time and subject to any other approvals as may be necessary, consent of the company be and is here by accorded to the appointment of Mr. Asitkumar Bhowmik as an Executive Director of the Company for a period of five years from 2nd April, 2011 to 31st March, 2016 on a gross remuneration of Rs. 6.96 lacs per annum (Including Perquisites and allowances, with liberty to the Board from time to time to revise/alter/modify/amend/change the terms and conditions in such manner as may be agreed to between the Board and Mr. Asitkumar Bhowmik, in the best interest of the Company."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 16 and Section 94 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force), the Authorized Share Capital of the Company, be and is hereby increased, from Rs.12,00,00,000/- ( Rupees Twelve Crores Only) divided into 1,20,00,000 (One Crore and Twenty lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each, to Rs. 110,00,00,000/- (Rupees One Hundred and Ten Crores Only) divided into 11,00,00,000 (Eleven Crores) Equity Shares of Rs.10/- (Rupees Ten only) each, with rights, privileges and conditions attached thereto as per the relevant provisions contained in that behalf in the Articles of Association of the Company.  
RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following Clause V:  
V. "The Authorised Share Capital of the Company is Rs.110,00,00,000/- (Rupees One Hundred and Ten Crores only) divided into 11,00,00,000 (Eleven Crores) Equity Shares of Rs.10/- (Rupees Ten only) each, with rights, privileges and conditions attached thereto as per the relevant provisions contained in that behalf in the Articles of Association of the Company and with power to increase or reduce the Capital and to divide the Shares in the Capital for the time being into several classes (being those specified in the Companies Act, 1956), and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being in force, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the said Act or provided by the Articles of Association of the Company for the time being in force".  
RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard."

## SEYA INDUSTRIES LIMITED

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7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force), the existing Articles of Association of the Company be and is hereby altered by substituting the existing Article 3 with Article 3 as under :

Art 3 The Authorised Share Capital of the Company is Rs.110,00,00,000/- (Rupees One Hundred and Ten Crores only) divided into 11,00,00,000 (Eleven Crores) Equity Shares of Rs.10/- (Rupees Ten only) each, with power to increase, reduce or modify the capital of the Company and to divide the classes in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the company and to vary modify, amalgamate or abrogate any such rights, privileges or conditions, in such manner, as may be for the time being provided by the Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard."

8. To consider and if thought fit, to pass with or without modification(s), following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the condition laid down by the lenders for conversion of secured and unsecured loans into Equity Shares and pursuant to the Circular no.8/32/(75) 77-CL-V, dated 13th March 1978 issued by Company Law Board and under Section 81(4) of the Companies Act, 1956 and subject to the SEBI guidelines dated 4th August, 1994 in respect of Preferential Allotment of Shares, and Disclosure & Investor Protection, the Directors of the Company be and are hereby authorized to issue further 9,40,12,100 (Nine Crore Forty Lakhs Twelve Thousand and One Hundred) Equity Shares of Rs. 10/- (Rupees Ten only) each, at a premium, consisting of 5,12,17,600 (Five Crore Twelve Lakhs Seventeen Thousand and Six Hundred) Equity Shares at a premium of Rs. 7/- (Rupees Seven only) per share and 4,27,94,500 ( Four Crore Twenty Seven Lakhs Ninety Four Thousand and Five Hundred) Equity Shares at a premium of Rs. 5/- (Rupees Five only) per share credited as fully paid up, by conversion of and in full and final settlement of existing secured & unsecured loans taken by the company, to the extent of Rs. 151,26,16,700 (Rupees One Hundred Fifty One Crores Twenty Six Lakhs Sixteen Thousand and Seven Hundred only), into Equity Shares of the company, resulting in an increase in the subscribed/paid-up share capital of the company by Rs. 94,01,21,000 ( Rupees Ninety Four Crores One Lakh and Twenty One Thousand only)

RESOLVED FURTHER THAT the new Equity Shares so issued shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Directors be and are hereby authorized to give such directions as may be necessary or desirable and settle any question or difficulties whatsoever in regard to this issue (including the issue, allotment and listing of such new Equity Shares) as they may deem fit."

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to provisions of section 163 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the company, for keeping the Register of Members together with the index of members, the register and index of debenture holders, the copies of Annual Returns, the copies of certificates and documents required to be annexed with the Annual Return under section 161 of the Companies Act, 1956 and/or any of the other related documents as required to be kept at the Registered office of the Company, at the office of Universal Capital Securities Pvt. Ltd, (Formerly Mondkar Computers Pvt. Ltd), the Registrar and Share Transfer Agent of the Company, at 21, Shakil Niwas, Opp. Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 400093, from such date as may be determined by the Board."

RESOLVED FURTHER THAT the aforesaid Registers and Documents be kept open for inspection from 10.00 a.m. to 12.00 noon on any working day except when the Registers and Books are closed under the provisions of the Act and/or the Articles of Association of the Company.

RESOLVED FURTHER that the Board of Directors, be and is hereby authorized to terminate the arrangement of keeping the above Registers and Documents at the aforesaid address and make alternate arrangement at its discretion considering the requirements of business from time to time.

RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

### REGISTERED OFFICE

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

August 27, 2011

By order of the Board

**Ashok G Rajani**  
Chairman & Managing Director

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxies in order to be effective should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company, shall remain closed from Thursday, 15th September, 2011 to Friday, 23rd September, 2011 (both days inclusive) in connection with the Annual General Meeting.
3. The Company has appointed M/s. Universal Capital Securities Pvt. Ltd, (Formerly Mondkar Computers Pvt. Ltd). as the Registrar & Share Transfer Agent of the Company to handle the entire work relating to share transfer in both electronic and physical form.
4. Members are requested to inform the Company/RTA any change in their addresses, immediately so as to enable the Company to send any communication(s) at their correct addresses.
5. Corporate members intending to send their authorized representatives are requested to send duly certified copy of the Board Resolution authorizing their representative to attend and vote at the ensuing Annual General Meeting so as to reach the Company not later than 48 hours before the commencement of the meeting.
6. Members holding shares in physical form are requested to consider converting their holdings to dematerialize form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Registrar and Share Transfer Agent, Universal Capital Securities Pvt. Ltd, for assistance in this regard.
7. Members are requested to bring their copy of Annual Report along with them at the Annual General Meeting as extra copies of the Report will not be distributed at the Meeting.
8. Mr. Virendra Singh Khurana who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. A notice has been received from a member along with a deposit of Rs.500/- as required under Section 257 of the Companies Act, 1956.

**Brief resume of Directors seeking re-election/appointment at this Annual General Meeting are as under:**

[Pursuant to Clause 49(IV)(G) of the Listing Agreement]

Name of the Director	Mr. Asitkumar Bhowmik	Mr. Virendra Singh Khurana
Date of Birth & Age	01.02.1954 (57 yrs.)	29.05.1951 (60Yrs.)
Date of Appointment	02.04.2011	24.09.2009
Qualifications	B.Tech (Chemical Eng.)	BA (Hons) LL.M. with International Law and Taxation as specialities
Experience & Expertise in specific functional areas	Mr. Bhowmik is a Chemical Engineer with more than 33 Years of experience in Chemical Industries. He has worked with Hindustan Insecticides Ltd, Udyogamandal Unit , (Kerala) & also worked in its Rasayani Unit (MS) under various capacities. He is presently working with Seya Industries Limited at its Tarapur Plant as Production Team Leader for more than 18 yrs. With total team effort he was successful in overcoming various basic bottlenecks & commissioned MCB, PNCB & ONCB Plant. He was instrumental in resolving many issues related to safety & other problems of various chemical plants. He has also organized many seminars & delivered lectures on safety awareness & other critical issues faced by Chemical Industries.	Mr. Khurana is an advocate having a very rich and vast knowledge and experience into legal field for over 35 years. His specific functional area is contractual and taxation laws.
Directorship(s) held in other public companies	NIL	NIL
Memberships/Chairmanships of Committees across public companies	NIL	NIL
Shareholding in the Company.	NIL	NIL

## **SEYA INDUSTRIES LIMITED**

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### **Explanatory Statement:**

#### **AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**

A brief resume of the Director referred to in Item No. 4 & 5 has been duly provided above.

#### **Item No.4**

Mr. Asitkumar Bhowmik was appointed as an Additional Director of the Company by the Board of Directors on April 2, 2011. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as a Director only up to the date of the ensuing Annual General Meeting.

A notice has been received from a member along with a deposit of Rs.500/- as required under Section 257 of the Companies Act, 1956, proposing Mr. Asitkumar Bhowmik, as a candidate for the office of Director.

Mr. Bhowmik aged, 57, is a sincere, hardworking and dedicated employee of the company since 1993. He has a vast knowledge and experience in manufacture of chemicals and other related matters. Presently, as an employee, he is drawing a consolidated salary of Rs. 6.96 lacs /annum from the company as following;

Basic: 3.60 lacs

Others: 3.36 lacs

Apart from drawing salary as above, he has no other pecuniary relation with the company either directly or indirectly. The Board is of the opinion, that his appointment would be of immense benefit to the Company.

The Board recommends the passing of the Ordinary Resolutions, as set out in Item No.4 of the accompanied notice. Mr. Asitkumar Bhowmik, being concerned, is interested in the said resolutions. None of the other Directors is concerned or interested in the resolutions.

#### **Item No.5**

The Board of Directors of the Company at their meeting held on 2nd April 2011 appointed Mr. Asitkumar Bhowmik as an Additional Director who was designated as Executive Director of the Company. As an Executive Director he shall be liable to retire by rotation pursuant to the provisions of section 255 of the Companies Act, 1956. The details of remuneration payable to Mr. Asitkumar Bhowmik & other terms and conditions are as under;

#### **Remuneration**

Rs. 6.96 Lacs Per annum

#### **Term of Agreement**

5 Years

#### **Perquisites :**

- a) House Rent allowance of Rs. 10,000/- per month
- b) Reimbursement of all medical expenses incurred on self and family as per Company Rules. In addition, hospitalization expenses for self and family will be paid on actual basis.
- c) Leave Travel Assistance Rs. 40,000/- Per Annum
- d) Suitable Personal Accident Insurance premium shall be paid by the Company.
- e) Contribution to Provident fund and Superannuation funds per Company Rules.
- f) Gratuity as per the Scheme of the Company; and
- g) Privilege Leave as per Company Rules. Leave not availed of may be encashed as per Company Rules.

#### **Commission**

Commission shall be decided by the Board of Directors based on the net profits of the Company for each year subject

to the condition that the aggregate remuneration of an Executive Director shall not exceed limit laid down under Section 309 of the Companies Act, 1956.

**Sitting Fees**

The Executive Director shall not be entitled to receive any fees for attending meeting of the Board and/or any Committee thereof.

**Others**

The Contract may be terminated giving six months notice in writing in that behalf by either party.

**Minimum Remuneration**

In case of loss or inadequacy of profits in any financial year of the Company during the tenure of the Executive Director the remuneration payable by way of salary and perquisites would be determined in accordance with Schedule XIII to the Companies Act, 1956.

**Memorandum of Interest**

No other Director except Mr. Asitkumar Bhowmik is concerned or interested in the resolution. The approval of Shareholders is solicited for the resolution at Item No. 5.

**Item No. 6, 7 & 8**

The Company had earmarked upon a rationalization process by addition of new products with the object of both backward integration into certain raw materials as well as forward integration into downstream products. Further the Company has also made additions to plants & machineries to reduce cost of energy. To implement this rationalization process, substantial funds were infused. Certain lenders had forwarded loans with a condition that these loans be converted into equity- shares of the company on restarting of the manufacturing operations. This was beneficial to the Company as it had saved to the interest cost and accordingly the Board of Directors has passed the resolution and approved the said proposal for the future profitability and growth of the Company. Considering the demand and reputation of your Company's products and in order to meet the demand for funds and the assurances given to the lenders, your Directors recommend the issue of equity shares at premium to the lenders by way of allotment of equity shares on the basis of the said application money of the lenders. Accordingly the Board of Directors proposes the said resolution under Item No. 8 for approval.

The present Authorized Capital of the Company is not enough to accommodate the increase in subscribed/paid-up capital resulting from such conversion of loans into equity shares. Accordingly, to increase the Authorized Capital and alter the Memorandum and Articles of the Company, resolutions under Item No.6 and 7 are also required to be passed.

The same resolutions were put up in the last AGM, wherein, the shareholders demanded that a premium be charged. The Company has obtained a report for charging Premium and the Board of Directors has approved the proposal for issue of Shares at a premium. Accordingly, after due modifications, the Directors put up the resolutions again before the members for your approval.

The Board recommends the passing of the resolutions mentioned in Item No. 6,7, & 8 by the members.

None of the Directors of the Company, is interested in the said resolution.

**Item No. 9.**

By a Special Resolution passed at the Annual General Meeting held on the August 29, 1994, the members had approved the keeping of the Register of Members, Index of Members, copies of certificates and documents required to be annexed thereto etc. at the office of the Registrars, M/s. Computrade Services Pvt. Ltd at Wakefield House, 11 sprott road, Ballard Estate, Bombay -400038. These aforesaid registers and documents were kept at the registered office of the Company during the time when the share transfer work was carried out in-house.

Now, the Company has appointed M/s Universal Capital Securities Pvt. Ltd, (Formerly Mondkar Computers Pvt. Ltd), as the Registrar & Share Transfer Agent, to handle the entire work relating to share transfer in both electronic and physical form.

To enable the Registrar to carry out their duties expeditiously and efficiently, it is necessary to keep the Register and



## **SEYA INDUSTRIES LIMITED**

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Index of Members and other documents mentioned in the Resolution at the office of M/s Universal Capital Securities Pvt. Ltd.

Pursuant to Section 163 of the Companies Act, 1956, (the Act) consent of members by a Special Resolution is required for keeping the prescribed Registers, Documents and Records at the said new address of Universal Capital Securities Pvt. Ltd,

The Resolution also specifies the time of inspection of the Registers and Documents, to be kept with the Registrar and Share Transfer Agent.

As required under Section 163 of the Act, a copy of the proposed Special Resolution will be send in advance to the Registrar of Companies, Maharashtra, Mumbai.

The Board of Directors of your Company recommends passing of the aforesaid Special Resolution.

None of the Directors of the Company is interested in the said resolution.

### **REGISTERED OFFICE**

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

**By order of the Board**

**Ashok G Rajani**  
**Chairman & Managing Director**

August 27, 2011

### **GREEN INITIATIVE**

The Ministry of Corporate Affairs (MCA), Government of India, has taken a "Green initiative in the Corporate Governance" by allowing paperless compliances by the companies after considering the relevant sections of the Information Technology Act, 2000, for legal validity of compliances under Companies Act, 1956 through electronic mode. The MCA has vide its Circular Nos.17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011, provided that a company would have complied with Section 53 of the Companies Act, 1956, if the service of documents has been made through electronic mode, provided the company has obtained the email addresses of its members for sending the notice / documents through email by giving an advance opportunity to every member to register his/her email address and changes therein from time to time with the company. In cases where any member has not registered his/her e-mail address with the company, the service of documents etc. will be effected by other modes of service as provided in Section 53 of the Companies Act, 1956.

In light of the above, those members, who desire to receive notice / documents including Annual Reports through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to the Company's Registrar & Share Transfer Agents, M/s. Universal Capital Securities Pvt. Ltd. (Formerly Mondkar Computers Pvt. Ltd.) for receipt of notice/ documents including Annual Reports through e-mail.

## **DIRECTORS' REPORT**

The Directors present their Twenty First Annual Report on the business and operation of the company together with the audited Statement of Accounts for the year ended 31st March, 2011.

### **PERFORMANCE OF THE COMPANY**

The performance of the Company during the year 2010-2011 as per audited accounts are summarized below:

(Rs. in lacs)

	<b>For the year ended 31.3.2011</b>	<b>For the year ended 31.3.2010</b>
Turnover	2204.89	3.86
Other Income	1.79	4.68
Profit/(Loss) before Depreciation & Interest & before allocating capital expenses	(434.32)	(309.56)
Profit/(Loss) before tax	55.27	(309.56)
Profit/(Loss) after tax	45.02	(311.21)
Transfer to Capital Expenditure during construction period	907.55	311.21
Balance brought forward from previous year	1,447.87	1,447.87
Balance carried to Balance Sheet	1,492.89	1,447.87

### **BUSINESS OPERATIONS**

The Directors of your Company are happy to announce that the commercial production of Chloro Benzene and Nitro Aromatics has started. These trial runs have proved successful, and the plant has been lined out by removing the teething troubles. The civil construction as per our plans for saving of energy is nearing completion. Most of the equipments required for energy conservation, for which orders were placed and advance paid, have arrived and are being installed. Construction of plant building for forward integration downstream products is in progress. Some of the equipments for value-added downstream products have also arrived. Production on trial basis for our additional value added downstream products are also in progress and are being carried out on plant scale. In particular, following departments of the business of your company have recorded remarkable progress and are at a very advance stage:

1. Coal fired boiler installation to provide us with low cost steam and heat energy, as well as in house electrical energy;
2. Rationalization in raw material consumption has been implemented;
3. Downstream products project work is in progress; and
4. Your Company has also procured an additional plot of land of 74000 sq. metres, in close proximity to the existing plant in order to implement the above projects.

The products of the company have been well accepted in the domestic market. With new and modernized facilities and strict quality control procedures in force, the Management of the Company sees a bright future with respect to profitability once manufacture of all the products is commercially underway. The additional products being introduced will contribute not only to substantial savings in the purchase of raw materials, transport and other incidental costs, but are in themselves independent profit centers.

Your Directors are confident to start commercial operations of the value added downstream products in foreseeable future.

## **SEYA INDUSTRIES LIMITED**

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### **SHARE APPLICATION MONEY**

During the year under review in addition to and in continuation of contribution of the long term funds provider, towards the assignment of the debts of the bank and financial institutions, in its favour, as per existing contract, additionally provided funds to the tune of Rs. 15126.17 lacs, as at 31st March 2011, towards the company's rationalization process, and accordingly the management of your Company had successfully negotiated with the fund provider to convert their entire contribution into equity shares of the Company. During the Annual General Meeting in September, 2010 some of the members/shareholders of the Company had requested that the shares to these funds providers be allotted at a premium instead of at par. The Management of your Company has successfully negotiated and has executed necessary contract based on which your company has agreed to allot 4,27,94,500 equity shares at a premium of Rs. 5/- per share and 5,12,17,600 equity shares at a premium of Rs. 7/- per share which at present will be treated as Application Money pending allotment and with due compliance of provisions of the Companies Act 1956 and Stock Exchanges, the conversion will take pace. After allotment the said shares will have pari passu rights with other shares of the Company. The said equity shares when allotted will be treated as consideration received in cash as per Circular no.8/32/(75) 77-CL-V, dated 13th March 1978 issued by the Company Law Board Department

### **DIRECTORS**

Mr. V. S. Khurana retires by rotation in this Annual General Meeting and offers himself for reappointment as per the Articles of Association of the Company. The Company is also in receipt of necessary deposit for the said re-appointment and the said deposit will be refunded on re-appointment of Mr. V. S. Khurana. You are requested to re-appoint Mr. V. S. Khurana in the meeting.

During the year the Board of Directors was pleased to appoint Mr. A. K. Bhowmik as an Additional Director

### **THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975**

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

### **AUDITORS**

M/s. Jagiwala and Associates, Chartered Accountants, Mumbai, Statutory Auditors of the Company, will retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment under Section 224(1) of the Companies Act, 1956 and your Directors recommend their reappointment.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Your Company has appropriate internal control systems for business processes, with regard to efficiency of operations, financial reporting and controls, compliance with applicable laws and regulations, etc. Clearly defined roles and responsibilities for all managerial positions have also been institutionalized. All operating parameters are monitored and controlled. Regular internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control systems and suggests ways of further strengthening them, from time to time.

### **SAFETY, HEALTH AND ENVIRONMENT**

Your Company is giving utmost importance to safety, health and environmental related issues. The employees are continuously educated and trained to improve their awareness and skills.

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 products 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.

### **HUMAN RESOURCES**

Your Company considers human resource to be an important valuable asset for the organization and therefore, constantly strives to attract and recruit best talent for the current and future needs. The Company has taken necessary steps to upgrade the skills of present employees by conducting various in-house training programs and courses. Further measures for the safety of the employees are also adopted through training programs on safety and mock drills.

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

The information as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:-

- i. That in the preparation of the Accounts for the financial year ended 31st March, 2011 the applicable accounting standards have been followed;
- ii. That the Directors have followed proper accounting policies and applied them consistently and wherever mandated, have made judgments and estimates that were fair, reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the capital expenditure of the Company for the year ended 31st March, 2011;
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That the Directors have prepared the accounts for the year ended 31st March, 2011 on a going concern basis.

**REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT**

**DISCUSSIONS AND ANALYSIS**

As required under the Listing Agreement with the Stock Exchanges, reports on "Corporate Governance" and "Management Discussions and Analysis" are attached and forms part of this Report.

**CASH FLOW STATEMENT:**

A Cash Flow statement for the year ended 31st March, 2011 is attached with the Annual Audited Accounts of the Company.

**AUDITOR'S QUALIFICATIONS:**

Auditor's qualification stated in their Report on the accounts for the year under review is self explanatory.

**ACKNOWLEDGEMENT**

The Board of Directors record their appreciation of the continued co-operation and support provided by Customers, Suppliers, Financial Institutions, Bank as also of the dedicated services rendered by the Employees. Continued confidence of the Shareholders remains an immense source of strength to the Company to embark upon its future plans.

**PERSONNEL**

The Board wishes to place on record its appreciation to all employees of the Company for their sustained effort in improving capacity utilization and operational efficiencies. Industrial relations during the year were by and large harmonious.

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

**Registered Office**  
T-14, MIDC  
Tarapur, Boisar,  
Thane 401506

**Ashok G Rajani**  
**Chairman and Managing Director**

August 27, 2011

## SEYA INDUSTRIES LIMITED

### Annexure to Directors' Report:

Particulars pursuant to Section 217(1) (e) of the Companies Act, 1956 read with provision of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report.

#### I Conservation of Energy:

- a) Energy conservation measures taken :-

During the year under review all efforts were made to ensure optimum conservation of power, fuel and water at the plant of the company. Efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

- b) Additional Proposals or Activities if any :- Nil

- c) Impact of Measures taken :-

An effort has been made to utilise the energy effectively.

- d) Total energy consumption and energy consumption per unit of production.

#### Form 'A'

Particulars with regard to consumption of energy.

#### A) Power and Fuel Consumption.

		Current Year	Previous Year
1. Electricity			
a) Purchased			
Unit (000's)	kwh	2055.12	480.60
Total Amount	Rs.	1,27,28,610	34,49,560
Rate/unit	Rs.	6.19	7.18
b) Own generation			
Unit (000's)	kwh	8.41	2.74
Total Amount	Rs.	1,22,132	21,528
Rate/unit	Rs.	14.52	7.86
2. Coal		Nil	Nil
3. Furnace Oil			
Quantity	(kls)	1676445	Nil
Total Amount	Rs.	4,68,60,989	Nil
Av.Rate per K.L. .	Rs.	27.95	Nil
4. Light Diesel Oil			
Quantity	Kls	Nil	Nil
Total cost	Rs.	Nil	Nil
Rate/Unit	Rs.	Nil	Nil
<b>B) Consumption per unit of production* :</b>			
Electricity (units)		Nil	Nil
L.D.O./Furnace Oil KL/MT		Nil	Nil
*(Trial production, therefore, nil)			

**II Technology Absorption:**

**FORM 'B'**

Particulars with regard to Technology absorption, Research and Development.

- |   |   |
|---|---|
| 1. Specific areas in which Research and Development is carried out by the Company | a) New product development<br>b) Evaluation of the alternative raw-materials mix and modification process.<br>c) Reduction of Cycle time for batches. |
| 2. Benefits derived as a result of the above research & development.              | - Reduction in cycle time for batches.  |
| 3. Future plan of action  | To improve further the efficiency of the existing production and Cost reduction.  |

Expenditure on Research & Development : Nil

**Technology absorption adaptation and innovation :**

- |   |   |
|---|---|
| 1) Efforts in brief made towards technology absorption, adaptation and innovation   | - Technology absorption is not involved as the process for the manufacture of chemicals is being developed by the company itself. Continuous efforts are being made to improve the existing process developed in house. |
| 2) Benefits derived as a result of the above efforts i.e. Product improvement cost reduction Product development import substitution etc. | - Reduction in cycle time for batches.  |
| 3) Information regarding imported Technology  | - There is no imported technology.  |

**III Foreign Exchange Earnings and Outgo -**

	Current Year	Previous Year
Total Foreign Exchange earned	Nil	Nil
Total Foreign Exchange outgo	Nil	Nil

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

**Ashok G Rajani**  
**Chairman and Managing Director**

**Registered Office**  
T-14, MIDC  
Tarapur, Boisar,  
Thane 401 506

August 27, 2011

## REPORT ON CORPORATE GOVERNANCE

### BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

SEYA is always committed to the pursuit of excellence to achieve growth and long term shareholder wealth creation, while at the same time preserving the interests of other stakeholders, - its employees, partners, customers, suppliers and the society at large. Though Corporate Governance contains a set of principles, process 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 drives business practices. Timely disclosures, transparent business practices and a Board which is driven by the ideals of pursuing excellence and modern ongoing research have become a culture of your Company. Accordingly both mandatory and non-mandatory principles are being followed in the interest of good corporate governance. 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

### I BOARD OF DIRECTORS

#### a) Composition and Category of Directors:

- As on 31st March, 2011 Board of Directors of the Company consisted of three members.
- The Chairman and Managing Director is the only Executive Director.
- Out of the remaining two Directors both are Non Executive Independent Directors.
- The composition of the Board is in conformity with Clause 49 of the Listing Agreement which stipulates that at least 50% of the Board should consist of independent Directors, if the Chairman of the Board is an Executive Director.
- All the Directors are liable to retire by rotation.
- None of the Directors are nominee Directors who are representing any lender institution or equity investor.

#### b) Board Meetings

- The Board of Directors met 4 times during the year on 28th April, 2010, 12th August, 2010, 23rd October, 2010 and 11th January, 2011.
- The maximum time gap between any two consecutive meetings did not exceed four months.

#### c) Directors' Attendance Record

- As mandated by Clause 49, none of the Directors are members of more than 10 Board level committees, nor are any of them is a Chairman of more than five such committees.
- Details of attendance

Name of Director	Position	Meetings held	Meetings attended	Whether attended last AGM	Pecuniary or business relation with company
Ashok G Rajani	Executive	4	3	Yes	Nil
V S Khurana	Non Executive	4	4	Yes	Nil
R N Arora	Non Executive	4	4	Yes	Nil

- As mandated under Clause 49, the Independent Directors on the Company's Board:-
  - a) Do not have any material pecuniary relationship or transaction with the Company which may affect their independence to act as a Director;
  - b) Are not related to promoter or persons occupying management position at the Board level or at one level below the Board;
  - c) Have not been an Executive of the Company in the preceding three financial years;

- d) Are not partners or executives or were not partners or executives during the preceding three years;
- e) That Statutory audit firm or the internal audit firm is not associated company;
- f) Legal firms and consulting firms that have a material association with the Company are not material suppliers, service providers or customers or lessors or lessee of the company which may affect their independence to act as a Director;
- g) Are not substantial shareholders of the Company i.e. do not own 2% or more of the block of voting shares;
- h) Are not less than 21 years of age;

**d) Information Placed before the Board**

As a policy all major decisions involving investments and capital expenditures in addition to matters which statutorily require the approval of the Board are put up for consideration of the Board, inter alia such information as may be applicable and/or required, is regularly provided to the Board as a part of the Agenda papers, well in advance of the Board meetings or is tabled in the course of the Board Meetings.

**e) Code of Conduct**

The Board of Directors has laid down two separate categories of Codes of Conduct - one for the Non-Executive Directors and the other for the Executive Directors and the designated employees in the senior management. All the Board members and senior management executives of the Company have affirmed compliance with the Code of Conduct as applicable to them. The same is also available on the Company's website [www.seya.in](http://www.seya.in).

**II BOARD COMMITTEES**

Company has three (3) Board-Level committees -Audit Committee, Remuneration Committee, Shareholder's / Investors Grievance Committee. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference of the Committees are taken by the Board of Directors. Details on the role and composition of these committees including the numbers of meetings held during the financial year and the related attendance are provided below:

**(a) Audit Committee**

- As on 31st March, 2011 the Audit Committee consisted of three members and two of them are independent Directors. Mr. V. S. Khurana is the Chairman of the Committee and Company Secretary of the Company is the Secretary of the Committee. The terms of reference of the Audit Committee are in conformity with those mentioned in Clause 49 of the Listing Agreement of the stock exchange as well as Section 292A of the Companies Act 1956.
- The Audit Committee met four (4) times during the year on 28th April, 2010, 12th August, 2010, 23rd October, 2010 and 11th January, 2011. The minutes of the meetings of the Audit Committee are reviewed and noted by the Board. The composition of the committee and the attendance at the meeting of the Committee are as under

Name of the Member	Category	No. of Meetings Held	No. of Meetings Attended
Ashok G Rajani	Executive Director	4	4
V S Khurana	Non Executive Director	4	4
R N Arora	Non Executive Director	4	4
Haresh R Joshi	Practicing Chartered Accountant (Special Invitee)	4	3

- The Directors responsible for the finance function, the President and Chief Operating Officer, Group Chief Financial Officer, the head of internal audit and the representative of the Statutory Auditors are regularly invited by the Audit Committee at its Meetings.
- All members of the Audit Committee have accounting and financial management expertise. The Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on 22nd September, 2010 to answer shareholder's queries.  
The functions of the Audit Committee of the Company include the following:
- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;



## SEYA INDUSTRIES LIMITED

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- Recommending to the Board, the appointment, re-appointment and , if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees;
  - Approval of payment to Statutory Auditors for any other services rendered by them;
  - Reviewing with the management, the annual financial statements before submission to the Board for approval with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by the management ;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions; and
    - Qualification in the draft audit report
  - Reviewing with the management, quarterly, half yearly, and yearly financial statements before submission to the Board for approval;
  - Reviewing with the management, performance of the statutory and internal auditors and adequacy of the internal control systems;
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - Discussion with the Internal Auditors of any significant findings and follow-up there on;
  - 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;
  - Discussions with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post audit discussions to ascertain any areas of concern;
  - To look into the reasons for substantial defaults if any with regard to the payment to depositors, shareholders (in case of non-payment of declared dividends) and Creditors;
  - Carrying out any other functions as mentioned in the terms of reference of the Audit Committee;  
The Audit Committee is empowered, pursuant to its terms of reference, to:
    - Investigate any activity within its terms of reference;
    - It can seek information from any employees; and
    - It can obtain outside legal or other professional advice.
  - To secure attendance of outsiders with relevant expertise, whenever considered necessary;  
SEYA has systems and procedures in place to ensure that the Audit Committee conducts mandatory reviews and in particular participate and/or consider the following:
    - Management discussion and analysis of financial condition and results of operations;
    - Statement of significant related party transactions (as defined by the audit committee) submitted by management;
    - Management letters / letters of internal control weakness issued by the statutory auditors;
    - Internal audit reports relating to internal control weakness;
    - The appointment, removal and terms of remuneration of the Internal Auditor;
    - The uses/applications of funds raised through public issues, right issues, preferential issues, if it is by major category (Capital expenditure, working capital etc.) as part of the quarterly declarations of financial results;
    - If applicable, on an annual basis, statements certified by the Statutory Auditors' detailing the use of funds raised through public issues, right issues, preferential issues for purposes other than those stated in the offer documents / Prospectus / notices;
- The Audit Committee is also apprised on information with regard to related party transactions and periodically presented with the following statements / details:
- 1) Statement in summary form of transactions with related parties in the ordinary course of business;

- 2) Details of material individual transactions with related parties in the ordinary course of business; and
- 3) Details of material individual transactions with related parties or others, which are not on an arm's length basis along with Management's justification for the same.

**(b) Remuneration Committee**

- Although it is a non-mandatory recommendation under Clause 49 of the Listing Agreement, the Company has a Remuneration Committee comprising three (3) Directors namely Mr Ashok Rajani, Mr. V S Khurana and Mr. Ram Nath Arora. Mr. Ashok Rajani is the Chairman of the Committee.
- The Committee is appointed with the terms of reference of deciding the remuneration of executive and non-executive Directors of the Company.
- The Remuneration Committee met once during the financial year on 2nd December 2010. The composition of the Committee and the attendance of the Members at the meeting of the Committee are as under

Name of the member	Category	No. of Meetings held	No. of Meetings attended
Ashok G Rajani	Executive Director	1	1
V S Khurana	Non Executive Independent Director	1	1
R N Arora	Non Executive Independent Director	1	1

- Remuneration Policy: The Company pays remuneration by way of salary, allowances and perquisites to the Chairman & Managing Director as approved by the Board of Directors and shareholders of the Company. Remuneration by way of Commission is approved by the Shareholders from time to time and the same is distributed equally to all the Non-Executive Directors of the Company. Apart from that, each Non-Executive Director is paid a sitting fee of Rs. 5000/- for every Board Meeting and Rs.1000/- for every Committee Meeting attended by them.

- The Company does not have any Stock Option Scheme.

**(c) Shareholders' / Investor Grievance Committee**

- The Shareholders' / Investor Grievance Committee of the Company comprises of three members; namely, Mr. Ashok G Rajani, Mr. R N Arora, and Mr. V S Khurana. Mr. R N Arora is the Chairman of the Committee. The Secretary of the Company, is the Compliance Officer.
- The Shareholders' / Investor Grievance Committee deals with various matters relating to:
- Noting of transfer / transmission of shares
- Monitors expeditious redressal of investor grievance received from Stock Exchanges, SEBI, ROC, etc
- Non- receipt of Annual Reports and dividend
- All other matters related to Shares / Debentures

During the year 2010-11 the committee met four (4) times on 28th April, 2010, 12th August, 2010, 23rd October, 2010 and 11th January, 2011. The Minutes of the Shareholders' / investor Grievance Committee are reviewed and noted by the Board. The details of attendance at the meeting of the Committee as under:-

Name of the member	Category	No. of Meetings held	No. of Meetings attended
Mr. V S Khurana	Non-executive Independent Director	4	4
Mr. Ashok G Rajani	Executive Director	4	4
Mr. R N Arora	Non-executive Independent Director	4	4

## SEYA INDUSTRIES LIMITED

- Details of queries and grievances received and addressed by the Company during the year 2010-11 are as under:

Sr. No.	Nature of Queries / Complaints	Pending as on 01st April 2010	Received during the year	Redressed during the year	Pending as on 31st March 2011
1.	Transfer /Transmission / Issue of duplicate share Certificates	14	*	*	14
2.	Non-receipt of Dividend	*	*	*	*
3.	Dematerialisation / Rematerialisation of Shares	*	*	*	*
4.	Complaints received from Stock Exchange(s) / NSDL/CDSL	*	*	*	*
5.	Others	*	*	*	*
	<b>Grand Total*</b>	<b>14</b>	<b>*</b>	<b>*</b>	<b>14</b>

\*Records are not available

### III MANAGEMENT

#### Management Discussions and Analysis Report

Management Discussions and Analysis is given in a separate section forming part of the Directors' Report in this Annual Report

#### DISCLOSURES

##### (a) Related Party Transactions

Details of materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, Directors or the management, their relatives, etc are presented in Schedule K of the Balance Sheet. All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. The interested Directors neither participated in the discussion, nor voted on such matters.

##### (b) Accounting treatment in preparation of financial statements

The Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

##### (c) Risk Management

The company has established a well-documented and robust risk management framework. Under this framework, risks are identified across all business process of the company on an on-going basis. Once identified, these risks are systematically categorized as strategic risks, business risks or reporting risks. The former looks at all risks associated with the long term interests of the company. The latter looks at risks associated with the regular functioning of each of the processes and the risks associated with incorrect or untimely financial and non - financial reporting. The management also regularly carries out a SWOT analysis with relation to the company's business which has been proving effective during its implementation of results of its continuing in-house research. To address these risks in a comprehensive manner, each risk is mapped to the concerned department for further action. Based on this framework, the company has set in place various procedures for Risk Management.

##### (d) Code for Prevention of Insider Trading Practices

Pursuant to the Securities and Exchange Board of India, (Prohibition of Insider Trading) Regulations, 1992, a comprehensive code for prevention of insider trading is in place. The objective of the code is to prevent purchase and /or sale of shares of the company by an insider on the basis of unpublished price sensitive information. Under this Code, Directors and designated employees are completely prohibited from dealing in the Company's Shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of compliance officer is mandated. All the designated employees are also required to disclose related information periodically as defined in the Code. The Company Secretary of the company, has been designated as Compliance Officer.

**(e) Pledge of Equity Shares**

No pledge has been created over the equity shares held by the Promoters and/or Promoter Group as on 31st March, 2011. The aggregate shareholding of the Promoters and persons belonging to the Promoter Group as on 31st March, 2011 comprised of 78,67,300 equity shares of Rs. 10/- each representing 71.52% of the Paid-up Equity Share Capital of the company.

**IV SHAREHOLDERS****(a) Disclosures regarding appointment & re-appointment of Directors**

At the ensuing Annual General Meeting, Mr. Virendra Singh Khurana, Director of the Company, retires by rotation and being eligible offers himself for re-appointment. Mr. Asitkumar Bhowmik was appointed as an Additional Director of the Company at the Board Meeting held on 2nd April, 2011 and requires confirmation by the members at the ensuing Annual General Meeting.

**(b) Communication to Shareholders**

Effective communication of information is an essential component of Corporate Governance. The Company has policy of regularly interacting with the shareholders through multiple channels of communication such as publication of results, Annual Report, Press Releases and the Company's Website.

Quarterly, Half yearly and Annual Results are being published in prominent daily newspapers, Free Press Journal (English) and Navshakti (Marathi)

The Company will also inform Stock Exchanges in a pro manner, all price sensitive and all such other matters which in its opinion, are material and relevant for the shareholders and subsequently issues a press release of the said matters. Annual Reports, Quarterly Results, Shareholding Pattern etc. of the Company are also posted on the website : [www.bseindia.com](http://www.bseindia.com)

Website of the Company : [www.seya.in](http://www.seya.in)

**GENERAL BODY MEETINGS****Details of AGM/EGM held and Special Resolutions passed thereat, during the last three financial years:**

- The Company convenes the Annual General Meeting (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:

Financial year	Day, Date & Time	Venue	Special Resolution passed
2007-08	Wednesday, 24th September, 2008 11.30 am	Registered Office	Nil
2008-09	Thursday, 24th September, 2009 11.30 am	Registered Office	Nil
2009-10	Wednesday, 22nd September, 2010 11.30 am	Registered Office	Nil

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

**Compliance:****i) Mandatory requirements**

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

**ii) Adoption of non-mandatory requirements**

Although it is not mandatory, the Board of Company has constituted a remuneration committee. Details of the committee have been provided under Section 'Remuneration Committee'.

**iii) Auditor's Qualifications on Financial Statements**

The Company's financial statements are free from any qualifications by the Auditors

## SEYA INDUSTRIES LIMITED

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iv) **Instances of non-compliance by the company**

No penalty /strictures were imposed on the company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to the capital market during the last three years.

**Auditor's Certificate on Corporate Governance**

The company has obtained a certificate from its Statutory Auditors testifying to its compliances with the provisions relating to Corporate Governance laid out in Clause 49 of the Listing Agreement executed with the Stock Exchanges. The certificate is annexed to the Directors' Report and the same will be sent to the Stock Exchanges along with the Annual Report to be filed by the company.

**Additional Shareholder's Information**

**I) ANNUAL GENERAL MEETING**

- Date : 29<sup>th</sup> September, 2011
- Day : Thursday
- Time : 4.00 pm
- Venue : T-14, MIDC Tarapur,, Boisar, District-Thane. PIN 401 506

**Last date of Receipt of Proxies**

Monday 27th September, 2011(before 4:00 p.m. at the Registered Office of the Company)

**II) FINANCIAL YEAR**

3rd Quarterly Results : not published

4th Quarterly & Annual Results : not published

The tentative dates of the Board Meetings for Consideration of financial results for the year ending are as follows:

1st Quarterly Results : Last week of July, 2011

2nd Quarterly Results : Last week of October, 2011

3rd Quarterly Results: Last week of January, 2012

4th Quarterly & Annual Results : Last week of April, 2012

**III) BOOK CLOSURE**

Thursday,15th September, 2011 to Friday, 23rd September, 2011(both days inclusive)

**IV) LISTING**

At present, the Equity Shares of the Company are listed on the Bombay Stock Exchange Ltd. (BSE), Ahmedabad Stock Exchange Ltd, Delhi Stock Exchange Ltd, Calcutta Stock Exchange Ltd and the National Stock Exchange of India Ltd (NSE). The Annual Listing fees for the year 2010-11 have been paid to these stock exchanges

**V) STOCK CODES**

Table 1 : Stock Codes

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

**VI STOCK MARKET DATA**

Table 2: High, Lows and Volumes of Shares Traded for 2010-11 at BSE and NSE

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volumes (No. of Share)	High (Rs.)	Low (Rs.)	Volumes (No. of Share)
Not applicable as trading of shares of the Company is suspended by Stock Exchanges						

**VII) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2011**

DISTRIBUTION RANGE OF SHARES	NO. OF SHARES	% OF SHARES	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS
< 500	17,47,800	15.89	10,786	94.99
500-1000	2,78,700	2.53	278	2.45
1000-2000	1,97,500	1.80	128	1.13
2000-3000	1,21,000	1.1	48	0.42
3000-4000	73,300	0.67	21	0.18
4000-5000	1,34,200	1.22	27	0.24
5000-10000	2,10,900	1.92	27	0.24
> 10000	82,36,600	74.88	39	0.34

**VIII) SHAREHOLDING PATTERN AS ON 31ST MARCH, 2011**

	as on 31st March 2011	as on 31st March, 2011	as on 31st March, 2010	as on 31st March, 2010
Categories	No of Shares	Percentage	No. of shares	Percentage
Promoters, Directors Relatives and Associates	78,67,300	71.52	78,67,300	71.52
Bodies corporate	3,55,300	3.23	3,55,300	3.23
Nationalized and other Banks	2,600	0.03	2,600	0.03
NRI/OBCs	4,20,400	3.82	4,20,400	3.82
GDC's				
Indian Public	23,54,400	21.4	23,54,400	21.4

**IX) OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS**

There are no outstanding GDRs/ADRs. During the year no conversion took place and hence there was no effect on Equity capital of the Company.

## **SEYA INDUSTRIES LIMITED**

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### **X) REGISTRAR & TRANSFER AGENT:**

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

M/s Universal Capital Securities Pvt. Ltd  
(Formerly Mondkar Computers Pvt. Ltd)  
21, Shakil Niwas, Opp. Satya Saibaba Temple,  
Mahakali Caves Road,  
Andheri (East),  
Mumbai - 400093.  
Tel.: +91 (22) 28207203-05/28257641  
Fax: +91 (22) 28207207  
E-mail: info@unisec.in

### **XI) SHARE TRANSFER PROCESS**

Shares in physical form are processed by the Registrar and Share transfer agent within maximum of 30 days from the date of receipt, if the documents are valid and complete in all respects. The Managing Director, Executive Director and the Company Secretary have been severally empowered to approve transfers.

### **XII) DEMATERIALIZATION OF SHARES**

At present the entire shareholding of the company is in physical form. The Company is in the process of establishing connectivity with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) through its Registrar and Transfer Agent. Members who wish to convert their holdings into dematerialize form, can contact the Company's Registrar and Share Transfer Agent, Universal Capital Securities Pvt.Ltd, for assistance in this regard.

### **XIII) PLANT LOCATION:**

T -14, MIDC Tarapur,  
Boisar Dist.  
Thane- - 401506  
Maharashtra,

### **XIV) CEO/CFO CERTIFICATION**

The Managing Director (CEO) of the Company has certified to the Board in accordance with clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended March 31, 2011.

### **XV) DECLARATION BY THE CEO**

This is to certify that:

1. In pursuance of the provisions of Clause 49(I)(D) of the Listing Agreement, a Code of Conduct for the Company has been approved by the Board.
2. The said Code of Conduct has been posted on the website of the Company and has also been circulated to the Board members and all the employees of the Company.
3. All Board members and senior management personnel have affirmed compliance with the said Code of Conduct, for the year ended 31 March 2011.

### **REGISTERED OFFICE**

T-14, MIDC  
Tarapur,Boisar,  
Dist-Thane- 401506  
August 27, 2011

**Ashok G Rajani**  
Chairman & Managing Director

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE.**

To the Members of

SEYA INDUSTRIES LIMITED (Formerly Known as Srimans Organic Chemical Industries Ltd)

We have examined the compliance of Corporate Governance by SEYA INDUSTRIES LIMITED (Formerly Srimans Organic Chemical Industries Ltd), for the financial year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange(s).

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

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

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

**For JAGIWALA AND ASSOCIATES.**

*CHARTERED ACCOUNTANTS*  
(ICAI Firm Registration No.131003W)

Place : Mumbai  
Dated: August 27, 2011

**(YOGESH R. JAGIWALA)**  
*PARTNER*  
Membership No. 016864

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****ECONOMIC REVIEW**

In the year gone by global economy continued on its path of recovery from the recession of 2008. Two themes have dominated the economy namely, the resurgence in growth post the economic crisis and the increasing pressure on natural resources which is pushing the prices of inputs and energy to record levels. However, this recovery has taken a two track approach with developed economies grappling longer with the wounds of the financial crisis while developing countries have recovered much faster. During the year, commodity prices have spiraled upwards to pre crises levels reflecting a combination of strong demand growth, supply shocks and excess liquidity being pumped by developed economies. Oil, metal and food prices have also risen considerably.

After a sharp decline in 2009, the US economy has grown by 2.8% in 2010. The EU economy has also registered a growth of 1.8% in 2010. However, concerns remains over the sovereign risk of some EU economies which continue to remain under the pressure of heavy debt. According to IMF estimates, the world economy grew by 5% during 2010 and fears of a double dip recession are not playing out. Developing economies, particularly India and China showed considerable strength in resurfacing from the global slump.

The turnaround has been faster in India. Private consumption has been the biggest growth driver for the economy in FY 11. There was rebound in the agricultural sector and healthy growth in manufacturing and services sector. Economic recovery which had gained momentum in the first half of FY 11 did not continue in the second half. The biggest hindrance to velocity of growth has been high inflation which has forced RBI to take tightening measures even at the cost of growth. Despite the short term challenges due to rising energy prices and high interest rates the overall economic sentiment remains healthy and a good growth rate is expected for the next financial year also.

**Outlook for the Global Economy in FY 2011-12**

The IMF believes that the world economy will grow by 4.5% during the year 2011. This would be largely on account of the growth of the developing economies which are expected to grow by 6.5% while the developed world will grow 2.5%. Earlier fears of a double-dip recession have not materialized. The worry that an initial recovery driven by the fiscal stimulus would eventually fizzle, has not occurred. The fiscal stimulus has turned to fiscal consolidation, but private demand has, for the most part, taken the baton.

By contrast the crisis left no lasting wounds in emerging market economies. Their initial fiscal and financial positions were typically stronger and the adverse effects of the crisis were more muted. Exports have largely recovered, and whatever shortfall in external demand they experienced has typically been made up through increases in domestic demand.

The outlook for economic growth in India is at 9% for FY 2011-12 as per the recent economic survey tabled in the Parliament. High crude prices, inflation and monsoon remain as the key risks.

**CHEMICAL INDUSTRY - STRUCTURE AND DEVELOPMENT**

The Chemical Industry in last one year has gone through the stages of recovery & revival. While FMCG, and Pharma based products had a very marginal or no impact of recession, the textiles & dyes, pigments and polymers industries were the most affected by the slowdown. With the recovery in the global markets, the demand for the products with applications into Textiles, Automotives, Pigments, Paints, etc. is expected to grow significantly. The Nitro Aromatics have also shown the same trend.



## SEYA INDUSTRIES LIMITED

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### **Nitro Aromatics Industry**

The Company's current business activity is Manufacturing of Nitro Aromatics. In line with the global recovery, the nitro aromatics and related industries such as the dye-intermediates, pigments, rubber chemicals, etc. are on a path to recovery. Also the overall good monsoon made a rebound for the pesticides and insecticides. Consequently, the nitro aromatic industry also showed sign of recovery. Your Company has started its commercial operations and making its in roads in the market.

### **Industry Structure and Developments:**

#### **SEYA'S STRATEGY**

The industrial chemicals business continued to focus on building its domestic market share. Demand and prices have shown an upward trend in FY 2010-11 and the overall sentiment remains positive. The profit margins of Nitro Aromatics are under pressure. SIL has planned to get into the downstream products and also to adopt energy conservation measures to improve the bottom line. Accordingly, all steps are taken in this aspect. Focus continues to remain on improving the efficiency of the present Units. The Company has several future Projects in hand and is committed to complete those projects as soon as possible. It has invested a large sum in its future Projects.

### **Industry Structure and Developments:**

Your Company essentially manufactures Nitro Aromatics and uses Benzene, Sulphuric Acid (hence sulphur), Chlorine, as major feedstock. Benzene is available in India from the petroleum refineries and petrochemical units. Imported Benzene is available. Benzene is also available as a bi-product from steel industry. Your company uses benzene only from the petroleum feedstock. Fluctuations in the crude oil price largely affects the price of benzene and sulphur as these are directly correlated to the crude oil price.

Chlorine is available from the chloralkali industry which goes through cyclical fluctuations which largely affect its price.

### **Opportunities, Threats, Outlook, Risks and Concerns:**

The demand for Nitro Aromatics which are the main products of the Company is growing at over 7% p.a, and we are confident that we will be able to market the products in Local as well as International Market.

The Company is also exploring opportunities of other products for sustained growth.

Since the availability and the price of benzene and sulphur depend upon crude oil, cyclical fluctuation in crude oil will affect benzene and sulphur as well.

### **Key Threats include**

- Availability of cheaper imported chemicals.
- Increasing input prices of feed-stock i.e. Benzene, Sulphuric Acid, Fuel oil etc.
- The price and demand of various chemicals undergo fluctuations.
- There are fluctuations in foreign currency rates. Hence there is an inherent risk in international markets.

### **Segment-wise Performance:**

Since Your Company has started trial production for the year under review no comment can be given on segment wise and product wide performance.

### **Risks and Concerns:**

The Company's risk management system identified various risks, collated at the departmental level and planned suitable mitigation measures. These are subjected to a quarterly review by a Risk Co-ordination Committee and the Audit Committee of the Board.

The Chemical Industry is prone to fluctuations in demand depending upon the performance of the user industry. The demand for Nitro Aromatics is also subject to fluctuations based on the performance of the user industry. Due to the recessionary conditions in the chemical industry world wide, your company expects this to have impact on the prices of chemicals in India also. Your company is trying to minimize the impact by closely monitoring operating parameters as well as procurement of raw materials at competitive prices.

### **Internal Control Systems and Adequacy:**

The Company has adequate internal control procedures commensurate with size and nature of its business. The internal control systems provide for policies, guidelines, authorizations and approval procedures. As part of good Corporate Governance the Audit Committee constituted by the Board periodically reviews the internal controls, Audit Programs, Financial Results. The Company has appointed Internal Auditors who regularly check the adequacy and effectiveness of all Internal Controls and suggest improvements.

### **Financial Performance:**

Financial results and Performance for the year are elaborated in the Directors' Report.

### **Human Resources:**

Harmonious relations continue to prevail with employees. Skilled professionals in all its operations are basically its human resource assets and are integral part of the Company's ongoing success. They have played significant role and enable the Company to deliver better performance.

### **Cautionary statement**

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the chemical industry - global or domestic or both, raw material availability and prices, cyclical demand and pricing in the Company's principal markets, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, manpower cost, exchange rate fluctuations, interest and other costs in which business is conducted, and other incidental factors.

## AUDITOR'S REPORT

To,

The Members,

SEYA INDUSTRIES LTD.,

1. We have audited the attached Balance Sheet of M/s. SEYA INDUSTRIES LIMITED (FORMERLY KNOWN AS SRIMANS ORGANIC CHEMICAL INDUSTRIES LTD) as at 31st March, 2011, the profit and loss Account for the year ended on that date including income and expenditure of construction period and also the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from the examination of the books;
  - c) The Balance Sheet, Profit and Loss Account including Income and Expenditure of construction period, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account including Income and Expenditure of construction period and the Cash Flow Statement for the year ended on 31st March, 2011 dealt with by this Report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of the written representations received from the Directors as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to
    - i) The Company is not providing for accrued liabilities of Gratuity and Leave Encashment but same are accounted on Cash basis. In the Circumstances, we are unable to quantify the sums for accrued liability of gratuity and leave encashment,
    - ii) No provision, as per AS-22 being accounts for deferred taxes, has been made nor the said provision of deferred tax liability has been worked out by the Company and management feel that there are no deferred tax liability nor deferred tax asset as the company had recently started the commercial production.
    - iii) Item under the head "paid up capital" stated in Balance Sheet Abstract and Company's General Business Profile stated for balance sheet as at 31st March, 2011 includes application money pending allotment of shares of Rs 15126.17 lacs as there is no separate box/space to state the same;

## **SEYA INDUSTRIES LIMITED**

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give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2011;
- ii) in the case of Profit and Loss Account including Income and Expenditure of construction period of the capital expenditure pending allocation of the Company for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

**FOR JAGIWALA AND ASSOCIATES.**  
*CHARTERED ACCOUNTANTS*  
ICAI Firm Registration No.131003W

**(YOGESH R. JAGIWALA)**  
*PARTNER*  
Membership No. 016864

Place : Mumbai  
Date : August 27, 2011

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### **Annexure to the Auditor's Report**

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(Referred to in paragraph 3 of our report of even date)

1. a) In our opinion, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b) As informed to us, fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.  
c) According to the information and explanation given to us, the Company has not disposed off substantial part of fixed assets during the year.
2. a) The inventory was physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.  
b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. The Company has neither granted nor taken any loans, secured or unsecured, to or from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to information and explanation given to us the internal control system is commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a) In our opinion and according to the information and explanation given to us, there are no transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.  
b) As there are no transactions that need to be entered into the register maintained under section 301 of the Act, paragraph 4(v)(b) of the order is not applicable.
6. The Company has not accepted deposits from public and hence, the provisions of Clause (vi) of CARO, 2003 are not applicable.
7. The Company does not have a formal internal audit system. However, according to the information and explanations given to us, operating control system are commensurate with the size of the Company and nature of its business.

8. We have been informed that as per the provisions of Section 209(1) (d) of the Companies Act 1956, that the Company has not maintained the cost records in view of the fact that as per the notification of the Central Government, the preceding years turnover of the company of the said products in aggregate do not exceed Rs. 10 Crores.
9. According to the information and explanations given to us and on the basis of our examination of the books of account of the Company, except for minor delays in some cases, the Company has been regular in depositing undisputed statutory dues including provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance
10. The Company does not have accumulated losses as at the date of Balance Sheet. The Company has not incurred cash losses during the financial year.
11. In our opinion and according to the information and explanations given to us, the Company does not have any dues payable to Banks and Financial Institutions. Therefore, reporting on any default in payment of dues does not arise.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion, since no term loans have been availed by the Company, therefore reporting on application of the term loan for any other purpose does not arise.
17. According to the information and explanations given to us, the company has not borrowed either Long Term Loan or Short Term Loan during the year, hence question does not arise of funds raised on short term basis used for long term investment or vice versa.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of any shares to parties and companies covered under Section 301 of the Companies Act, 1956.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of audit.

**FOR JAGIWALA AND ASSOCIATES.**  
*CHARTERED ACCOUNTANTS*  
ICAI Firm Registration No.131003W

**(YOGESH R. JAGIWALA)**  
*PARTNER*  
Membership No. 016864

Place : Mumbai  
Date : August 27, 2011

## SEYA INDUSTRIES LIMITED

### BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011

(Rs. in Lacs)

Particulars	Schedules No.	As At 31.03.2011	As At 31.03.2010
<b>I. SOURCES OF FUNDS:</b>			
<b>A SHAREHOLDERS' FUNDS:</b>			
Share Capital	A	16,226.17	14,178.24
Reserves & Surplus	B	3,506.42	3,461.40
<b>TOTAL SHAREHOLDER'S FUNDS</b>		<b>19,732.59</b>	<b>17,639.64</b>
<b>B LOAN FUNDS</b>			
Unsecured Loans	C	524.93	524.93
<b>TOTAL SOURCES OF FUNDS</b>		<b>20,257.52</b>	<b>18,164.57</b>
<b>II. APPLICATION OF FUNDS:</b>			
<b>A FIXED ASSETS:</b>			
Gross Block	D	12,182.80	7,185.47
Less : Depreciation		2,853.57	2,372.61
Net Block		9,329.23	4,812.86
Capital Work in progress and advances against Capital Expenditure		9,632.61	11,888.61
<b>TOTAL FIXED ASSETS</b>		<b>18,961.84</b>	<b>16,701.47</b>
<b>B INVESTMENTS:</b>		NIL	NIL
<b>C CURRENT ASSETS, LOANS AND ADVANCES :</b>			
a. Inventories	E	1,031.30	785.05
b. Sundry Debtors	F	1,838.18	2,312.41
c. Cash & Bank Balances	G	22.87	2.57
d. Loans & Advances	H	398.35	172.28
		<b>3,290.69</b>	<b>3,272.31</b>
<b>D Less: Current Liabilities &amp; Provisions:</b>			
a. Current Liabilities	I	1,901.65	1,756.03
b. Provisions	J	93.36	53.18
		<b>1,995.01</b>	<b>1,809.21</b>
Net Current Assets		<b>1,295.68</b>	<b>1,463.10</b>
<b>TOTAL FUNDS APPLIED</b>		<b>20,257.52</b>	<b>18,164.57</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS</b>	K		

As per our Report of even date,  
**FOR JAGIWALA AND ASSOCIATES,**  
**CHARTERED ACCOUNTANTS**  
 (ICAI Firm Registration No- 131003W)

**(YOGESH R. JAGIWALA)**  
**PARTNER**  
 Membership No. 016864

Place: Mumbai  
 Date : August 27, 2011

**(Namita Tiwari)**  
 Company Secretary

For and on behalf of the Board of Directors  
**Ashok G Rajani**  
 (Chairman and Managing Director)

**(V. S. Khurana)**  
 Director

Place: Mumbai  
 Date : August 27, 2011

**PROFIT AND LOSS ACCOUNT INCLUDING INCOME AND EXPENDITURE ACCOUNT OF  
CONSTRUCTION PERIOD FOR THE YEAR ENDING 31<sup>ST</sup> MARCH, 2011** (Rs. in Lacs)

Particulars	Schedules No.	As At 2010-11	As At 2009-10
<b>INCOME:-</b>			
Sales		2,204.89	3.86
Less: Excise Duty		(136.18)	(0.30)
Other Income	L	1.79	4.68
Increase/(Decrease) in finished & semi finished goods	M	240.67	(13.00)
<b>TOTAL</b>		<b>2,311.17</b>	<b>(4.76)</b>
<b>EXPENDITURE:-</b>			
Cost of Materials	N	1,821.53	95.03
Manufacturing & Other Expenses	O	830.57	209.77
Depreciation	P	480.96	-
Provision for Contingency		93.39	-
<b>TOTAL EXPENDITURE</b>		<b>3,226.45</b>	<b>304.80</b>
Capital Expd pending allocation of construction period.		(970.55)	(311.21)
<b>TOTAL</b>		<b>2,255.90</b>	<b>(6.41)</b>
Profit/(Loss) before Taxation		55.27	1.65
Less: Provision for Taxation		(10.25)	(1.65)
<b>Net profit after tax</b>		<b>45.02</b>	<b>(0.00)</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS</b>	K		

As per our Report of even date,  
**FOR JAGIWALA AND ASSOCIATES,  
CHARTERED ACCOUNTANTS  
(ICAI Firm Registration No- 131003W)**

**(YOGESH R. JAGIWALA)  
PARTNER  
Membership No. 016864**

Place: Mumbai  
Date : August 27, 2011

**(Namita Tiwari)  
Company Secretary**

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

**Ashok G Rajani  
(Chairman and Managing Director)**

**(V. S. Khurana)  
Director**

Place: Mumbai  
Date : August 27, 2011

## SEYA INDUSTRIES LIMITED

### SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS AS AT 31ST MARCH, 2011

(Rs. in Lacs)

PARTICULARS	YEARENDED 2010-11	YEARENDED 2009-10
<b>SCHEDULE - A:</b>		
<b>SHARE CAPITAL :</b>		
a) Authorised Share Capital (Previous year 1,20,00,000) 1,20,00,000 Equity Shares of Rs. 10/- each	1,200.00	1,200.00
b) Issued, Subscribed & Paid-Up capital 1,10,00,000 (Previous year 1,10,00,000) Equity Shares of Rs. 10/- each fully paid-up Share Application Money pending allotment	1,100.00 15,126.17	1,100.00 13,078.24
<b>TOTAL</b>	<b>16,226.17</b>	<b>14,178.24</b>
<b>SCHEDULE - B :</b>		
<b>RESERVES &amp; SURPLUS</b>		
a) <b>General Reserves</b> Opening Balance Addition during the year	2,013.53 Nil	2,013.53 Nil
<b>A</b>	<b>2,013.53</b>	<b>2,013.53</b>
b) <b>Profit &amp; Loss Account</b> Opening Balance Addition during the year	1,447.87 45.02	1,447.87 (0.00)
<b>B</b>	<b>1,492.89</b>	<b>1,447.87</b>
<b>TOTAL</b>	<b>(A+B) 3,506.42</b>	<b>3,461.40</b>
<b>SCHEDULE - C :</b>		
<b>UNSECURED LOANS</b>		
Sales tax Deferement Loan	524.93	524.93
<b>TOTAL</b>	<b>524.93</b>	<b>524.93</b>

(Rs. In Lacs)

**SCHEDULES - D**  
**FIXED ASSETS**

Sr. No.	Particulars	Gross Block			Depreciation			Net Block	
		As at 1.4.2010	Additions during the year	As at 31.3.2011	As at 31.3.2010	Depreciation For the year	As at 31.3.2011	WDV As at 31.3.2011	WDV As at 31.3.2010
1	Leasehold Land	129	2,946	3,075	-	-	3,075	129	
2	Building	802	233	1,035	162	23	850	640	
3	Plant & Machinery	6,224	1,809	8,033	2,200	455	5,378	4,025	
4	Furniture & Fixtures	23	7	29	7	2	21	16	
5	Vehicles	8.00	2	10	4	1	5	4	
	Grand Total	7,185	4,997	12,183	2,373	481	9,329	4,813	
	Previous Year Total	7,185	-	7,185	2,373	-	4,813	4,813	
	Capital Advance						9,633	11,889	



## SEYA INDUSTRIES LIMITED

### SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS AS AT 31st MARCH 2011

(Rs. in Lacs)

	2010-11	2009-10
<b>SCHEDULE - E :</b>		
<b>INVENTORIES</b> (valued at cost or net realisable value, whichever is less as certified by the management)		
Raw material	103.63	98.05
Finished Goods	124.09	22.00
Semi-Finished Goods	776.58	638.00
Stores & Spares	27.00	27.00
<b>TOTAL</b>	<b>1,031.30</b>	<b>785.05</b>
<b>SCHEDULE - F :</b>		
<b>SUNDRY DEBTORS</b> (Unsecured, Considered Good)		
Over 6 months	1,749.01	-
Others	89.17	2,312.41
<b>TOTAL</b>	<b>1,838.18</b>	<b>2,312.41</b>
<b>SCHEDULE - G :</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash on Hand	4.39	0.34
Balance with Scheduled Banks in current account	11.69	(0.49)
Fixed deposit with schedule Bank (Margin Money)	6.78	1.74
<b>TOTAL</b>	<b>22.87</b>	<b>(2.57)</b>
<b>SCHEDULE - H :</b>		
<b>LOANS &amp; ADVANCES</b>		
Advances Recoverable in cash or in kind or value to be received	16.42	16.42
Other current assets	350.23	51.95
Advances against Material Supplies	31.70	103.91
<b>TOTAL</b>	<b>398.35</b>	<b>172.28</b>
<b>SCHEDULE - I :</b>		
<b>CURRENT LIABILITIES</b>		
Creditors for goods	631.82	513.11
Creditors for capital goods	1,172.19	1,172.19
Advance From Customers	22.25	-
Provident Fund, Professional Tax, ESIC & Other Dues	42.14	18.84
Other Liabilities	33.25	51.89
<b>TOTAL</b>	<b>1,901.65</b>	<b>1,756.03</b>
<b>SCHEDULE - J :</b>		
<b>PROVISIONS</b>		
Provision for Taxation	63.43	53.18
Provision for Contingency	29.93	-
<b>TOTAL</b>	<b>93.36</b>	<b>53.18</b>

**SCHEDULES FORMING PART OF THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011**

(Rs. in Lacs)

	2010-11	2009-10
<b>SCHEDULE - L :</b>		
<b>OTHER INCOME</b>		
Intererst from Bank	0.10	-
Sundry Balance W/off	1.69	-
Interest From Others	-	4.68
<b>TOTAL</b>	<b>1.79</b>	<b>4.68</b>
<b>SCHEDULE - M:</b>		
<b>INCREASE/(DECREASE) OF STOCK OF FINISHED &amp; SEMI FINISHED GOODS</b>		
<b>Closing Stock</b>		
Semi-Finished Goods	776.58	638.00
Finished Goods	124.09	22.00
	<u>900.67</u>	<u>660.00</u>
<b>Less: Opening Stock</b>		
Semi Finished Goods	638.00	651.00
Finished Goods	22.00	22.00
	<u>660.00</u>	<u>673.00</u>
Increase/ (Decrease) of stock of Finished and semi finished goods.	<b>240.67</b>	<b>(13.00)</b>
<b>SCHEDULE - N:</b>		
<b>COST OF MATERIALS</b>		
Opening Stock	98.05	71.00
Add: Purchases	1,827.11	122.08
	<u>1,925.16</u>	<u>193.08</u>
Less: Closing Stock	103.63	98.05
<b>TOTAL</b>	<b>1,821.53</b>	<b>95.03</b>
<b>SCHEDULE - O:</b>		
<b>MANUFACTURING AND OTHER EXPENSES</b>		
Power & Fuel	597.12	-
Salaries & wages	160.12	58.59
Water Charges	13.03	4.40
Directors' Remuneration	17.60	13.00
Subscription & Membership Exps	0.18	-
Commission Expenses	10.47	0.09
Auditor's Remuneration	2.00	0.40
Other Expenses	30.05	133.29
<b>TOTAL</b>	<b>830.57</b>	<b>209.77</b>

### SCHEDULE - K

#### NOTES FORMING PART OF THE ANNUAL ACCOUNTS:-

##### A. SIGNIFICANT ACCOUNTING POLICIES:-

###### 1.1 Basis of preparation of financial statements

- a) The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards notified under Provisions of the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- b) The Company follows mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties.
- c) The accounting policies applied by the Company are consistent with those used in the previous year, and
- d) Captive Consumption are considered and valued under sales as per provisions of Central Excise Act.

###### 1.2 Use of Estimates:-

Estimates and assumptions used in the preparation of the financial statements are based on management's evaluation of the relevant facts and circumstances as of date of the Financial Statements, which may differ from the actual results at a subsequent date.

###### 1.3 Fixed Assets:-

Fixed assets are stated at original cost less accumulated depreciation. Cost comprises the purchase price and any other attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of qualifying fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use. Cenvat / other credits availed have been deducted from the cost of respective assets.

###### 1.4 Depreciation and Amortisation:-

Depreciation provided on straight line method in the manner and at the rates specified in Schedule-XIV to the Companies Act, 1956.

###### 1.5 Investments:-

Investments are recorded on readily realizable and intended to be held for not more than a year by classifying as Current Investments. All other investments are classified as Long Term Investments.

- a) Current Investments are carried at lower of cost and fair value determined on an individual investment basis; and
- b) Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments

###### 1.6 Inventories:-

- a) Raw Materials, Stores & Spares are valued at lower of Cost or Market Value whichever is less.
- b) Work in process and finished goods, are valued at lower of Cost or Market Value whichever is less.
- c) By-products, Self Generated Scrap and non reusable waste are valued at net realizable value.

###### 1.7 Revenue Recognition:-

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the customer, which generally coincides with their delivery to customers. Sales are stated net of discounts, rebates and returns.

###### 1.8 Borrowing Costs:-

Borrowing costs are charged to Profit and Loss account, except in cases where the borrowings are directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

###### 1.9 Excise Duty:-

Excise Duty in respect of goods manufactured by the Company is accounted on accrual basis.

###### 1.10 Employee Benefits

The Company has not framed its policies of employees benefits with regard to gratuity and leave liabilities.

###### 1.11 Research & Development Expenses

Revenue expenditure on the Research & Development is charged off as expense in the year in which it incurred. Capital expenditure is grouped with Fixed Assets under appropriate heads and Depreciation is provided as per the rates applicable.

###### 1.12 Taxes on Income

- (a) Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year. The tax effect is calculated on the accumulated timing differences at the end of the year accounting period based on prevailing enacted or subsequently enacted regulations.
- (b) Provision for current tax is made on the basis of the income computed for the current accounting period in accordance with Income Tax Act, 1961.
- (c) During the year, Deferred Tax Assets / Liability is not provided as the management of the Company are not certain about reasonable time in which the timing difference would reverse.

**B) NOTES FORMING PART OF ANNUAL ACCOUNTS :-**

a) Contingent Liabilities not provided for:-

Particulars	2010-11	2009-10
1 Estimated amount of contracts remaining to be executed on capital account and not provided for	Rs. 285 Lacs	Rs 275 Lacs
2 Contingent Liabilities not provided for in respect of:	NIL	NIL
a) Central Excise (Matter Subjudice)	NIL	NIL
b) Sales Tax (under Appeal)	NIL	NIL
c) Income Tax (MAT) (Matter Subjudice)	NIL	NIL
d) Export Duty	NIL	NIL
e) Electricity Tax (Interest)	NIL	NIL
f) Labour Matters (Matter Subjudice), to the extent quantifiable.	NIL	NIL
i) Aggregate value of the letter of credit outstanding	NIL	NIL
ii) Aggregate Value of Guarantees outstanding	NIL	NIL

b) Balances of Sundry Debtors and Creditors are subject to confirmation.

c) During the year under review in addition to and in continuation of contribution of the long term funds provider, towards the assignment of the debts of the bank and financial institutions, in its favour, as per existing contract, additionally provided funds to the tune of Rs. 15126.17 Lacs, as at 31st March 2011, towards the company's rationalization process, and accordingly the management of the company had successfully negotiated with the fund provider and converted their entire contribution into equity shares of the Company. During the Annual General Meeting in September 2010 some of the members/Shareholders of the Company had requested that the shares to these funds providers be allotted at a premium instead of at par. The Management of the company has successfully negotiated and has executed necessary contract based on which the company has agreed to allot 4,27,94,500 equity shares at a premium of Rs 5/- per share and 5,12,17,600 equity shares at a premium of Rs 7/- per share which at present will be treated as Application Money pending allotment and with due compliance of provisions of the Companies Act 1956 and Stock Exchanges. After allotment the said shares will have pari passu rights with other shares of the Company. The said equity shares when allotted will be treated as consideration received in cash as per Circular no.8/32/(75) 77-CL-V, dated 13th March 1978 issued by the Company Law Board Department

**C) PARTICULARS AS PER PART II OF SCHEDULE VI OF THE COMPANIES ACT:-**

a) Remuneration to Auditors :

Particulars	2010-11 (Rs in Lacs)	2009-10 (Rs in Lacs)
Statutory Auditors:		
a) Audit Fees	1.40	0.30
b) Tax Audit Fees	0.30	0.10
c) Mvat Tax Audit Fees	0.30	Nil
d) Company Law Matters	Nil	Nil
e) Management Services	Nil	Nil
f) Expenses reimbursed	Nil	Nil
Total	2.00	0.40

b) Remuneration to Directors

Particulars	2010-11 (Rs in Lacs)	2009-10 (Rs in Lacs)
Remuneration to Directors	17.60	13.00
Perquisites	Nil	Nil
Contribution to provident fund and other funds	Nil	Nil

c) C.I.F. Value of Import and Expenditure in Foreign Currencies:

Particulars	2010-11 (Rs in Lacs)	2009-10 (Rs in Lacs)
(a) C.I.F. value of imports		
Capital Goods	Nil	Nil
Raw Materials	Nil	Nil
Stores & Spares	Nil	Nil
(b) Expenditure in foreign currencies		
Interest	Nil	Nil
Others	Nil	Nil

## SEYA INDUSTRIES LIMITED

### d) Earnings in Foreign Exchange

Particulars	2010-11	2009-10
FOB Value of Exports	Nil	NIL

### e) Details of raw material consumption:

#### (i) Raw Material Consumed:

Particulars	Unit	2010-011		2009-2010	
		Qty	Rs. (in lacs)	Qty	Rs. (in lacs)
Aromatics	MT	2498.01	1261.24	140.49	75.81
Acids	MT	1801.81	304.39	184.91	184.91
Others	MT	2480.87	255.90	Nil	6.54
<b>Total</b>		<b>6780.70</b>	<b>1821.53</b>	<b>Nil</b>	<b>95.03</b>

#### (ii) Imported and Indigenous Raw Material Consumption:

Particulars	2010-11		2009-10	
	Rs. (in lacs)	Percent	Rs. (in lacs)	Percent
(a) Imported	Nil	0%	Nil	0%
(b) Indigenous	1821.53	100%	95.03	100%
<b>Total</b>	<b>1821.53</b>	<b>100%</b>	<b>95.03</b>	<b>100%</b>

#### (iii) Imported and Indigenous Stores & Spares Consumption

Particulars	2010-11		2009-10	
	Rs. (in lacs)	Percent	Rs. (in lacs)	Percent
(a) Imported	Nil	0%	Nil	0%
(b) Indigenous	Nil	0%	1.00	100%
<b>Total</b>	<b>Nil</b>	<b>0%</b>	<b>Nil</b>	<b>100%</b>

### f) Details of Licensed and Installed capacity and Production:

Class of goods	Unit	Licensed Capacity	Installed Capacity	Manufactured Capacity
Nitro Chloro Benzene	MT	15750	15750	976.12
		(15750)	(15750)	(NIL)
Chloro Benzene	MT	17400	17400	3373.45
		(17400)	(17400)	(NIL)

The licensed capacity is the license issued for the Tarapur plant only.  
Figures in brackets are for previous years.

### g) Stock and Turnover of finished goods :

(Rs. In Lacs)

Class of Goods	Opening Stock				Closing Stock				Turnover			
	2010-11		2009-10		2010-11		2009-10		2010-11		2009-10	
	Qty MT	Value	Qty MT	Value	Qty MT	Value	Qty MT	Value	Qty MT	Value	Qty MT	Value
(a) Nitro Chloro Benzene	87.34	21.18	87.34	21.18	132.5	70.80	87.34	21.18	976.12	517.43	NIL	NIL
(b) Chloro Benzene	NIL	NIL	NIL	NIL	91.45	50.33	NIL	NIL	3373.45	1489.45	5.35	2.70
(c) By Products		0.82		0.82	229.07	2.96		0.82	4803.05	61.99		0.86
(d) Organic Chemical (others)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0	NIL	NIL
<b>Total Value (Rs.)</b>		<b>22.00</b>		<b>22.00</b>		<b>124.09</b>		<b>22.00</b>		<b>2068.71</b>		<b>3.56</b>

**D) OTHERS:**

1. The Company has not received information from the creditors regarding their status under Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosure relating to amount unpaid at the end of the year under this Act has not been given. There are no claims for interest on delayed payment.

**2. Related Party & Key Management Personnel Disclosure under Accounting Standards 18**

- |                      |                       |
|----------------------|-----------------------|
| 1. Name of the Party | Relationship          |
| Mr. Ashok G Rajani   | Key Management Person |

**B. Transaction with Related Parties**

Sr. No.	Particulars	Key Management Personnel
1.	Remuneration to Directors	17,60,000/-

3. The Company's business activity falls within a single primary segment, viz., Manufacture of Organic Chemicals. As such there is no reporting segment as per Accounting Standard 17

**4. Earning Per Share**

The Company reports basic and diluted earning per share (EPS) in accordance with accounting Standard - 20 issued by the Institute of Chartered Accountants of India. The Basic EPS has been computed by dividing the income available to equity share holders by the weighted average number of equity shares outstanding during the accounting year. The Diluted EPS have been computed using the weighted average number of equity shares and diluted potential equity shares outstanding at the end of the year.

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Net Profit after Tax Provision (Rs. In Lakhs)	45.02	Nil
Number of Equity Shares - Basic	1,10,00,000	1,10,00,000
Number of Equity Shares - Diluted	1,10,00,000	1,10,00,000
Earning Per Share		
Basic	0.41	Nil
Diluted	0.41	Nil

5. The Company has started its commercial production on 2nd March, 2011 and accordingly expenses incurred till that date, after deducting income thereon, has been transferred to Capital Expenditure pending allocation from the Profit & Loss Account. Thus Profit & Loss Account relates to the period from 2nd March, 2011 to 31st March, 2011.
6. Previous year's figures have been regrouped and rearranged wherever considered necessary to make them comparable with those of the current year.

**Signature to Schedule A to O**

As per our Report of even date,

**FOR JAGIWALA AND ASSOCIATES,  
CHARTERED ACCOUNTANTS  
(ICAI Firm Registration No- 131003W)**

**(YOGESH R. JAGIWALA)  
PARTNER  
Membership No. 016864**

Place: Mumbai  
Date : August 27, 2011

**(Namita Tiwari)  
Company Secretary**

For and on behalf of the Board of Directors

**Ashok G Rajani  
(Chairman and Managing Director)**

**(V. S. Khurana)  
Director**

Place: Mumbai  
Date : August 27, 2011

# SEYA INDUSTRIES LIMITED

## SEYA INDUSTRIES LIMITED

(FORMERLY KNOWN AS SRIMAN ORGANIC CHEMICAL INDUSTRIES LIMITED)

### Balance Sheet Abstract and Company's General Business Profile:

#### Registration Details

Registration No.  State Code

Balance Sheet		
Day	Month	Year
31	03	11

#### Capital Raised during the Year (Rs. in Lakhs)

Public Issue  Rights Issue   
Bonus Issue  Private Placement

#### Position of Mobilisation and Deployment of Funds (Rs. in Lakhs)

Total Liabilities  Total Assets

#### Sources of Funds:

Paid-Up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
<input type="text" value="1100"/>	<input type="text" value="3506"/>	<input type="text" value="0"/>	<input type="text" value="525"/>
SHARE APPLICATION MONEY			
<input type="text" value="15126"/>			

#### Application of Funds:

Net Fixed Assets	Investments	Net Current Assets	Misc. Expenditure
<input type="text" value="18962"/>	<input type="text" value="Nil"/>	<input type="text" value="1296"/>	<input type="text" value="0"/>

#### Performance of Company (Rs. in Thousands)

Turnover	Total Expenditure	+ - Profit/Loss Before Tax	+ - Profit/Loss After Tax
<input type="text" value="2311"/>	<input type="text" value="2256"/>	<input type="text" value="55"/>	<input type="text" value="45"/>

(Please tick Appropriate box + for Profit, - for Loss)

Earning Per Share in Rs.	Dividend Rate %
<input type="text" value="0.41"/>	<input type="text" value="0.00"/>

#### Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	Product Description
<input type="text" value="290361.01"/> <input type="text" value="290490.04"/>	<input type="text" value="Mono Chloro Benzene"/> <input type="text" value="Para Nitrochloro Benzene"/>

As per our Report of even date,

**FOR JAGIWALA AND ASSOCIATES,**  
CHARTERED ACCOUNTANTS  
(ICAI Firm Registration No- 131003W)

**(YOGESH R. JAGIWALA)**  
PARTNER  
Membership No. 016864

**(Namita Tiwari)**  
Company Secretary

For and on behalf of the Board of Directors

**Ashok G Rajani**  
(Chairman and Managing Director)

**(V. S. Khurana)**  
Director

Place: Mumbai  
Date : August 27, 2011

Place: Mumbai  
Date : August 27, 2011

**CASH FLOW STATEMENT**

	(Rs. in Lacs)	
	2010-11	2009-10
<b>A. Cash Flow From Operating Activities:</b>		
Net profit/(loss) before tax and extra ordinary items	55.27	-
Adjustment for:		
Depreciation	480.96	-
Provision for Tax	(10.25)	-
Interest	-	-
Interest on loans from Financial Institutions	-	-
Prior period adjustments	-	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>525.98</b>	<b>-</b>
Adjustments for:		
Change in Inventory	(246.25)	(13.05)
Change in receivables	474.23	69.85
Change in other receivables	(226.07)	(3,669.32)
Change in creditors	145.62	211.33
Change in provisions	40.18	(75.85)
Sub Total	187.72	(3,477.04)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>713.69</b>	<b>(3,477.04)</b>
<b>B. Cash Flow From Investing Activities :</b>		
Capital Work in progress	2,256.00	(535.16)
Purchase of fixed assets	(4,997.33)	-
Provision for Income Tax	-	-
<b>NET CASH FLOW USED IN INVESTING ACTIVITIES</b>	<b>(2,741.33)</b>	<b>(535.16)</b>
Sub-Total (A-B)	(2,027.63)	(4,012.20)
<b>C. Cash Flow From Financing Activities :</b>		
Change in short/long term Borrowings	-	5.26
Share Application Money	2,047.93	4,000.95
Sub Total	2,047.93	4,006.21
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>20.30</b>	<b>(5.99)</b>
Cash and cash equivalents (Opening Balance)	2.57	8.56
Cash and cash equivalents (Closing Balance)	22.87	2.57

As per our Report of even date,

For and on behalf of the Board of Directors

**FOR JAGIWALA AND ASSOCIATES,  
CHARTERED ACCOUNTANTS  
(ICAI Firm Registration No- 131003W)**

**Ashok G Rajani  
(Chairman and Managing Director)**

**(YOGESH R. JAGIWALA)  
PARTNER  
Membership No. 016864**

**(Namita Tiwari)  
Company Secretary**

**(V. S. Khurana)  
Director**

Place: Mumbai  
Date : August 27, 2011

Place: Mumbai  
Date : August 27, 2011



# SEYA INDUSTRIES LIMITED

(Formerly known as Sriman Organic Chemical Industries Ltd.)

Registered Office: T-14, MIDC, Tarapur, Boisar, Dist - Thane - 401 506, Maharashtra

## PROXY

Reg. Folio No. .... No. of Shares held .....

I/We .....

.....of.....

.....Being a Member/ Members of **SEYA INDUSTRIES LIMITED**

hereby appoint .....of.....or

failing him.....of.....as

my/our proxy in my/our absence to attend and vote for me/us, and on my/our behalf, at the TWENTY FIRST ANNUAL GENERAL MEETING of the Company, to be held at T-14, MIDC, Tarapur, Boisar, Dist - Thane - 401 506, Maharashtra on Thursday, the 29th September, 2011 at 4.00 p.m. and at any adjournment thereof.

Affix  
Rupee. 1  
Revenue  
Stamp

As witness my/our hand(s) this ..... day of ....., 2011

Signature .....

NOTE : The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid Meeting.

# SEYA INDUSTRIES LIMITED

(Formerly known as Sriman Organic Chemical Industries Ltd.)

Registered Office: T-14, MIDC, Tarapur, Boisar, Dist - Thane - 401 506, Maharashtra

## ATTENDANCE SLIP

(Shareholders attending the Meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall)

I, hereby record my presence at the TWENTY FIRST ANNUAL GENERAL MEETING of the Company at T-14, MIDC, Tarapur, Boisar, Dist - Thane - 401 506, Maharashtra on Thursday, the 29th September, 2011.

Full name of Member (IN BLOCK LETTERS).....

Reg. Folio No./ Demat ID.....

No. of shares held.....

Full name of Proxy (IN BLOCK LETTERS)

.....

.....

SIGNATURE OF THE SHAREHOLDER OR PROXY

**BOOK-POST**

If undelivered, please return to :  
**SEYA INDUSTRIES LIMITED**  
(Formerly Sriman Organic Chemicals Industries Ltd.)  
Registered Office: T-14, MIDC,  
Tarapur, Boisar, Dist - Thane, Pin 401 506. Maharashtra