



October 17, 2019

To,
Corporate Relationship Department
BSE Limited
P.J. Tower, Dalal Street,
Fort, Mumbai
Script Code: 524324

To,
Listing Compliances
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex, Bandra
East, Mumbai - 400051
Symbol: SEYAIND

Sub: Press Release

Dear Sir/Madam,

Please find enclosed Press Release dtd. October 17, 2019 with respect to Credit Rating of the Company.

Kindly take the same on record.

Thanking you

Yours faithfully
For and on behalf of the Board of Directors
Seya Industries Ltd


Manisha Solanki
Company Secretary
& Compliance Officer

Encl: Press Release 17-Oct-2019

Seya Industries Ltd

SUBJECT: Rating downgrade by CARE ratings Ltd.

17th October 2019 : Furtherance to our earlier Stock Exchange intimation and Press Release on the subject matter, the company would like to place the correct and important facts and aspects which are not set-out in the rating rationale:

- a. The Company has multiple lines of Credit and had been sanctioned enhancement in working capital limits by Rs. 21.50 Crores in March 2019. In addition to this the Company has unutilized Working capital limit (WCL) to the extent of more than 50% of its total WCL requirements i.e. to the tune of Rs.35 crores with other Banks which have not been considered in the rating rationale and aggregation of Working Capital limits.
- b. Regrettably, two of the banks with whom the company is having facility of working capital limits, have debited excess Interest and Bank charges, which are not in accordance with the Sanction terms. The company is thus compelled to dispute the same and has taken up the issue with the respective banker by filing necessary representation and has also taken up the issue with RBI Ombudsman, which is still pending final disposal. This representation made by the company has not been taken into account while considering the rating rationale.
- c. The company had availed Term Loans as per its financial plan for funding its Greenfield expansion project, which is under implementation. These term loans are still under drawdown and the only obligation towards the Term Loan is that of interest servicing which also is forming a part of construction cost / pre-operative expenses and hence such interest during construction is required to be serviced by the respective bankers since the entire promoter margin for the project was brought in up front along with the interest during construction. There have been delays by the bankers in servicing the interest in a timely manner. The Company has taken up the matter with respective Bankers of aforesaid Term Loans to update the system.

Management's Comment

It is the view of the Management that the downgrade is a more of a correction factoring ongoing Project rather than a reflection of the Financial performance of the Company.

The Company had debt to equity ratio of 0.45x as of March 31, 2019 and the contractual order book for FY 19-20 is being executed as per plan. Further, Seya Industries Ltd continues to venture into new markets globally and has a strong Balance Sheet and Capital employed reinforced by strong promoter commitment (Promoter shareholding at 74.52% and last Equity allotment at Rs. 523/share). The promoters have brought in an amount of Rs. 226 Crores as Promoter Margin for the Project which is in excess of Rs. 20 Crores over and above the stipulated promoter margin as per Sanction terms.



Investors Release

About Seya Industries Limited:

Seya Industries Limited (BSE Code: 524324; NSE Code: SEYAIND) a Company promoted by Technocrats, is engaged in manufacturing of Specialty chemicals at its state of the art manufacturing facilities in MIDC Tarapur, Boisar a notified chemical manufacturing zone 90kms from Mumbai which have wide spectrum of applications in the manufacture of Pharmaceuticals (like Paracetamol, floxacins, etc), Personal & Health Care Products (like Hair dyes), Printing Inks & Paints (used in Laser/Ink jet Printers, for Road markings, etc), Agrochemicals (like DDT, etc) Insecticides/Pesticides (like Quinalphos, Mortein, Baygon, etc), Rubber chemicals (for Leather protection), Textile dyes, Thermic fluids (used as heating medium), etc. The company's strength lies in its wide product offerings, ability to adapt to new markets and being environmentally friendly. As part of its management system, Seya has developed a detailed technology transfer program to ensure that not only do the specialty chemicals are safely transferred to customer's but all regulatory requirements for the products, packaging and transport are addressed. Seya can undertake production runs that are customer specific ranging from a few kilos to thousands of tonnes. Its Research and Development team have extensive experience in the design and scaling up of processes, supported by analytical team and facilities which can quickly bring production to a commercial scale and meet customer timeline targets. For further information, please visit www.seya.in

Safe Harbor:

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

For further details please contact:

Company	Investor Relations Advisors
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