

October 25, 2019

To,

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001,
Maharashtra, India
Script Code: 524324

National Stock Exchange Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra – Kurla Complex, Bandra (East),
Mumbai – 400 051,
Maharashtra, India.
Symbol: SEYAIND



Sub: Reply to clarification sought by BSE Limited vide its email dated October 24, 2019 regarding significant movement in price of the scrip

Ref.: BSE email Ref. No. L/SURV/ONL/PV/RS/2019-2020/641 dtd. October 24, 2019

Dear Sir / Madam,

With reference to the captioned subject, we would like to inform and clarify that the Company has recently issued detailed clarification to the stock exchanges regarding two unwarranted and untoward incidents that took place viz. wrongful downgrading of the Company's rating by CARE Ratings Limited (please refer to the Company's press release dated October 16, 2019 and October 17, 2019 disseminated through stock exchanges) and wrongful invocation of pledge of equity shares provided as security by the promoter of the Company to Beacon Trusteeship Limited (please refer to the detailed clarification issued by the Company on October 23, 2019 to the stock exchanges).

The Company has provided detailed clarification and its stand on these unwarranted incidents which unfortunately took place beyond the control of the Company, however, for both these events, the Company is evaluating all possible actions / recourse to undertake the remedial measures and to protect its interests.

Further we would like to emphasize that, on assessing and evaluating all these developments, the Company came to know that Beacon Trusteeship Limited has misstated many critical information in the disclosure made on October 22, 2019 under Regulation 29(1) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 regarding invocation of pledge, which are as follows:

1. The total share capital of the Company has been mentioned as 26,60,000 (Twenty Six Lakhs Sixty Thousand) Equity Shares equivalent to pledged shares as against the correct total Equity Shares of 2,46,00,000 (Two Crore Forty Six Lakhs). This is a gross error and negligence completely misleading the investors and shareholders at large.
2. The diluted share capital and corresponding % details of pledged shares invoked (which would be on lower side) have not been mentioned.
3. In the foot note, it is wrongly stated that the said 26,60,000 Equity Shares were pledged as security for debentures issued by the Company aggregating to Rupees Eighty Cores only, as against the correct and actual debentures amount of Seventy Two Crores only.

These are apparent gross errors and negligence, which cannot be expected from a debenture trustee which ought to have acted diligently, prudently and in the mutual interests of all the contracting parties under the Debenture Trust Deed. Therefore, we suspect wrongdoings and mala-



fide motives on the part of the debenture trustee and the investor / debenture holder (as stated in the clarification issued by the Company on October 23, 2019 to the stock exchanges in relation to invocation of pledge) to prejudice the interests of the Company and the security providers.


Further, it is pertinent to note that the equity shares on which pledge has been invoked constitutes only about 10.81% of the total share capital of the Company (before diluted equity) and only about 10.01% of the diluted equity share capital, as against 74.53% equity share capital held by the promoter group prior to pledge invocation. Further, there are no other shares pledged by the promoter group and the promoter group continues to hold substantial majority of the equity share capital and control of the Company even after wrongful invocation of pledge of shares by Beacon Trusteeship Limited.

It appears that such negligent and apparent mala-fide acts on the part of these entities, has resulted in substantial erosion of market value of the Company, of which substantial majority is held and owned by the promoter group, apart from the value erosion for public shareholders of the Company. Therefore, we request stock exchanges to investigate any fraudulent and unfair trade activities which might have been undertaken by any such entities in the scrip of the Company.

Therefore, we would like to clarify and assure that the Company has been prompt in responding, clarifying and disseminating (through stock exchanges) the material developments affecting the Company and as on date, there are no other material information / event that in our opinion would have bearing on the price behavior of the scrip. The Company shall continue to make applicable disclosures to the stock exchanges.

Kindly take this on record and do the needful.

For and on behalf of
Seya Industries Limited


Manisha Solanki
Company Secretary*

