Red Herring Prospectus
April 11, 2019
Please read Section 32 of the Companies Act, 2013
Book Built Offer

NEOGEN CHEMICALS LIMITED

Our Company was incorporated as 'Neogen Chemicals Private Limited' on March 7, 1989, at Thane, Maharashtra as a private limited company under the Companies Act, 1956 and received a certificate of incorporation from the Registrar of Companies, Mumbai, Maharashtra. Subsequently, pursuant to a special resolution passed by the shareholders of our Company on May 2, 1998, our Company was converted to a public limited company and the name of our Company was changed to 'Neogen Chemicals Limited', and a fresh certificate of incorporation dated July 2, 1998 was issued to our Company by the Registrar of Companies, Mumbai, Maharashtra. For further details, please refer to the chapter '*History and Certain Corporate Matters*' on page 175.

Registered and Corporate Office: 1002, 10th Floor, Dev Corpora Bldg, Opp. Cadbury Junction, Off Pokhran Road No. 2, Khopat, Thane - 400 601, Maharashtra, India;
Tel: +91 22 2549 7300; **Fax**: +91 22 2549 7399; **Corporate Identity Number**: U24200MH1989PLC050919;
Email: investor@neogenchem.com; **Website**: www.neogenchem.com;
Contact Person: Lalit Ashok Karne, Company Secretary and Compliance Officer; **Tel**: +91 22 2549 7300; **Fax**: +91 22 2549 7399; **Email**: investor@neogenchem.com

PROMOTERS OF OUR COMPANY: HARIDAS THAKARSHI KANANI AND HARIN HARIDAS KANANI

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH (EQUITY SHARES) OF NEOGEN CHEMICALS LIMITED (OUR COMPANY) FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [•] PER EQUITY SHARE) AGGREGATING UP TO ₹ [•] MILLION (OFFER). THE OFFER COMPRISES OF A FRESH ISSUE OF UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹ 700.00 MILLION BY OUR COMPANY (FRESH ISSUE) AND AN OFFER FOR SALE OF UP TO 1,699,600 EQUITY SHARES BY HARIDAS THAKARSHI KANANI (PROMOTER SELLING SHAREHOLDER) AND UP TO 1,200,400 EQUITY SHARES BY BEENA HARIDAS KANANI ('PROMOTER GROUP SELLING SHAREHOLDER', AND ALONG WITH THE PROMOTER SELLING SHAREHOLDER COLLECTIVELY REFERRED TO AS THE 'SELLING SHAREHOLDERS') AGGREGATING UP TO ₹[•] MILLION (OFFER FOR SALE). THE OFFER SHALL CONSTITUTE [•]% OF THE POST-OFFERED PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH AND THE OFFER PRICE IS [•] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER (BRLM) AND THE CO-BOOK RUNNING LEAD MANAGER (CBRLM) AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER BUSINESS STANDARD, ALL EDITIONS OF THE HINDI NATIONAL DAILY NEWPSPAPER BUSINESS STANDARD AND THE MUMBAI EDITION OF THE OF THE MARATHI DAILY NEWSPAPER NAVSHAKTHI (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST 2 WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED (BSE) AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ('NSE', AND TOGETHER WITH BSE REFERRED TO AS THE 'STOCK EXCHANGES') FOR THE PURPOSES OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revisions in the Price Band, the Bid/Offer Period will be extended by at least 3 additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLM and CBRLM and the terminals of the Syndicate Members and intimation to Self Certified Syndicate Banks (**SCSB**), Registered Brokers, Collecting Depository Participants (**CDP**) and Registrar to the Offer and Share Transfer Agent (**RTA**) (and together with the SCSBs, Registered Brokers and CDPs the **Registered Intermediary**).

This Offer is being undertaken in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (**SCRR**) read with Regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (**SEBI ICDR Regulations**). The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (**QIBs**) (**QIB Portion**), provided that our Company may, in consultation with the BRLM and CBRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (**Anchor Investor Portion**), out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation on a proportionate basis to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders, other than Anchor Investors, shall participate in the Offer mandatorily through the Applications Supported by Blocked Amount (**ASBA**) process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs, or under the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, please refer to the chapter '*Offer Procedure*' on page 462.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each. The Floor Price is [●] times the face value of Equity Shares and the Cap Price is [●] times the face value of Equity Shares. The Offer Price (determined and justified by our Company and the Selling Shareholders, in consultation with the BRLM and the CBRLM as stated in '*Basis for Offer Price*' on page 115) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India (**SEBI**), nor does SEBI guarantee the accuracy or adequacy of the contents. Specific attention of the investors is invited to the section '*Risk Factors*' on page 19.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Each Selling Shareholder accepts responsibility only for the statements in this Red Herring Prospectus specifically made or confirmed with respect to themselves and the Equity Shares offered by them in the Offer for Sale and confirms that such statements are true and correct in all material respects and are not misleading in any material respect.

LISTING

The Equity Shares offered in the Offer through this Red Herring Prospectus are proposed to be listed on the BSE and the NSE. In-principle approvals of BSE and NSE for listing the Equity Shares have been received pursuant to letters dated December 6, 2018 and December 19, 2018, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be BSE. A signed copy of this Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus up to the Bid/Offer Closing Date, please refer to the chapter '*Material Contracts and Documents for Inspection*' on page 548.

BOOK RUNNING LEAD MANAGER	CO-BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER
INGA ADVISORS PRIVATE LIMITED 1229, Hubtown Solaris, N.S. Phadke Marg, Opp. Telli Galli, Andheri (E) - 400 069, Mumbai, Maharashtra, India **Telephone**: +91 22 2681 6003 **Fax**: +91 22 2681 6020 **Email**: neogen.ipo@ingaadvisors.com **Investor Grievance Email**: investors@ingaadvisors.com **Website**: www.ingaadvisors.com **Contact Person Details**: Kavita Shah **SEBI Registration No.**: INM000012573	**BATLIVALA & KARANI SECURITIES INDIA PRIVATE LIMITED** Ground Floor, City Ice Building, 298 Perin Nariman Street, Fort, Mumbai - 400001, India **Telephone**: +91 22 4031 7000 **Fax**: +91 22 2263 5020/30 **Email**: merchantbanking@bksec.com **Investor Grievance Email**: grievance.mbd@bksec.com **Website**: www.bksec.com **Contact Person Details**: Darshan Piyush Trivedi/ Sujeet Gurav **SEBI Registration No.**: INM000010908	**LINK INTIME INDIA PRIVATE LIMITED** C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), 400 083, Mumbai, Maharashtra, India **Telephone**: +91 22 4918 6200 **Fax**: +91 22 4918 6195 **E-mail**: neogenchem.ipo@linkintime.co.in **Investor Grievance E-mail**: neogenchem.ipo@linkintime.co.in **Website**: www.linkintime.co.in **Contact Person**: Shanti Gopalkrishnan **SEBI Registration No.**: INR000004058

BID/OFFER PROGRAMME

BID/OFFER OPENS ON: April 24, 2019[1]	BID/OFFER CLOSES ON: April 26, 2019

[1] *Our Company and the Selling Shareholders may, in consultation with the BRLM and CBRLM consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be 1 Working Day prior to the Bid/Offer Opening Date.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the words, expressions or terms used in this Red Herring Prospectus shall have the meaning set out below, and references to any statute or regulations, rules or acts or policies shall include amendments thereto, from time to time. The words and expressions used in this Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act, other apposite statute, or the rules and regulations made thereunder. In case of inconsistency between the General Information Document (defined below) and other sections of this Red Herring Prospectus, the details mentioned in the other sections of this Red Herring Prospectus shall prevail.

Notwithstanding the foregoing, terms used in the sections '*Statement of Tax Benefits', 'Industry Overview', Financial Information', 'Main Provisions of Articles of Association', 'Outstanding Litigation and Material Developments', 'Regulations and Policies' and 'Offer Procedure – Part B'* on pages 119, 122, 208, 521, 427, 173 and 476 respectively, shall have the meaning ascribed to such terms in such sections.

General Company and conventional terms

Term	Description
Articles/ Articles of Association/ AoA	Articles of association of our Company, as amended from time to time
Audit Committee	The committee of the Board of Directors constituted as our Company's audit committee
Auditor/Statutory Auditor	The statutory auditor of our Company viz. JMT & Associates, Chartered Accountants
Board/Board of Directors	Board of Directors of our Company or a duly constituted committee thereof
"Company', "our Company", "the Offerer" or "Neogen"	Neogen Chemicals Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 1002, 10th Floor, Dev Corpora Building, Opp. Cadbury Junction, Off Pokhran Road No. 2, Khopat, Thane - 400 601, Maharashtra, India
Compliance Officer	Our company secretary who has been appointed as the compliance officer of our Company
Corporate Office	Our corporate office located at 1002, 10th Floor, Dev Corpora Building, Opp. Cadbury Junction, Off Pokhran Road No 2, Khopat, Thane – 400 601, Maharashtra, India
Director(s)	The director(s) on the Board of our Company, unless otherwise specified
Equity Shares	Equity shares of our Company of face value of ₹10 each
9.8% FRCPS	1,070,000 9.8% FRCPS allotted to Karvy Capital Limited
Group	Our Company and Dhara Fine Chem Industries, a partnership firm incorporated under the Indian Partnership Act, 1932 and having its office at 23, G.I.D.C Estate, Dabhoi – 391 110, Dist. Vadodara, Gujarat
Group Companies	Neogen Advance Sciences LLP, a limited liability partnership. For details of our Group Companies, please refer to the chapter '*Group Companies*' on page 202.
IPO Committee	The committee of the Board of Directors constituted in relation to this Offer by the Board of Directors
Key Management Personnel/KMP	Those individuals described in the chapter '*Our Management – Key Management Personnel*' on page 196
Memorandum/MOA/Memorandum of Association	Memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The committee of the Board of Directors constituted as our Company's nomination and remuneration committee
10% OCPS	10% cumulative optionally convertible preference shares
Promoters	The promoters of our Company viz. Haridas Thakarshi Kanani and Harin Haridas Kanani
Promoter Group	The individuals and entities constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations
Registered Office	The registered office of our Company, situated at 1002, 10th Floor, Dev Corpora Building, Opp. Cadbury Junction, Off Pokhran Road No. 2, Khopat, Thane 400 601, Maharashtra, India
Registrar of Companies/RoC	Registrar of Companies, Mumbai, Maharashtra
Restated Consolidated Financial	Proforma Ind AS Restated Consolidated Financial Information as at and for the 9

Term	Description
Statements	month period ended December 31, 2018, and the Financial Year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and included in the chapter '*Financial Statements'* on page 208.
Restated Financial Statements	Collectively, the Restated Standalone Financial Statements and Restated Consolidated Financial Statements
Restated Standalone Financial Statements	Proforma Ind AS Restated Standalone Financial Information as at and for the 9 month period ended December 31, 2018, and the Financial Year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and included in the chapter '*Financial Statements'* on page 208.
Promoter Selling Shareholder	Haridas Thakarshi Kanani
Promoter Group Selling Shareholder	Beena Haridas Kanani
Selling Shareholders	Collectively, the Promoter Selling Shareholder and the Promoter Group Selling Shareholder
Shareholders	Shareholders of our Company, from time to time
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee
Revenue from Operations	Total operating revenue adjusted for excise and cash discount.
"We", "us" or "our"	Unless the content otherwise indicates or implies, refers to our Company on a consolidated basis together with the partnership firm, Dhara Fine Chem Industries

Offer Related Terms

Term	Description
Abridged Prospectus	Abridged prospectus prepared in accordance with Regulation 58 of SEBI ICDR Regulations and appended to the Bid Cum Application Form
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid Cum Application Form
Allot/Allotment/Allotted	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, with a minimum Bid of ₹100 million, in accordance with the SEBI ICDR Regulations
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which will be decided by our Company and Selling Shareholders in consultation with the BRLM and the CBRLM during the Anchor Investor Bid/Offer Period
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Anchor Investor Bid/Offer Period	The day, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to, and after which, the BRLM and CBRLM will not accept any bids from Anchor Investors and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLM and the CBRLM.
Anchor Investor Pay-in Date	In case of the Anchor Investor Offer Price being higher than the Anchor Investor Allocation Price, the date as mentioned in the CAN but not later than 2 Working Days after the Bid/ Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion, consisting up to [●] Equity Shares, which may be allocated by our Company in consultation with the BRLM and CBRLM, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price

Term	Description
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid authorizing a SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by Retail Individual Bidders using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form or the account of the Retail Individual Bidder blocked upon acceptance of UPI Mandate Request by RIIs using the UPI Mechanism to the extent of the Bid Amount of the Bidder/Applicant
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations
ASBA Bidder(s)	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders, which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Basis of Allotment	Basis on which the Equity Shares will be Allotted to successful Bidders under the Offer and which is described in the chapter '*Offer Procedure- Allotment Procedure and Basis of Allotment*' on page 507
Bid(s)	An indication to make an offer during the Bid/Offer Period by a Bidder other than an Anchor Investor pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by the Anchor Investors pursuant to submission of the Anchor Investor Application Form, to subscribe to the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations, 2018 in terms of this Red Herring Prospectus and Bid cum Application Form. The term 'Bidding' shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Anchor Investor or as blocked in the ASBA Account of the ASBA Bidder on submission of a bid in the Offer
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of the English national newspaper Business Standard, all editions of the Hindi national newspaper Business Standard and Mumbai edition of the Marathi newspaper Navshakti (Marathi being the regional language of Maharashtra where our Registered Office is located), each with wide circulation
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting ASBA Bids for the Offer, which shall be notified in all editions of the English national newspaper Business Standard,all editions of the Hindi national newspaper Business Standard and Mumbai edition of the Marathi newspaper Navshakti (Marathi being the regional language of Maharashtra where our Registered Office is located), each with wide circulation
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective investors can submit their Bids, including any revisions thereof
Bid Lot	[●] Equity Shares
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	The book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, 2018, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the name, bidding and contact details of the Registered Brokers are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
BRLM/Book Running Lead Manager	The book running lead manager to the Offer, being Inga Advisors Private Limited
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period

Term	Description
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
CBRLM/Co-Book Running Lead Manager	The co-book running lead manager being Batlivala & Karani Securities India Private Limited
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches	Such branches of SCSBs which coordinate Bids under the Offer with the BRLM and the CBRLM, the Registrar and the Stock Exchanges, a list of which is available on the website of SEBI at http://www/sebi.gov.in
Cut-off Price	The Offer Price, finalised by our Company and the Selling Shareholders in consultation with BRLM and the CBRLM, which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder’s address, name of the Bidder’s father/ husband, investor status, occupation and bank account details and UPI ID wherever applicable
Designated Date	The date on which the funds are transferred by the Escrow Collection Bank(s) from the Escrow Account(s) or the instructions are given to the SCSBs to unblock the ASBA Accounts and transfer the amounts blocked by SCSBs as the case may be, to the Public Offer Account or the Refund Account, as appropriate in terms of this Red Herring Prospectus and the Prospectus, and the aforesaid transfer and instructions shall be issued only after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange
Designated Intermediaries	Syndicate, sub-syndicate, SCSBs, Registered Brokers, the CDPs and RTAs, who are authorised to collect ASBA Forms from the Bidders, in relation to the Offer
Designated CDP Locations	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges www.bseindia.com and www.nseindia.com
Designated RTA Locations	Such locations of the RTAs where ASBA Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges www.bseindia.com and www.nseindia.com
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at www.sebi.gov.in/ or such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	BSE
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated November 5, 2018 issued in accordance with the SEBI ICDR Regulations including any addenda or corrigenda thereto.
Eligible NRI(s)	NRIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and this Red Herring Prospectus will constitute an invitation to subscribe to or purchase the Equity Shares
Escrow Account	Account opened for the Offer with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/ NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agent	HDFC Bank Limited
Escrow Agreement	Agreement to be entered into by our Company, Selling Shareholders the Registrar to the Offer, the BRLM, the CBRLM, the Escrow Collection Bank, the Refund Banker and the Public Offer Bank and Sponsor Bank for collection of the Bid Amounts from the Anchor Investors, transfer of funds from the Escrow Account to the Public Offer Account and where applicable, refunds of the amounts collected from the Bidders, on the terms and conditions thereof
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account will be opened.
Equity Listing Agreements	The listing agreements to be entered into by our Company with the Stock Exchanges in relation to our Equity Shares
First Bidder	The Bidder whose name appears first in the Bid cum Application Form in case of a joint Bid and whose name shall also appear as the first holder of the beneficiary account held in joint names or any revisions thereof
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer

Term	Description
	Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	The issue of up to [●] Equity Shares aggregating up to ₹ 700.00 million proposed to be issued by our Company as part of the Offer
General Information Document/GID	The General Information Document prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circulars (CIR/CFD/POLICYCELL/III/2015) dated November 10, 2015, (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and the circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and the circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 suitably modified and included in the chapter '*Offer Procedure*' on page 462.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares which shall be available for allocation to Mutual Funds only
Net Proceeds	Proceeds of the Offer, less Offer related expenses. For further information about the Offer related expenses, please refer to the chapter '*Objects of the Offer'* on page 107
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares allocated to the Anchor Investors
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for the Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Offer	The initial public offer of up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each, aggregating up to ₹ [●] million, comprising: (i) the Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 700.00 million; and (ii) Offer for Sale of up to 2,900,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders.
Offer Agreement	The agreement dated November 5, 2018 between our Company, Selling Shareholders and the BRLM and the CBRLM, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of Equity Shares by the Selling Shareholders, aggregating up to 2,900,000 Equity Shares comprising an offer for sale by Haridas Thakarshi Kanani of up to 1,699,600 Equity Shares and offer for sale by Beena Haridas Kanani of up to 1,200,400 at the Offer Price in terms of this Red Herring Prospectus.
Offer Proceeds	The proceeds of the Offer which shall be available to the Company. For further information about use of the Offer Proceeds, please refer to the chapter '*Objects of the Offer'* on page 107
Offer Price	The final price at which the Equity Shares will be Allotted to Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of this Red Herring Prospectus. The Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLM and the CBRLM, on the Pricing Date. Unless otherwise stated or the context otherwise implies, the term Offer Price refers to the Offer Price applicable to investors other than Anchor Investors
Offered Shares	Up to 2,900,000 Equity Shares aggregating up to ₹ [●] million offered by the Selling Shareholders in the Offer
Price Band	Price Band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price), including any revisions thereof. The Price Band will be decided by our Company and the Selling Shareholders in consultation with the BRLM and the CBRLM and will be advertised, at least 2 Working Days prior to the Bid/Offer Opening Date, in all editions of the English national newspaper Business Standard, all editions of the Hindi national newspaper Business Standard and all editions of the Marathi newspaper Navshakti (Marathi being the regional language of Maharashtra where our registered office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company and the Selling Shareholders in consultation with BRLM and the CBRLM will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC in accordance with section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price that is determined through the Book Building Process, the size of the Offer and certain other information,

Term	Description
	including any addenda or corrigenda thereto
Public Offer Account	Account opened with the Public Offer Bank to receive monies from the Escrow Account(s) and to which the funds shall be transferred by the SCSBs from the ASBA Accounts of the successful Allottees, on or after the Designated Date
Public Offer Bank	Bank(s) with whom the Public Offer Account for collection of bidding amount from Escrow Account(s) and ASBA Accounts of the successful Allottees will be opened, in this case being HDFC Bank Limited
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer, which shall be allocated on a proportionate basis to QIBs, including the Anchor Investor subject to valid Bids being received at or above the Offer Price
Qualified Institutional Buyers/QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus/RHP	This Red Herring Prospectus dated April 11, 2019 issued in accordance with section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer and includes any addenda and corrigenda thereto. This Red Herring Prospectus will be filed with the RoC at least 3 Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with the Refund Banker, from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made
Refund Banker	HDFC Bank Limited
Refunds through electronic transfer of funds	Refunds through NACH, Direct Credit, RTGS or NEFT, as applicable
Registered Brokers	Stock Brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the Stock Exchanges having nationwide terminals, other than the members of the Syndicate and having terminals at any of the Broker Centres and eligible to procure Bids in terms of circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	The agreement dated November 3, 2018 between our Company, Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar and Share Transfer Agents/RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Offer/Registrar	Registrar to the Offer, in this case being Link Intime India Private Limited
Retail Individual Bidder(s) / Retail Individual Investor(s) RIB(s) / RII(s)	Individual Bidders who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidder(s) subject to valid Bids being received at or above the Offer Price
Revision Form	Form used by the Retail Individual Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Forms or any previous revision form(s) before closure of the Offer. Kindly note that QIBs and Non-Institutional Bidders are not allowed to withdraw or lower their Bid (in terms of quality of Equity Shares or the Bid Amount) at any stage, once submitted
Self-Certified Syndicate Banks or SCSBs	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb /home /list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from, time to time
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement
Share Escrow Agreement	Agreement to be entered between our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the respective portion of the Offered Shares by the Selling Shareholders.
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders
Sponsor Bank	Sponsor Bank means a Banker to the Offer registered with SEBI which is appointed by the Offeror to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders into

Term	Description
	the UPI, in this case being HDFC Bank Limited
Stock Exchanges	BSE and NSE
Syndicate Agreement	The agreement to be entered into amongst the BRLM. The CBRLM, the Syndicate Members, the Registrar to the Offer, the Selling Shareholders and our Company in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with the SEBI who are permitted to carry out activities as an underwriter, namely, Batlivala & Karani Securities India Private Limited, Bonanza Portfolio Limited and Hem Securities Limited
Syndicate/members of the Syndicate	BRLM, CBRLM and the Syndicate Members
TRS/Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	BRLM, CBRLM and the Syndicate Members
Underwriting Agreement	The agreement amongst the Underwriters, the Selling Shareholders and, our Company to be entered into on or after the Pricing Date
UPI	Unified Payments Interface, an instant payment system which allows the transfer of money between any 2 persons' bank account using the payment address which uniquely identifies a person's bank account.
UPI ID	An unique payment address created on UPI for the single-window mobile payment system developed by the NPCI.
UPI Mandate Request	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India
UPI Mechanism	The bidding mechanism that may be used by a Retail Individual Bidder to make a Bid in the Offer in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 read along with circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50, dated April 3, 2019
UPI PIN	Password to authenticate UPI transaction
Working Days	All days other than second and fourth Saturdays of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business; provided however 'Working Day', with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and as modified by the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018.

Business / Industry Related Terms

Term	Description
APAC region	Asia Pacific Region
API	Active pharmaceutical ingredient
Bromine	A chemical element with symbol 'Br'
Brominating agent	A chemical compound capable of introducing bromine into a molecule
Bromination	A chemical reaction by which bromine is introduced to a compound or material
Brominated compound	A chemical which has been treated or introduced with Bromine by way of Bromination
Bromine source	A compound or chemical which is a primary source of Bromine
CPhI	Convention on Pharmaceutical Ingredients
Grignard reagent	A chemical formed by reaction of magnesium with an organic halide
Halogenation	A chemical reaction by which a halogenic element such as Bromine is added to a compound
HVAC	Heating ventilation and air-conditioning industry.
Inorganic chemicals	Chemicals with an ionic bond
Ionic bond	A chemical bond between a non-metal and a metal ion
ISO Storage Tanks	Storage tanks built as per standards prescribed by International Organisation for Standardisation.
Lithium	A chemical element with symbol 'Li'
Lithium compounds	The specialty inorganic lithium-based chemical products of our Company
Lithium Source	A compound or chemical which is a primary source of Lithium

Term	Description
Mahape Facility	Our manufacturing facility located in Mahape, Navi Mumbai, Maharashtra
Organic chemicals	Chemicals with a covalent bond.
Proposed Dahej Facility	Planned additional facility in Dahej SEZ, Dahej Gujarat
Proposed Vadodara Facility	Planned additional facility at Karakhadi, Vadodara, Gujarat
Specialty Chemicals	Those chemicals that impart different properties to a variety of products (i.e. the effect that specialty chemicals have varies based on the product) and have a high degree of value addition.
Vadodara Facility	Our manufacturing facility located in Karakhadi Vadodara, Gujarat.
VAM	Vapour absorption machines

Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS/Accounting Standards	Accounting Standards issued by the ICAI
AY	Assessment Year
BSE	BSE Limited
Banking Regulation Act	The Banking Regulation Act, 1949, as amended
CAGR	Compounded Annual Growth Rate
Calendar Year	Unless the context requires, shall refer to the 12-month period ending December 31, of the year
Category II foreign portfolio investor(s)/ Category II FPIs	FPIs who are registered as ‘Category II foreign portfolio investors’ under the SEBI FPI Regulations
Category III foreign portfolio investor(s)/ Category III FPIs	FPIs who are registered as ‘Category III foreign portfolio investors’ under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CENVAT	Central Value Added Tax
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CFO	Chief Financial Officer
CIN	Corporate identity number
CIT	Commissioner of Income Tax
Client ID	Client identification number of the Bidder’s beneficiary account
Companies Act/Act	Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections
CRISIL	CRISIL Limited
CRISIL Report	Report titled ‘Assessment of the specialty chemicals industry in India’ issued by CRISIL Research in August 2018
CRISIL Research	A division of CRISIL
CSO	Central Statistics Office
CSR	Corporate social responsibility
CST	Central Sales Tax
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository participant’s identification
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
Electricity Act	Electricity Act, 2003

EPS	Earnings Per Share i.e. profit after tax for a Fiscal divided by the weighted average outstanding number of equity shares at the end of that Fiscal
ESOP	Employee Stock Option Plan
FCNR	Foreign currency non-resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended
FIFO	First in first out
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
Financial Year / Fiscal / FY	Period of twelve months ended March 31 of that particular year
FVCI	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI FVCI Regulations
GDP	Gross Domestic Product
GIR	General index register
GoI/Government	Government of India
GST	Goods and Services Tax
HNI	High Networth Individual
HUF	Hindu Undivided Family
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards issued by International Accounting Standards Board
IMF	International Monetary Fund
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015
IPO	Initial public offering
ISIN	International Securities Identification Number
IT	Information Technology
I.T. Act	The Income Tax Act, 1961
ITAT	Income Tax Appellate Tribunal
KL	Kilo litre
LC	Letter of Credit
LLP Act	Limited Liability Partnership Act, 2008
MCLR	Marginal Cost of Funds based Lending Rate
MICR	Magnetic ink character recognition
MIDC	Maharashtra Industrial Development Corporation
Mn / mn	Million
MOEF	Ministry of Environment and Forests
MoU	Memorandum of Understanding
N.A.	Not applicable
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India
NAV	Net Asset Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of profit and loss account, divided by number of issued equity shares
NCT	National Capital Territory
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NGO	Non-Governmental Organisation
Notified Sections	The sections of the Companies Act, 2013 that have been notified as having come into effect prior to the date of this Red Herring Prospectus
NOC	No Objection Certificate
NPCI	National Payments Corporation of India
NR/Non-Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FIIs registered with SEBI and FVCIs registered with SEBI
NRE Account	Non Resident External Account

NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
OFS	Offer for Sale
p.a.	Per annum
PBDITA	Profit Before Interest, Taxes, Depreciation and Amortization
P&L	Profit and loss
P/E Ratio	Price/earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
PAT	Profit after tax
PIO	Persons of Indian Origin
QE	Quarter ended
QIB	Qualified Institutional Buyer
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
Regulation S	Regulations S under the Securities Act
RONW	Return on Net Worth
Rupees/Rs./₹/INR	Indian Rupees
RTGS	Real Time Gross Settlement
SBI	State Bank of India
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI ICDR Regulations, 2018	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
Securities Act	United States Securities Act of 1933
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Sq. Ft./sq. ft.	Square feet
State Government	The Government of a state in India
Sec.	Section
SEZ	Special Economic Zone
Stamp Act	The Indian Stamp Act, 1899
Stock Exchange(s)	BSE and/or NSE as the context may refer to
TAN	Tax Deduction Account Number

TDS	Tax Deducted at Source
T.P. Act	Transfer of Property Act, 1882
TR	Ton of refrigeration
UIN	Unique Identification Number
UPI	Unified Payments Interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person’s bank account
US / USA / United States	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD / US$	United States Dollars
VAT	Value added tax
VCFs	Venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
WC	Working capital
WEO	World economic outlook
WPI	Wholesale Price Index

FORWARD LOOKING STATEMENTS

Certain statements in this Red Herring Prospectus are not historical facts but are 'forward-looking' in nature. Forward-looking statements include statements concerning our Company's plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company's competitive strengths and weaknesses, our Company's business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information, and is based on the current views of our Company's management.

Words such as "believe", "anticipate", "estimate", "seek", "expect", "continue", "intend", "predict", "project", "should", "goal", "future", "could", "may", "will", "would", "targets", "aims", "is likely to", "plan" and similar expressions, or variations of such expressions, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

All forward looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement and there can be no assurance that any of these will prove to be correct.

These risks, uncertainties and other factors include, among other things, those listed under the section '*Risk Factors*' on page 19, as well as those included elsewhere in this Red Herring Prospectus. Prospective Investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to regulatory changes pertaining to the industry in India and our ability to respond to them, our ability to successfully implement our strategy, our development plan, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas, which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence.

Important factors that could cause actual results to differ materially from our expectations include the following:

- Increased capacity due to future capacity augmentation;
- Loss of one or more of our significant customers or a significant reduction in production and sales of, or demand for our production from our significant customers;
- Strict quality checks and a consequent requirement to incur significant expenses to maintain such product quality;
- Absence of any firm commitment long-term agreements with our customers;
- Significant reliance on certain select customers and customers in application industries, in particular customers in the sectors such as pharmaceutical, agro-chemicals, refrigeration and construction chemicals;
- Availability of raw materials on commercially acceptable terms.
- Failure to identify and understand evolving industry trends and preferences and to develop new products to meet our customers' demands;
- Changes in the value of the Indian rupee and other currencies;
- Our inability to accurately forecast demand for our products, and accordingly manage our inventory or plan capacity increases;
- Our indebtedness and the conditions and restrictions imposed on us by our financing agreements;
- Increased costs on account of compliance with various law and regulations, in jurisdictions where we operate, including environmental and health and safety laws and regulations; and
- Dependence on a number of key management personnel and senior management personnel.

For a further discussion of factors that could cause our Company's actual results to differ, please refer to the section *'Risk Factors'* on page 19 and the chapters '*Our Business*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' on pages 154 and 398, respectively. By their very nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, the Selling Shareholders nor the Book Running Lead Manager and the Co-Book Running Lead Manager nor any of their respective affiliates or advisors has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with regulatory requirements, our Company will ensure that investors in India are informed of material developments from the date of this Red Herring Prospectus until the date of Allotment. The Selling Shareholders will ensure that investors are informed of material developments in relation to the statements relating to and undertakings specifically confirmed or undertaken by it in this Red Herring Prospectus and the Prospectus in relation to themselves or the Offered Shares until the time of the date of Allotment.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Red Herring Prospectus are to the Republic of India, all references to the "U.S.", the "USA" or the "United States" are to the United States of America. Unless stated otherwise, all references to page numbers in this Red Herring Prospectus are to the page numbers of this Red Herring Prospectus.

Financial Data

Unless stated otherwise, the financial information in this Red Herring Prospectus is derived from our Restated Financial Statements and comprise (a) the restated standalone financial statements expressed in Indian Rupees in millions has been prepared under Indian Accounting Standards (**Ind As**) notified by the Companies (Indian Accounting Standards) Rules, 2014, read with Section 133 of the Companies Act, 2013 as at and for the 9 month period ended December 31, 2018, and Fiscals ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and (b) the restated consolidated financial statements expressed in Indian Rupees in millions has been prepared under Indian Accounting Standards (**Ind As**) notified by the Companies (Indian Accounting Standards) Rules, 2014, read with Section 133 of the Companies Act, 2013 as at and for the 9 month period ended December 31, 2018, and Fiscals ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and have been restated in line with the SEBI ICDR Regulations and have been reviewed and referred to as "*Proforma Ind AS Restated Consolidated Financial Information*". For further details, please refer to the chapters '*Summary Financial Information*', '*Financial Statements*', and '*Summary of Significant Differences between Indian GAAP and Ind AS'* beginning on pages 55, 208 and 394, respectively.

Our Company's financial year commences on April 1 and ends on March 31 of the next year and accordingly all references to a particular financial year, unless stated otherwise, are to the 12 months' period ended on March 31 of that year.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Restated Financial Information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. Our Company does not provide a reconciliation of its financial statements to IFRS or U.S. GAAP financial statements. For details in connection with risks involving differences between Indian GAAP and other accounting principles, please refer to the section '*Risk Factors'* on page 19.

All numbers in this Red Herring Prospectus have been presented in million or in whole numbers where the numbers have been too small to present in million, unless stated otherwise. One million represents 1,000,000 and one billion represents 1,000,000,000. Figures contained in this Red Herring Prospectus, including our financial statements, have been subject to rounding-off adjustments. All decimals have been rounded off to two decimal points. In this Red Herring Prospectus, any discrepancies in any table between the sums of the amounts listed in the table and totals are due to rounding off.

Unless the context requires otherwise, any percentage amounts, as set forth in this Red Herring Prospectus, including in the section '*Risk Factors'* on page 19 and the chapters '*Our Business*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations'* on pages 154 and 398 respectively, have been calculated on the basis of the Restated Financial Statements.

Market and Industry Data

The chapter '*Summary of Industry*' and '*Industry Overview*' quotes and otherwise includes information from a commissioned report, or the CRISIL Report, prepared by CRISIL Research for the purposes of this Red Herring Prospectus. Our Company commissioned CRISIL Research to provide an independent assessment of the opportunities, dynamics and competitive landscape of the markets in India for the business we are engaged in.

CRISIL has issued the CRISIL Report with the following disclaimer:

"CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of

investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. CRISIL is not, and will not be, responsible for ensuring compliances, and for the consequences of non-compliances, of the use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

Except for the CRISIL Report, we have not commissioned any report for purposes of this Red Herring Prospectus and any market and industry related data, other than that derived from the CRISIL Report, used in this Red Herring Prospectus has been obtained or derived from publicly available documents and other industry sources.

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Although we have no reason to believe that industry data used in this Red Herring Prospectus is not reliable, it has not been independently verified by us, none of our Directors, the Selling Shareholders, the BRLM, the CBRLM or any of their affiliates or advisors nor do we make any representation as to its accuracy or completeness. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section '*Risk Factors'* on page 19. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

For further details, refer to the section '*Risk Factors'* on page 19.

Further, the extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. In addition, certain data in relation to our Company used in this Red Herring Prospectus has been obtained or derived from the CRISIL Report which may differ in certain respects from our Restated Consolidated Financial Statements as a result of, *inter alia*, the methodologies used in compiling such data. Accordingly, no investment decision should be made based on such information.

In accordance with the SEBI Regulations, the chapter '*Basis for Offer Price*' on page 115 includes information relating to our peer companies. Such information has been derived from publicly available sources, and neither we nor the BRLM, the CBRLM have independently verified such information.

Currency and Units of Presentation

All references to 'Rupees' or '₹' or 'Rs.' are to Indian Rupees, the official currency of the Republic of India.

In this Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions. One million represents '10 lakhs' or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Red Herring Prospectus expressed in such denominations as provided in their respective sources.

In this Red Herring Prospectus, except the data obtained from the Restated Financial Statements, unless otherwise stated the USD-INR conversion rate has been taken as 1 USD = ₹ 69.79. (*Source: www.rbi.org as on December 31, 2018*).

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any, or a combination, of the following risks materialises, our business, results of operations, cash flows and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we do not, currently, believe to be material may also have an adverse effect on our business, results of operations, cash flows and financial condition. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. Unless otherwise stated in the relevant risk factors set forth below, we are not able to specify or quantify the financial or other risks mentioned herein. Investment in equity and equity related securities involves a degree of risk and Investors should not invest any funds in this Offer unless they can afford to take the risk of losing all or a part of their investment. In making an investment decision, prospective Investors must rely on their own examination of our Company and the terms of the Offer, including the risks involved. To obtain a complete understanding of our business, you should read the chapters 'Our Business', 'Management's Discussion and Analysis of Financial Condition and Result of Operations' and 'Financial Statements' on pages 154, 398 and 208, respectively. If our business, result of operations or financial condition suffers, the price of the Equity Shares and the value of your investments in the Equity Shares could decline.

This Red Herring Prospectus also contains forward looking statements, which refers to future events that may produce known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. For further details, please refer to the chapter 'Forward Looking Statements' on page 15.

Unless stated or context requires otherwise, the financial information of our Company used in this Section is derived from our Restated Consolidated Financial Statements.

1. ***Neogen Corporation has filed a commercial intellectual property suit against our Company which if determined against our Company may have an adverse effect on this Offer, our business and results of operations.***

   Neogen Corporation (**Petitioner**) has filed a commercial intellectual property suit (COMIP (L) 1705 of 2018) against our Company dated November 28, 2018 (**Suit**) and a notice of motion ((L) No. 3087 of 2018) in the High Court of Bombay (**High Court**), *inter alia* seeking a permanent injunction, and an injunction during the pendency of the suit to prevent our Company from using the mark 'NEOGEN' to *inter alia* manufacture, market, trade or sell the products of our Company, to do an initial public offer using the impugned mark as the name of our Company and has also sought for damages. This Suit is following the various oppositions that our Company has filed at the Trademark Registry against Neogen Corporation's applications for registration of the trademark 'Neogen' in various classes. Our Company has filed a reply dated January 14, 2019 seeking a dismissal of the Suit and has filed its written statement on April 9, 2019. The Hon'ble High Court passed orders dated February 12, 2019 and February 27, 2019, *inter alia* directing the Petitioner to remove office objections. The Suit is pending for hearing before the High Court. Any injunction or any unfavourable outcome of the Suit could have an adverse effect on this Offer, our business and results of operations. For further details on the Suit, please refer to the chapter *'Outstanding Litigations and Material Developments'* on page 427.

2. ***There are proceedings pending against our Company and our Directors which if determined against our Company or these directors, may have an adverse effect on our business and results of operations.***

   There are outstanding legal proceedings involving our Company and our Directors which are pending at different levels of adjudication before various courts, tribunals and other authorities. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally from our Company and other parties. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our business and results of operations. Certain details of such outstanding legal proceedings as of date of this Red Herring Prospectus, to the extent quantifiable, are set out below:

   Litigation involving our Company

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings *(₹ in million)*
Direct tax		
Sub-total (A)	3	2.70*
Indirect tax		

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings *(₹ in million)*
Sub-total (B)	4	4.46**
Total (A+B)	**7**	**7.16***

** To the extent quantifiable.*
*** To the extent quantifiable. In one of the matters, our Company has deposited an amount of ₹ 1.48 million, in protest, with the office of Commissioner of Customs.*

Litigation against our Directors

Civil and criminal proceedings

Particulars	No. of cases	Total amount (in ₹ million)
Criminal proceedings	3	Nil

Litigation against our Promoters

Type of direct tax	No. of cases	Total Amount (in ₹ million)
Income Tax	1	0.1

An unfavourable outcome in any of these proceedings could have an adverse effect our business and results of operations. For further details of legal proceedings involving our Company and our Directors please refer to the chapter *'Outstanding Litigations and Material Developments'* on page 429.

3. ***Our Company is heavily reliant on the demand from application industries such as pharmaceuticals, agrochemicals, refrigeration and construction chemicals. Any downturn in the application industries could have an adverse impact on our Company's business and results of operations.***

The products manufactured by our Company find diverse uses in varied application industries including pharmaceuticals, agrochemicals and construction chemicals. While our products are, generally, capable of being used in various application industries, a significant part of our revenue from the sale of specialty chemical compounds is generated from sales to the pharmaceuticals industry. During the 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, our revenue from sale of organic and inorganic chemicals to pharmaceutical industry was ₹1,314.67 million, ₹1,061.95 million, ₹ 580.71 million and ₹528.64 million, constituting 82.56 %, 65.17%, 52.47% and 52.43% of our Revenue from Operations on a consolidated basis, respectively. There can be no assurance that the lack of demand from any one of these industries can be off-set by sales to other industries in which our products find application. Accordingly, any significant downturn in the application industries could have a significant impact on our financial condition and our growth prospects.

4. ***Our Company does not have long-term agreements with suppliers for our raw materials and an increase in the cost of, or a shortfall in the availability or quality of such raw materials could have an adverse effect on our business and results of operations.***

Our business depends on the availability of reasonably priced, high quality raw materials in the quantities required by us. Our manufacturing process of organic and inorganic specialty chemicals depends on Bromine Source, Lithium Source, inorganic acids and organic raw materials such as organic acids, alcohols and aromatics, which are purchased, from domestic and international markets.

During the 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, our cost of materials consumed on a consolidated basis was ₹ 1,110.67 million, ₹ 1,025.59 million, ₹ 695.60 million and ₹ 652.28 million respectively. The price and availability of such raw materials depend on several factors beyond our control, including overall economic conditions, foreign exchange rate, production levels, market demand and competition for such materials, production and transportation cost, duties and taxes and trade and regulatory restrictions. Raw materials, including packaging materials, are subject to supply disruptions and price volatility caused by various factors such as commodity market fluctuations, the quality and availability of raw materials, currency fluctuations, consumer demand, changes in government policies and regulatory sanctions.

We usually do not enter into long-term supply contracts i.e. for a period of more than one year with any of our raw material suppliers. The absence of long-term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require, and we may be unable to pass these costs onto our customers, which may reduce our profit margins. We also face a risk that one or more of our existing suppliers may discontinue their supplies to us, and any inability on our part to procure raw materials from alternate suppliers in a timely manner, or on commercially acceptable terms, may materially adversely affect our results of operations and financial condition.

If, for any reason, primary suppliers of raw materials should curtail or discontinue their delivery of such materials or products to us in the quantities we need, or on commercially acceptable terms, production schedules could be disrupted, and our business and results of operations could be adversely affected.

The cost of raw materials used by us is also significantly affected by fluctuations in the foreign exchange rate. Our entire demand for Lithium Source is procured from the international markets. Any currency fluctuations, changes in government policies or regulatory sanctions could adversely increase the cost of raw materials or such raw materials may not be available at commercially viable terms, or at all. If we are unable to off-set the increase in cost of raw materials to the prices of our products, then it may impact our financial condition and results of operations.

5. ***This Red Herring Prospectus contains information from an industry report which we have commissioned from CRISIL Research.***

This Red Herring Prospectus includes information that is derived from the CRISIL Report, prepared by CRISIL Research, a research house, pursuant to an engagement with our Company. Neither we, the Book Running Lead Manager nor the Co-Book Running Lead Manager, nor any other person connected with the Offer has verified the information in the CRISIL Report. CRISIL has advised that while it has taken due care and caution in preparing the commissioned report, which is based on information obtained from sources that it considers reliable (**Information**), it does not guarantee the accuracy, adequacy or completeness of the Information and disclaims responsibility for any errors or omissions in the Information or for the results obtained from the use of the Information. The CRISIL Report also highlights certain industry and market data, which may be subject to assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that CRISIL's assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this RHP. Further, the CRISIL Report is not a recommendation to invest or disinvest in our Company. CRISIL has disclaimed all financial liability in case of any loss suffered on account of reliance on any information contained in the CRISIL Report.

6. ***Our Company is heavily reliant on certain customers and significant part of our revenue is generated from select clients and we do not have long term contracts with these customers.***

Our Company manufactures organic including bromine-based compounds and other specialty chemical compounds such as chlorine, fluorine and iodine-based compounds and Grignard reagents. Our specialty organic chemical compounds find application in user industries such as pharmaceutical, agrochemical, aroma chemical and electronic-chemical. In addition, we also manufacture inorganic chemicals comprising lithium salts. Lithium salts find application, primarily as refrigeration agents, and are sold to refrigeration OEMs. Lithium salts also find application in pharmaceutical, specialty polymer and construction chemicals industries.

During the 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, our revenue from organic chemicals was ₹ 1,259.35 million, ₹1,056.23 million, ₹ 634.20 million and ₹ 732.18 million, constituting 78.65%, 64.82%, 57.30% and 72.62% of our Revenue from Operations on a consolidated basis, respectively. Moreover, during the 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, our revenue from inorganic chemicals was ₹ 341.86 million, ₹ 573.18 million, ₹ 472.57 million and ₹ 276.07 million, constituting 21.35 %, 35.18%, 42.70% and 27.38% of our Revenue from Operations on a consolidated basis, respectively.

While our Company has a large number of customers, the majority of our revenue is derived from the sale of specialty chemicals to the pharmaceuticals industry. Moreover, we are also dependent on a select group of customers for significant portion of our Revenue from Operations. During the 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, (i) our top 10 customers contributed approximately ₹ 963.78 million, ₹ 724.28 million, ₹ 547.12 million and ₹ 532.47 million, constituting 60.19%, 44.45%, 49.43% and 52.81%, of our Revenue from Operations on a consolidated basis, respectively; and (ii) our top 2 customers contributed approximately ₹ 496.38 million, ₹ 254.16 million, ₹ 190.82 million and ₹ 214.32 million, constituting 31.00%, 15.60%, 17.24% and 21.26%, of our Revenue from Operations on a consolidated basis, respectively. In addition, we do not have long term contracts with these customers.

We expect that we will continue to be heavily reliant on a select group of customers for the aforementioned products for the foreseeable future. Accordingly, any failure to retain these customers and/or negotiate and execute contracts on terms that are commercially viable, with these select customers, could have a significant impact on our financial condition and our growth prospects.

7. ***Unsecured inter corporate deposits taken by our Company can be recalled by the lenders at any time.***

As of February 28, 2019, our Company has availed the following unsecured inter corporate deposits which may be recalled by their respective lenders at any time.

(in ₹ million)

Lender	Amount	Date	Reason
Neoline Enterprises Private Limited	8.00	March 17, 2018	The ICDs were taken as mid-term funding and were availed to address certain business opportunities that had arisen
Saguna Finstock Private Limited*	3.00	June 11, 2018	
Total	**11.00**		

* *The name of the Company has been changed to Saguna Property Management and Trading Pvt. Ltd.*

If any of the abovementioned lenders recall these loans, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. Further, if any lender seeks accelerated repayment of any such loan, it may have a material adverse effect on our business and our immediate cash flow.

8. ***We have certain contingent liabilities and capital commitments which may adversely affect our cash flows and financial condition.***

Our contingent liabilities as on December 31, 2018, March 31, 2018, March 31, 2017 and March 31, 2016, as per the Restated Consolidated Financial Statements are as set out in the tables below:

Consolidated

(in ₹ million)

Particulars	As at			
	December 31, 2018	March 31, 2018	March 31, 2017	March 31, 2016
A. Contingent liability for letter of credit issued by the bank and bank guarantee for excise, customs etc.				
(i) Bill discounted / cheques purchased	35.45	29.13	26.82	49.21
(ii) Letter of credit/bank guarantee	29.37	14.04	9.91	6.29
B. Contingent liability towards NMMC Cess / LBT	1.60	1.60	1.60	-
Total	**66.42**	**44.77**	**38.33**	**55.50**

The above contingent liabilities disclosed in the Restated Financial Statements are in accordance with Indian Accounting Standard 37 on Provisions, Contingent Liabilities and Contingent Assets.

Our capital commitments as on December 31, 2018, March 31, 2018, March 31, 2017 and March 31, 2016, as per the Restated Consolidated Financial Statements, are as set out in the tables below:

Consolidated

Particulars	As at			
	December 31, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Estimated amount of contracts remaining to be executed on capital account and not	8.31	12.28	11.03	1.41

Particulars	As at			
	December 31, 2018	March 31, 2018	March 31, 2017	March 31, 2016
provided for (net of advances)				

If a significant portion of these liabilities materialise, it could have an adverse effect on our business, cash flows, financial condition and results of operations. For further details, please refer to the chapter '*Financial Statements*' on page 208.

9. ***We had negative net cash flows from investing activities in the past and may continue to have negative net cash flows in the future.***

We had negative cash flow, as per the Restated Consolidated Financial Statements, for the following periods.

(*in ₹ million)*

Particulars	9 month period ended December 31, 2018	Fiscal		
		2018	2017	2016
Net cash generated from (used in) operating activities	(62.68)	118.49	2.06	85.90
Net cash generated from (used in) investing activities	(172.96)	(126.76)	(329.24)	(44.09)
Net cash generated from (used in) financing activities	227.43	(4.33)	333.23	(41.13)
Net increase / decrease in cash and cash equivalent	**(8.21)**	**(12.60)**	**6.05**	**0.69**

We cannot assure you that we will not experience negative cash flows in the future and negative cash flows in future could adversely affect our financial condition and trading price of our Equity Shares.

10. ***Our Promoter and member of promoter group are selling Equity Shares in the Offer and will receive proceeds as part of the Offer for Sale.***

The Offer comprises of a Fresh Issue of [●] Equity Shares aggregating up to ₹ 700.00 million and an Offer for Sale aggregating up to 2,900,000 Equity Shares in aggregate by the Selling Shareholders Haridas Thakarshi Kanani, one of our Promoters, and Beena Kanani, a member of our Promoter Group. The proceeds from the Offer will be paid to Selling Shareholders, in respect of the Equity Shares offered by them in the Offer, and we will not receive any portion of such proceeds. For further details, please refer to the chapter '*Objects of the Offer*' on page 107.

11. ***We have incurred significant indebtedness which exposes us to various risks which may have an adverse effect on our business, results of operations and financial condition.***

As of February 28, 2019, our total secured and unsecured indebtedness was ₹ 1,114.15 million and ₹ 11.00 million, respectively. The level of our indebtedness could have several important consequences, including but not limited to the following:

i. a significant portion of our cash flow will be used towards repayment of our existing debt, which will reduce the available cash flow to fund our capital expenditures and other general corporate requirements;

ii. defaults of payment and other obligations under our financing arrangements may result in an event of default, acceleration of our repayment obligations and enforcement of related security interests over our assets;

iii. a substantial portion of our indebtedness is subject to floating rates of interest. Fluctuations in market interest rates may require us to pay higher rates of interest and will also affect the cost of our borrowings; and

iv. our ability to obtain additional financing in the future or renegotiate or refinance our existing indebtedness on terms favourable to us may be limited.

In addition, the unsecured indebtedness may be recalled at any time and we may need to borrow monies at higher rates of interest than presently available or utilise our internal accruals, which may have an adverse impact on our profitability and future growth.

For further details regarding our indebtedness, please refer to the chapters '*Financial Statements*' and '*Financial Indebtedness*' on page 208 and 417, respectively.

12. ***Our manufacturing process involves the use of hazardous and flammable industrial chemicals which entails significant risks and could also result in enhanced compliance obligations***

Our Company manufactures bromine-based compounds, lithium salts and other specialty chemical compounds such as chlorine, fluorine and iodine-based compounds, and, consequently, our manufacturing facilities utilises various hazardous and inflammable industrial chemicals such as bromine, inorganic acids such as hydrobromic acid, hydrochloric acid and hydrofluoric acid, flammable organic solvents, brominating and chlorinating agents and other corrosive raw materials. While our Company believes that it has necessary controls and processes in place, any failure of such systems, mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals or otherwise during the manufacturing process may cause industrial accidents, fire, loss of human life, damage to our and third-party property and, or, environmental damage. If any industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. Any such event would in addition to adversely affecting our reputation also temporarily reduce our manufacturing capacity which could adversely affect our business, results of operations and reputation.

Further, any environmental damages could increase the regulatory scrutiny and result in enhanced compliance requirements including on use of materials and effluent treatment which would, amongst others, increase the cost of our operations. For further details regarding risks associated with transportation of finished goods and raw materials by our Company, please refer to Risk Factor no. 14.

13. ***Conditions and restrictions imposed on us by the agreements governing our indebtedness could adversely affect our ability to operate our business.***

Our financing agreements include conditions and restrictive covenants that require us to obtain consents from respective lenders prior to carrying out specified activities and entering into certain transactions. Our lenders require us to obtain their prior approval for certain actions, which, amongst other things, restrict our ability to undertake various actions including incur additional debt, declare dividends, amend our constitutional documents, change the ownership or control and management of our business, delist our Equity Shares, buy-back, cancel, retire or reduce, repurchase or otherwise acquire any of our outstanding share capital, file any application for immunity under any law, change in accounting methods or policies currently followed by our Company unless expressly required by law, assume guarantee, effect any merger, amalgamation, reconstruction or consolidation, withdraw. We cannot assure you that we will be able to obtain approvals to undertake any of these activities as and when required or comply with such covenants or other covenants in the future.

Further, these debt obligations are typically secured by a combination of security interests over our assets and hypothecation of movables and future receivables. The security allows our lenders to *inter alia* sell the relevant assets in the event of our default.

Further, if we incur more debt or if there is an increase in the applicable interest rates for our existing debt, our interest payment obligations will increase, and we may become subject to additional conditions from our lenders, including additional restrictions on the operation of our business. The financing agreements that we are party to, or which we may enter into in the future, may be unilaterally terminated by our lenders or our lenders could decline to lend to us under such agreements. Further, we cannot assure you that we will be able to raise additional financing on favourable terms, or at all. Any failure in the future to obtain necessary financing could result in a cash flow mismatch. Any of these factors could have an adverse effect on our business, financial condition, our cash flows and results of operations.

14. ***We are completely reliant on third-party transportation service providers for the movement of raw materials and finished products***

Our Company procures raw materials from disparate parts of the country, and our finished products are transported from our manufacturing facilities to distribution points including ports, by transportation vehicles which are not owned or controlled by us. These transportation vehicles are integral to our business operations. We have over the years engaged the services of various transportation service providers to provide us the necessary transportation vehicles. We do not, however, have any contractual arrangements with such third-party transportation service providers.

Moreover, most such providers are in the unorganized space and, provide us with a small number of vehicles each. While these service providers have generally, in the past, been reliable there cannot be any assurance that they will continue to be available to us as required. If such third-party service providers discontinue their services for any reasonable length of time and, if we are unable to obtain the services of other service providers our business operations could be adversely impacted, at times, significantly.

Moreover, there can be no assurance that we will not be liable for acts of negligence or other acts which may result in harm or injury to third parties. The Company is liable for any theft / accidents / loss of finished goods as well as raw material in transit. While there have been no instances of theft / accident / loss thus far, we cannot assure you that such incidents will not occur in future. If such incidents occur, we will liable for loss occasioned which would impact our results of operations and profitability. Any such acts could result in serious liability claims (for which we may not be adequately insured) which may, in addition to resulting in pecuniary liability also entail personal liability, which could significantly adversely impact our business operations and financial condition.

15. ***Failure to meet quality standards required by our customers for our products and processes may lead to cancellation of existing and future orders and expose us to warranty claims.***

All our products and manufacturing processes are subject to stringent quality standards and specifications. Any failure on our part to maintain the applicable standards and manufacture products according to prescribed specifications, may lead to loss of reputation and goodwill of our Company, cancellation of the order and even lead to loss of customers. Additionally, it could expose us to monetary liability and, or, litigation.

Further, a significant part of our revenue is derived from customers who use our products to manufacture pharmaceutical product components such as active pharmaceutical ingredients (**APIs**). APIs are an essential component in manufacturing pharmaceutical drugs, and consequently are heavily regulated across all jurisdictions. Quality standards prescribed for APIs require that our products also meet stringent guidelines. Further, our customers regularly carry out audits of our products, facilities and manufacturing processes to ascertain quality. Further, our processes and facilities are also, generally, subject to inspection by customers other than customers in the pharmaceutical industry. Customers or their representatives have in the past identified issues including major deficiencies such as failure to follow approved procedure with respect to product quality review and failure to establish adequate controls and monitoring mechanism for critical process parameters. While we have provided replies that we believe are adequate, and which addresses the issues identified, we cannot assure you that such response is adequate and, or, that no action will be taken, or that products will not be rejected, and, or, returned. The average rate of rejection / return of products in the immediately preceding 3 Fiscals was less than 1%. We cannot assure you that we will be able maintain such low rates of rejection.

Failure to meet quality and standards of our products and processes can have serious consequences including rejection of the product which will require us to incur additional cost, which will not be borne by the customer, to replace the rejected product, and loss of customer which could have adverse effect on our reputation, business and our financial condition.

16. ***We are subject to strict customer specifications in terms of our customer contracts for custom synthesizing and contract manufacturing. Failure to adhere to the specifications may lead to cancellation of existing and future orders or expose us to warranty claims.***

We have commenced custom synthesizing and contract manufacturing of a few specialty chemicals for multinational companies based in Europe and Japan. In custom synthesis the know-how and technical specifications are developed in-house and the product is made exclusively for a specific customer, whereas in contract manufacturing the know-how and the technical specifications are provided by the customer. During the 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, our aggregate revenue from contract manufacturing and custom synthesis operations was ₹ 150.63 million, ₹ 38.97 million, ₹ 24.16 million and ₹ 1.77 million, respectively, constituting 9.32%, 2.39%, 2.18% and 0.18% of our Revenue from Operations on a consolidated basis.

The contracts with our customers for custom synthesis and contract manufacturing require us to strictly adhere to the know-how and technical specifications mentioned therein. Failure to adhere to the know-how and technical specifications mentioned in our contracts may lead to cancellation of existing and future orders or expose us to warranty claims. Any such occurrence on account of errors and omission could result in damage to our reputation and loss of customers, which could adversely affect our business, operations, our cash flows and financial condition. The average rate of rejection / return of products between in the immediately preceding 3 Fiscals was less than 1%. We cannot assure you that we will be able maintain such low rates of rejection. Failure to meet quality and standards of our products and processes can have serious consequences including rejection of the product, which will require us to incur additional cost, which will not be borne by the customer, to replace the rejected product, and loss of customer which could have adverse effect on our reputation, business and our financial condition.

Further, generally in our contracts, time is of the essence and contain provisions which may attract payment of penalty to the customer in the event there is a delay in delivery of products. Failure to adhere to contractually agreed timelines could make us liable to pay penalty and, or, liquidated damages which may adversely cash flows, affect our financial conditions and results of operation.

17. ***Failure to maintain confidential information of our customers could adversely affect our results of operations and, or, damage our reputation***

We enter into confidentiality agreements and non-disclosure agreements with our customers for whom we undertake custom synthesis and contract manufacturing. As per these agreements, we are required to keep confidential, the know-how and technical specifications provided to us by these customers. In the event of any breach or alleged breach of our confidentiality agreements with our customers, these customers may terminate their engagements with us or initiate litigation for breach of contract. Moreover, most of these contracts do not contain provisions limiting our liability with respect to breaches of our obligation to keep the information we receive from them confidential. As a result, if our customers' confidential information is misappropriated by us or our employees, our customers may consider us liable for that act and seek damages and compensation from us, in addition, to seeking termination of the contract. Assertions of misappropriation of confidential information or the intellectual property of our customers against us, if successful, could have a material adverse effect on our business, financial condition and results of operations. Even if such assertions against us are unsuccessful, they may cause us to incur reputational harm and substantial cost. For further details regarding our revenue from contract manufacturing and custom synthesis please refer to Risk Factor no. 16.

18. ***We operate in a highly competitive industry. Any inability to compete effectively may lead to a lower market share or reduced operating margins.***

We operate in a highly competitive industry with a number of other manufacturers that produce competing products, both in India and internationally. As a result, to remain competitive in the market we must continuously strive to reduce our production and distribution costs and improve our operating efficiencies and innovate our products offering. If we fail to do so, it may have an adverse effect on our market share and results of operations.

In relation to our products segment, we may incur significant expense in preparing to meet anticipated customer requirements which may not be recovered. For example, if a customer is preparing to launch a new product, we may need to incur substantial capital investments for transition of our manufacturing facilities and resources, which may adversely impact production rates or other operational efficiency measures at our facilities. There can also be no assurance that we will remain competitive with respect to technology, design and quality to our customers' reasonable satisfaction. Additionally, pricing negotiated with our significant customers in future agreements may be less favourable than those under our currently applicable arrangements.

Many of our competitors may be larger than us and may benefit from greater economies of scale and operating efficiencies. There can be no assurance that we can continue to effectively compete with such manufacturers in the future, and failure to compete effectively may have an adverse effect on our business, financial condition and results of operations. Moreover, the competitive nature of the manufacturing industry may result in lower prices for our products and decreased profit margins, which may materially adversely affect our revenue and profitability.

19. ***We are subject to risks arising from foreign exchange rate fluctuations, which could adversely affect our financial condition and results of operations.***

Changes in currency exchange rates influence our results of operations as we derive a significant portion of our revenue from sales of our products outside India in foreign currency. During the 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, we generated ₹ 860.00 million, ₹ 614.71 million,₹ 415.74 million and ₹ 499.43 million, constituting 53.71%, 37.73%, 37.56% and 49.53% of our Revenue from Operations from exports outside India, respectively. In addition, we also import Bromine Source, Lithium Source and organic raw materials which are integral to our manufacturing operations. During the 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, the raw materials consumed imported aggregated ₹ 557.30 million, ₹ 593.40 million, ₹ 351.53 million and ₹ 266.73 million constituting 50.18%, 40.26%, 31.87% and 26.52%, of our total expenses, respectively.

We expect that a portion of our Revenue from Operations will continue to be generated in foreign currencies including the U.S. Dollar and the Euro and that some of our expenses will continue to be denominated in foreign currency including the U.S. Dollar and the Euro. Accordingly, our operating results have been and will continue to be impacted by fluctuations in the exchange rate between the Indian Rupee and such other foreign currencies.

Volatility or fluctuations in the value of the Indian Rupee against foreign currencies such as the U.S. Dollar and the Euro may adversely affect our results of operations. At present, we have entered into forward contracts to hedge our foreign currency exposure. However, there can be no assurance that such measures will enable us to mitigate the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar and Euro or other relevant foreign currencies. Further to the extent of the foreign currency exposure, which are unhedged, any losses on account of foreign exchange fluctuations may adversely affect our results of operations and cash flows.

20. ***The objects of the Offer for which funds are being raised have not been appraised by any bank or financial institution and are based on management estimates.***

Our funding requirement set out in the chapter '*Objects of the Offer*' on page 107 including long term working capital requirement are based on management estimates and has not been appraised by any bank or financial institution. Our funding requirements are based on our current business plan and may vary based on various factors including macroeconomic changes. In view of the dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and, consequently, the funding requirement and the utilization of proceeds from the Offer may also change. This may also include re-scheduling the proposed utilization of Offer Proceeds at the discretion of our management. Moreover, we have also not entered into definitive agreements to utilise the proceeds from the Offer for certain objects of the Offer. We may make necessary changes to the utilisation of Offer Proceeds in compliance with the provisions of the Companies Act. In the event of any variation in actual utilization of the Offer Proceeds, any increased fund deployment for a particular activity may be met from funds earmarked from any other activity and/or from our internal accruals. Further, any such revision in the estimates may require us to revise our projected expenditure which may have a bearing on our profitability.

21. ***Our Promoter Group will, even after the culmination of this Offer, continue to be our largest Shareholders and can influence the outcome of resolutions, which may potentially involve conflicts of interest with the other Equity Shareholders.***

Presently, our Promoter Group holds 95.79% of the Equity Share Capital and, will continue to hold a significant percentage of our Equity Share Capital after the completion of this Offer. Our Promoter Group, therefore, will have the ability to significantly influence our corporate decision making process. This will include the ability to appoint Directors on our Board and the right to approve significant actions at the Board and at the Shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to the Memorandum and Articles of Association, and any assignment or transfer of our interest in any of our licenses. We cannot assure you that our Promoter Group's interests in any such scenario will not conflict with the interest of other Shareholders or with our interests. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business effectively or in the best interests of our other Shareholders.

22. ***Our Company has in the past made erroneous filings with the Registrar of Companies.***

Our Company has in the past inadvertently made certain erroneous filings with the Registrar of Companies including filing of annual returns and pertaining to our capital structure. Such filings may expose us and our then directors to action by competent regulatory authorities including but not limited to pecuniary liability. Further, it may expose our then directors, including our Promoters, to even imprisonment, which may have an adverse effect on our operations and financial condition. While we strive to avoid such errors, there can be no assurance that such erroneous reporting will not occur in the future.

23. ***Our Company has in the past delayed making prescribed statutory filings with the Registrar of Companies for various corporate actions.***

Our Company has in the past inadvertently delayed making the prescribed statutory filings under the Companies Act, 1956 and Companies Act, 2013 for various corporate actions *viz.* allotment of shares, passing of special resolutions, appointment and re-appointment of directors. While we have paid the requisite fine as prescribed the applicable company law at the time of the delayed filing, there can be no assurance that such delayed filings in the past will not expose our Company to further fines and proceedings by regulatory bodies. Further, there can be no assurance that delay in statutory reporting will not happen in the future.

24. ***Some of the forms filed by us with the Registrar of Companies and our records in that respect are not traceable.***

Our Company is unable to trace certain corporate records in relation to the Company. These corporate records include prescribed the secretarial forms, filed by our Company with the Registrar of Company relating to certain allotments of our equity shares etc. These documents pertain to the period prior to the year 2007. Despite having conducted a physical research in the records of the ROC, Mumbai we have not been able to retrieve the aforementioned documents. Accordingly, we cannot assure you that the filings were made in a timely manner or the information gathered through other available documents of the company is correct. Further, our Company may be unable to attend to and/or respond appropriately to any legal matter due to lack of lost records and to that extent our business operations could be adversely affected. Further, some information mentioned in this Red Herring Prospectus with respects to periods prior to 2007 is based on the ROC physical search report certificate provided by Secretarial firm, M/s DVD and Associates, dated October 25, 2018, data provided by the management and to the best of information available. Hence, we cannot assure you the accuracy of information provided in the chapter '*Capital Structure'* on page 80. Our Company has initiated various steps to recover the lost/ destroyed documents including by appointing a secretarial firm M/s DVD and Associates to locate and retrieve the said records from the Registrar of Companies. However, despite efforts, our Company has been unable to retrieve some of these documents. We cannot assure you that all or any of such filings were in fact made in a timely manner or at all, that these filings will be available in the future or that we will not be subject to any penalties imposed by the competent regulatory authority in connection with these filings. While no disputes have arisen in connection with these filings, we cannot assure you that no action will be initiated in the future.

25. ***We are heavily dependent on machinery for our operations. Any break-down of our machinery will have a significant impact on our business, financial results and growth prospects.***

Our manufacturing facilities at Mahape and Vadodara are heavily dependent on plant and machinery, as will our proposed manufacturing facilities in Dahej SEZ, Gujarat (**Proposed Dahej Facility**) and the expanded manufacturing facility in Vadodara, when commissioned and operational. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. Further, while we believe that we maintain necessary supplies of spare parts and maintenance related equipment, if we are unable to procure the necessary spare parts in a timely manner or if we are unable to carry out the necessary repair of the malfunctioning machinery promptly, our manufacturing operations may be hampered which could have an adverse impact on our results of operations and financial condition. Further, we do not purchase insurance against the break-down of our machinery and any such cost will be to our account and may have an adverse impact on our financial condition and result of operations.

26. ***Our operations are subject to varied business risks and our insurance cover may prove inadequate to cover our economic losses.***

Our operations are subject to various risks and hazards which may adversely affect revenue generation and profitability. While we believe that we have taken adequate safeguards to protect our assets from various risks inherent in our business, including by purchasing and maintaining relevant insurance cover, it is possible that our insurance cover may not provide adequate coverage in certain circumstances.

While we maintain certain insurance cover, certain types of losses may be either uninsurable, not economically viable to insure or not offered for insurance, such as losses due to acts of terrorism or war. Should an uninsured loss occur, we could lose our investment in, as well as anticipated profits and cash flows from the asset. In addition, even if any such loss is insured, there may be a significant deductible on any claim for recovery prior to our insurer being obligated to reimburse us for the loss, or the amount of the loss may exceed our coverage for the loss. Further, even in the case of an insured risk occurring there can be no assurance that we will be successful in claiming insurance in part or full, or that the insurance purchased by us will be sufficient to cover the loss occasioned by the risk. Any loss that is not covered by insurance, or for which we are unable to successfully claim insurance, or which is in excess of the insurance cover could, in addition to damaging our reputation, have an adverse effect on our business, cash flows, financial condition and results of operation. Further, an insurance claim once made could lead to an increase in our insurance premium, result in higher deductibles and also require us to spend towards addressing certain covenants specified by the insurance companies.

Futher, the total assets of our Company on a standalone basis as on December 31, 2018 are as follows:

(*amounts in ₹ million*)

Sr.no.	Details	Balance as on December 31, 2018	Asset insured*	Sum assured as on December 31, 2018	% of sum assured
1.	Non-current assets	882.44	441.11	1,055.00	239

2.	Current assets #	1,493.87	774.01	1,051.50	135
Total		**2,376.31**	**1215.12**	**2,106.50**	**173**

*except land, intangible assets and capital work in progress, all property plant and equipment are insured.
#inventory is insured in case of our current assets. Additionally, cash in transit up to ₹ 4 million is also insured.

27. ***We have executed an "Agreement for Plot" with Dahej SEZ Limited for allotment of land for our proposed Dahej Facility but are yet to execute the lease deed for the plot on the facility is to be set up.***

Our Company proposes to set up a green field manufacturing facility for manufacturing inorganic chemicals in Dahej SEZ., Gujarat. Towards the establishment of the Proposed Dahej Facility, our Company had entered into an agreement dated May 12, 2015 with Dahej SEZ Limited (**DSL**) for the allotment of parcel of land for the development of the facility. Subsequently, we had applied for swapping of the allotted plot with another plot which was granted on April 12, 2018.

Our Company has on November 26, 2018 executed a fresh "Agreement for Plot" with DSL (**Agreement**), the Agreement allots a plot admeasuring 50,012.47 square meters to our Company. The Agreement imposes certain conditions on our Company which inter alia include the requirement to commence construction on the plot within a period of 6 months from the date of execution of the Agreement, and to finish construction of the required plant and machinery, along with required infrastructure for pollution control and sewerage within a period of 3 years from the date of execution of the Agreement. Further, the Agreement also stipulates that in the event our Company fails to completely utilise the area of the plot allotted to us within a period of 10 years from the date of execution of the Agreement, our Company may have to surrender the unutilised area to DSL and may also be liable to monetary penalty along with an interest of 3% as non-utilisation charges. Our Company is required to execute a lease deed for the allotted plot for a period of 30 years with DSL, however, the required lease agreement is yet to be executed.

28. ***We may not be able to secure additional funding in the future. In the event our Company is unable to obtain sufficient funding, it may delay its growth plans and have a material adverse effect on our business, cash flows and financial condition.***

From time to time, our Company's plans may change due to changing circumstances, new business developments, new business or investment opportunities or unforeseen contingencies. If our plans do change, our Company may need to obtain additional financing to meet capital expenditure plans, which may be raised through borrowings from commercial banks, issue of debentures or other debt securities. If we raise additional funds by incurring debt, the interest and debt repayment obligations of our Company will increase, and we may be subject to additional covenants, which could limit the ability to access cash flow from operations and/or other means of financing. There can be no assurance that we will be able to obtain adequate financing to fund future capital requirements on acceptable terms, in time. In addition, any adverse credit rating by the debt rating agencies for the debt availed by our Company may adversely impact our Company's ability to obtain further financing. Any failure to obtain sufficient funding could result in the delay or abandonment of our growth plans and have an adverse impact on our business, cash flows and financial conditions.

29. ***Any failure on our part to effectively manage our inventory may result in an adverse effect on our business, Revenue from Operations and financial condition***

Any failure on our part to effectively manage our inventory of raw materials and finished products in response to changing market scenario may have an adverse effect on our financial condition and may even lead to loss of materials and increase in costs of our operations.

In the event we overestimate our requirements for raw materials as compared to the demand for our products, it may lead to wastage and increase our operating costs and further restrict our ability to service our customers in a timely and cost-efficient manner. Further, such erroneous overestimations may also unduly increase our foreign exchange exposure and increase costs of production affecting profitability.

Likewise, if we underestimate our requirements for raw materials, it may adversely affect our ability to manufacture the required quantity of products for our customers' requirements in a timely and cost-efficient manner which may lead to loss of business and, or, the opportunity to service customers which could adversely affect our business, results of operations and financial condition. Further, we may also lose opportunities to acquire raw materials in a cost-effective manner, thereby increasing costs of operations and adversely affecting our working capital requirements.

30. ***We have a high working capital requirement and if we are unable to raise sufficient working capital our operations***

will be adversely affected

Our business operations are subject to high working capital requirements. Presently, we meet our working capital requirements through a mix of internal accruals and working capital facilities from banks and financial institutions. As on February 28, 2019, we had sanctioned working capital facilities aggregating ₹ 848.00 million.

While we believe that our internal accruals and working capital facilities availed of from our lenders will be sufficient to address our working capital requirements, we cannot assure you that we will continue to generate sufficient internal accruals and / or raise adequate working capital from lenders to address our future needs. Our inability to meet our present working capital requirements or our enhanced working capital requirements will have an adverse impact on our results of operation, business and financial condition. For further details pertaining to our present working capital position, please refer to the section '*Management's Discussion and Analysis of Financial Condition and Results of Operation*' on page 398.

In addition, our Promoters have also extended their personal guarantees for some of the debt facilities availed by our Company. Any inability to continue to provide such guarantee or their inability to honour such guarantee could adversely impact our ability to raise debt which could impact our cash flows and our financial condition.

31. ***Delays or defaults in client payment could result in reduction of our profits.***

One of the risks involved in relation to our business is the practice of extending credit for long periods of time. We have, and will continue, to have high levels of outstanding receivables. As at December 31, 2018 and as at the Financial Year ended March 31, 2018, March 31, 2017 and March 31, 2016, we had outstanding receivables of ₹ 424.65 million, ₹ 413.63 million, ₹ 321.61 million and ₹ 158.49 million, respectively, accounting for 26.66 %, 25.22%, 26.48% and 14.56%, respectively, of our Revenue from Operations during the respective Fiscals. Delays or defaults in client payments, or an increase of our outstanding receivable in proportion to our total revenues could, amongst others, result in a reduction of our profits.

32. ***If our Company is unable to respond effectively to competition, our business and our financial condition may be adversely affected.***

We operate in an increasingly competitive market and our results of operations and financial condition are sensitive to, and may be materially and adversely affected by, competitive pricing and other factors. Increasing competition may result in pricing pressures and decreasing profit margins or lost market share or failure to improve our market position, any of which could substantially harm our business and results of operations.

Our competitors may, further, enter into business combinations or alliances that strengthen their competitive positions or prevent us from taking advantage by entering into such business combinations or alliances. Increasing competition may result in pricing pressures or decreasing profit margins or lost market share or failure to improve our market position, any of which could substantially harm our business and results of operations. In addition, our customers may choose to set up their own factories, or enter into contract manufacturing arrangements with third parties, for products that they are presently purchasing from us. We will be required to compete effectively with our existing and potential competitors, to maintain and grow our market share and in turn, our results of operations.

33. ***Any failure on our part to honour non-disclosure agreements entered into with our customers by our Company may expose us to significant liabilities, and may lead to loss of goodwill and materially affect our financial condition.***

Our customers, especially our contract manufacturing customers, as part of normal course of business regularly entrust us with their intellectual property which is to be kept confidential and may also be commercially sensitive (**Confidential Information**). Further, we regularly enter into non-disclosure agreements with our customers which put obligations on us to keep secure such Confidential Information in our possession secure and confidential. Any failure on our part to keep such Confidential Information confidential, under such non-disclosure agreements by our Company, its employees, agents, consultants, as the case maybe, will expose us to significant punitive and civil liability. Further, it may also lead to loss of reputation, goodwill and confidence in our Company by our customers, and thereby materially affect our financial condition and result of operations. While we have in the past never experienced such a situation, there can be no assurance that such a situation will not arise in the future.

34. ***We are heavily reliant on our Promoters, Key Managerial Personnel and persons with technical expertise. Failure to retain or replace them will adversely affect our business.***

In order to successfully manage and expand our business, we are dependent on the services of our Promoters and Key Managerial Personnel, and our ability to attract, train, motivate and retain skilled employees and other professionals. If we are unable to hire additional personnel or retain existing qualified personnel, in particular our Key Managerial Personnel and persons with requisite skills, our operations and our ability to expand our business may be impaired. Further, we may be unable to hire and retain enough skilled and experienced employees to replace those who leave or may not be able to re-deploy existing resources successfully. Failure to hire or retain Key Managerial Personnel and skilled and experienced employees could adversely affect our business and results of operations.

35. ***Our future success will depend on our ability to effectively implement our business and growth strategies failing which our results of operations may be adversely affected.***

Our success will depend, in large part, on our ability to effectively implement our business and growth strategies. We cannot assure you that we will be able to execute our strategies in a timely manner or within budget estimates or that we will meet the expectations of our customers and other stakeholders. We believe that our business and growth strategies will place significant demands on our senior management and other resources and will require us to develop and improve operational, financial and other internal controls. Further, our business and growth strategies may require us to incur further indebtedness. Any inability to manage our business and growth strategies could adversely affect our business, financial condition and results of operations.

In addition, we believe that our ability to implement our business and growth strategies will also depend on our ability to expand the capacity at our existing manufacturing facilities or setting up new manufacturing facilities. While we are, presently, developing a green-field manufacturing unit in Dahej SEZ, in Gujarat (**Proposed Dahej Facility**) and are also proposing to expand our operations in Karakhadi, Vadodara (**Proposed Vadodara Facility**) the expected installed capacities in these facilities are based on a number of estimates and assumptions including as to availability of land and financing, which may not fructify. Further, the increased installed manufacturing capacity at these facilities may not, in the future, be adequate for us to implement our business and growth strategies. In addition, our proposed expansion plans may be subject to time and cost overruns.

Our inability to maintain our growth or failure to successfully implement our growth strategies within time and cost expectations could have an adverse impact on the results of our operations, our financial condition and our business prospects.

36. ***Any failure to obtain, renew and maintain requisite statutory and regulatory permits, licenses and approvals for our operations from time to time may adversely affect our business.***

We require various statutory and regulatory permits, licenses and approvals to carry out our business and operations including environmental clearances and consents (cumulatively, the **Approvals**). A majority of these Approvals are granted for a limited duration and must be periodically renewed. Further, while we have applied for some of these Approvals, we cannot assure you that such Approvals will be issued or granted to us in a timely manner, or at all. If we do not receive these Approvals or if we are unable to renew the Approvals in a timely manner, or at all, then our business and operations may be adversely affected. Set out below are the applications made by our Company that are yet to be approved.

Description	Reference No.	Expiry Date	Date of application	Authority
Renewal of License for possession and use of ordinary denatured spirit for bonafide purpose of art, industry or profession – Ethyl Alcohol	License No. D-5: 96/18-19	31 March 2019	30 March 2019	Superintendent, Prohibition & Excise Department, Vadodara, Government of Gujarat

For further details, please refer to the chapter *'Government and Other Approvals*' on page 432.

Moreover, the Approvals are subject to numerous conditions and there can be no assurance that these Approvals will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Suspension or revocation of the Approvals by the relevant regulatory authority, either on account of non-compliance or otherwise, would impair our Company's operations and, consequently, have an adverse effect on our business, cash flows and financial condition. Our Company may also be liable to monetary penalties and concerned officers in default may be subject to imprisonment. For further details regarding government approvals please refer to the chapter '*Government and Other Approvals'* on page 432.

37. ***Our inability to protect or use our intellectual property rights may adversely affect our business.***

While we have been granted registration for some of the trademarks under different classes, we have made an application for the registration of a new logo for our Company 'Neogen' as a trademark. There can be no assurance that our Company will be granted the trademark applied for, in a timely manner, or at all. Failure to obtain timely registration may adversely impact our ability to defend any infringement of our intellectual property since we will only be able to initiate passing-off action (which is more onerous to prosecute) which may not provide sufficient protection. For further details, please refer to the chapter '*Our Business – Intellectual Property Rights*' on page 169.

Moreover, the use of our brand name or logo by third parties could adversely affect our reputation and business, which could in turn adversely affect our financial performance and the market price of the Equity Shares. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe our rights, which may have an adverse effect on our business and results of operations.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our product offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If such claims are raised, those claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain product offerings. Any of the foregoing could adversely affect our business, results of operations, cash flows and financial condition.

38. ***We may be unable to enforce our rights under some of the agreements executed by us on account of insufficient stamping and / or non-registration***

Some of the agreements including some of the lease agreements and leave and license agreements executed by us may not be adequately stamped or registered with the registering authority of the appropriate jurisdiction. Inadequately stamped documents while not illegal cannot be enforced in a court of law until the applicable stamp duty, with penalty, has been paid and could impact our ability to timely enforce our rights under the agreements and may have a material adverse effect on the continuance of our operations and business. Further, we do not execute definitive agreements with some of our suppliers and dealers and the arrangement with such suppliers and dealers is through a simple purchase order or invoice. There can be no assurance that we will be able to enforce our rights under these arrangements. Further, if the suppliers fail to honour their commitments in supplying raw materials then it may have an impact on our immediate and long term financial condition and operations.

39. ***Any failure of our information technology systems could adversely impact our business.***

Our day to day operations depend on our information technology systems. We rely heavily on our information technology systems. We also use information technology systems for routine corporate activities such as processing of financial information, managing information pertaining to creditors/ debtors, customer communication, marketing through website and engaging in normal business activities. Although we believe that we have effective backup systems in place, any partial or complete disruption of our information technology systems could adversely impact our business and the result of our operations. Although in the past we have never faced any cyber-attacks, frauds, hacking, phishing, trojans and data theft, there can be no assurance that such incidences may not happen in the future.

40. ***Our operations are dependent on research and development (R&D).***

R&D is integral to our business and we are continuously engaged in trying to develop new processes for manufacturing chemical products or improve or further optimise and streamline the process of the production of various organic and inorganic chemical compounds. We have, therefore, established 2 R&D units, one each in Mahape and Vadodara. Presently, approximately 10% of the total work force on our rolls is dedicated to the R&D function. During the 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016 our expenses towards R&D employee cost was ₹ 8.81 million, ₹ 7.97 million, ₹ 5.22 million and ₹ 3.37 million, constituting approximately 10.86%, 9.44%, 8.16% and 7.13% of our total employee benefit expense, on a consolidated basis, respectively. In addition to financial resources expended for R&D, our Chairman and Managing Director, Haridas Thakarshi Kanani and our Joint Managing Director, Harin Haridas Kanani, spend a considerable time overseeing the functioning of the R&D division at the Vadodara Facility and Mahape Facility, respectively.

Further, we believe that continuous R&D is critical to our continued growth and business prospects and we expect to continue deploying significant resources including financial resources towards R&D. If we are unable to continuously develop new products or optimise our processes, our ability to grow and, or, compete effectively, might be compromised, which would have an adverse impact our business and financial condition.

41. ***We have leased / taken on rent certain properties from which we operate our business and certain operations are carried out in premises for which no agreements have been executed.***

We do not own the premises in which our Registered Office and certain other office premises are situated.

Further, our manufacturing units are operated out of properties that we do not own and have been leased from different parties including government entities. Our failure to adhere to the terms and conditions of the lease may result in the lease being terminated, which could have a material adverse impact on our business and financial conditions.

We cannot assure you that we will own, or have the right to occupy, these premises in the future, or that we will be able to continue with the uninterrupted use of these premises. Any inability to continue to occupy our leased premises may impair our operations and adversely affect our financial condition. If we are required to vacate these premises for any reason whatsoever including expiry or termination of lease, we may be unable to identify suitable location immediately. Further, identification of a new location to house our operations and relocating our business to the new premises may place significant demands on our senior management and other resources and necessitate incurring significant expenditure. In addition, certain operations are carried out at premises for which we are yet to execute any agreements. In the event, we are required to vacate these premises, we may need to do with short or no notice. Any inability on our part to timely identify a suitable location for a relocated office or premises could have an adverse impact on our business. For further details regarding the properties currently occupied by our Company please refer to '*Our Business'* on page 170.

42. ***We have a large work force and our employee benefit expense is one of the larger components of our operating costs. An increase in employee benefit expense could reduce our profitability.***

Our pool of employees consists of permanent employees and persons hired on contract labour basis. As on February 28, 2019, we employed 152 full time, 45 fixed term contract employees and 4 retainers. Our employee benefit expense during the 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016 was ₹ 81.16 million, ₹ 87.01 million, ₹ 54.47 million, and ₹ 45.37 million, constituting approximately 5.68%, 5.90%, 4.94% and 4.51% of our total expense, on a consolidated basis, respectively.

Due to economic growth in the past and the increase in competition for skilled and semiskilled employees in India, wages in India have, in recent years been increasing at a fast rate. We may need to increase our compensation levels to remain competitive in attracting and retaining the quality and number of skilled and semi-skilled employees that our business requires. Finally, a shortage in the labour pool or general inflationary pressures will also increase our labour costs.

A significant long-term increase in our employee benefit expense could reduce our profitability, which could, amongst others, impact our growth prospects.

43. ***Our Company has in the past entered into related party transactions and may continue to do so in the future and we cannot assure you that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. And will not have an adverse effect on our financial conditions and result of operations***

Our Company has entered into various transactions with related parties. While our Company believes that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

It is likely that our Company may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. We cannot assure you that such transaction, individually or in the aggregate, will always be in the best interests of our Company and/or that it will not have an adverse effect on our business and results of operations. For further details regarding related party transactions entered into by our Company please refer to the chapter '*Related Party Transactions'* on page 205.

44. ***Health, safety and environmental matters, including compliance with environmental laws and remediation of contamination, could result in substantially increased capital requirements and operating costs***

Our Company's businesses are subject to laws, regulations and contractual commitments relating to health, safety and the environment and the Company's operations generate large amounts of pollutants and waste, some of which are hazardous. These laws, regulations and contractual commitments concern air emissions, wastewater discharges, solid and hazardous waste material handling and disposal, worker health and safety, and the investigation and remediation of contamination or other environmental restoration. The risks of substantial costs and liabilities related to these laws and regulations are an inherent part of our Company's business, and future conditions and contamination may develop, arise or be discovered that create substantial environmental compliance, remediation or restoration liabilities and costs. Other developments, such as increased requirements of environmental, health and safety laws and regulations, increasingly strict enforcement thereof by governmental authorities, and claims for damages to property or injury to persons resulting from the environmental, health or safety impacts of our Company's operations or past contamination, could prevent or restrict some of our Company's operations, require the expenditure of significant funds to bring our Company into compliance, involve the imposition of clean up requirements and give rise to civil or criminal liability. There can be no assurance that any such legislation, regulation, enforcement or private claim will not have a material adverse effect on our Company's business, financial condition or results of operations. In the event that production at one of our Company's facilities is partially or wholly prevented due to this type of sanction, our Company's business could suffer significantly and its results of operations and financial condition could be materially and adversely affected. While there have been no past instances of accidents or non-compliances, we cannot assure you that such incidents will not occur in future.

45. ***We may not be able to utilise the proceeds from this Offer in the manner set out in this Red Herring Prospectus in a timely manner or at all.***

Our funding requirements and the deployment of the proceeds from this Offer are based on our current business plan and strategy. We may have to revise this from time to time as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our Board. Accordingly, we may not be able to utilise the proceeds from this Offer in the manner set out in this Red Herring Prospectus in a timely manner or at all. As a consequence of any increased expenditure, the actual deployment of funds may be higher than estimated. In the event of any variations in the Objects of the Offer, it shall be undertaken in compliance with section 27 of the Companies Act and the rules framed thereunder.

46. ***Conflict of interest may arise out of common business undertaken by our Company, Promoter and our Group Companies.***

Our Group Company, Dhara Fine Chem Industries, a partnership firm in which our Company holds 90% stake, undertakes certain job work for our Company. However, it is also authorised to carry similar activities as those conducted by our Company. There can be no assurance that it will not compete with our business or any future business that we may undertake or that the interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial conditions.

47. ***The Company faces numerous protective trade restrictions, including anti-dumping laws, countervailing duties and tariffs, which could adversely affect its results of operations and financial condition.***

Protectionist measures, including anti-dumping laws, countervailing duties and tariffs and government subsidisation adopted or currently contemplated by governments in some of the Company's export markets could adversely affect the Company's sales. Anti-dumping duty proceedings or any resulting penalties or any other form of import restrictions may limit the Company's access to export markets for its products, and in the future additional markets could be closed to the Company as a result of similar proceedings, thereby adversely impacting its sales or limiting its opportunities for growth.

Tariffs are often driven by local political pressure in a particular country and therefore there can be no assurance that quotas or tariffs will not be imposed on the Company in the future. In the event that such protective trade restrictions are imposed on the Company, its exports could decline.

In addition, we export our products to international markets including Europe and North America. Any change in the local laws and policies in such markets which stipulates us to comply with such laws including obtaining registrations or imposing compliance requirements, may impact our results of operations and financial condition.

48. ***A shortage or non-availability of essential utilities such as electricity and water could affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.***

Our Company is heavily dependent on continuous and supply of electricity and water which are critical to our manufacturing operations. While we have entered into agreements with local electricity distribution companies for the supply of electricity and maintain diesel-generator sets we cannot assure you that these will sufficient and, or, that we will not face a shortage of electricity despite these arrangements. Further, while water is sourced through bore-wells, any shortage or non-availability of water or electricity could result in temporary shut-down of a part, or all, of our operations at the location experiencing such shortage. Such shut-downs could, particularly if they are for prolonged periods, have an adverse effect our business, results of operations and financial condition. Moreover, if we are required to operate for extended periods of time on diesel-generator sets or if we are required to source water from third parties, our cost of operations would be higher during such period which could have an adverse impact on our profitability.

49. ***The loss, shutdown or slowdown of operations at any of our Company's facilities could have a material adverse effect on the Company's results of operations and financial condition***

Our Company manufacturing operations are subject to operating risks, such as the breakdown or failure of equipment, power supply interruptions, facility obsolescence or disrepair, labour disputes, natural disasters and industrial accidents. The occurrence of any of these risks could affect our Company's operations by causing production at our manufacturing facilities to shut down or slowdown. Although our Company takes reasonable precautions to minimize the risk of any significant operational problems at its facilities, no assurance can be given that one or more of the factors mentioned above will not occur, which could have a material adverse effect on our Company's results of operations and financial condition.

50. ***There can be no assurance that our Company will be able to pay dividends in the future.***

Although, our Company has paid dividend on Equity Shares in each of the last 5 Fiscals, there can be no assurance that our Company will be in a position to pay dividends in the future. The ability to pay dividends in the future will depend upon a variety of factors, including the earnings, general financial conditions, capital requirements, results of operations, contractual obligations and overall financial position, applicable Indian legal restrictions, the Articles of Association and other factors considered relevant by the Board of Directors of our Company. Therefore, there can be no assurance that our Company will be able to declare dividends, of any particular amount or with any frequency in the future. For further details, please refer to the chapter '*Dividend Policy*' on page 206.

51. ***The average cost of acquisition of Equity Shares by our Promoters could be lower than the Floor Price and we have issued Equity Shares at a price in the last 12 months preceding the date of this Red Herring Prospectus at price that could be lower than the floor price***

Our average cost of acquisition of Equity Shares by our Promoters in our Company may be lower than the Floor Price of the Price Band as may be decided by the Company in consultation with the BRLM and the CBRLM. Further, we have issued 78,793 Equity Shares including 6,061 Equity Shares to Beena Kanani, a member of our Promoter Group, at price that may be lower than the Floor Price of the Price Band. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapter '*Capital Structure*' on page 80 of this Red Herring Prospectus

52. ***We have not, and will not, appoint a monitoring agency to monitor the proceeds of the Offer***

The SEBI ICDR Regulations stipulate that a monitoring agency be appointed to monitor the use of the issue proceeds, where the size is above ₹ 1,000 million. However, since the Fresh Issue is for less than ₹ 1,000 million, we are not required to appoint a monitoring agency and our Audit Committee will monitor the utilisation of the Net Proceeds. Further, in the event of any material deviation in the utilisation of the Offer proceeds, our Company will inform the Stock Exchanges as required under the SEBI Listing Regulations and also make comments of the Audit Committee on such material deviations public.

EXTERNAL RISK FACTORS

53. ***Political, economic, legal, tax, operation and other factors that are beyond our control may have an adverse effect***

on our business and results of operations.

The following external risks may have an adverse impact on our business and results of operations should any of them materialise:

a. high rates of inflation in India and in countries where we operate our business could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins;
b. changes in existing laws and regulations in India and in countries where we operate our business;
c. changes in trade policies, in terms of tariff and non-tariff barriers; and
d. a slowdown in economic growth or financial instability in India and in countries where we operate our business could adversely affect our business and results of operations.

54. ***Governmental actions and changes in policy could adversely affect our business.***

The Government of India and the State Governments in India have broad powers to affect the Indian economy and our business in numerous ways. Additionally, we operate our business in several countries and any change in policies in such countries may affect our business. Any change in the existing policies of Government of India and/or State Government, or foreign government policies, or new policies affecting the economy of India or any foreign country, where we operate our business, could adversely affect the supply/demand balance and competition in markets in which we operate and negatively affect our cost structure. There can be no assurance that we would be able to pass on such increase in costs to our customers through an increase in our prices, which could adversely affect our business, cash flows, financial condition and prospects.

Moreover, we also cannot assure you that the Central Government or State Governments in India, or foreign government in countries where we operate will not implement new regulations and policies which will require us to obtain additional approvals and licenses from the Government and other regulatory bodies or impose onerous requirements and conditions on our operations. We cannot predict the terms of any new policy, and we cannot assure you that such policy will not be onerous. Such new policy may also adversely affect our business, cash flows, financial condition and prospects.

55. ***Any downgrade of credit ratings of India or Indian companies may adversely affect the ability to raise debt financing.***

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

56. ***The occurrence of natural disasters may adversely affect the business, financial condition and results of operation of our Company.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations or financial condition, including in the following respects:

- A natural or man-made disaster, could result in damage to our assets or losses in our projects, or the failure of our counterparties to perform, or cause significant volatility in global financial markets.

- Pandemic disease, caused by a virus such as H5N1, the "avian flu" virus, the Ebola virus, or H1N1, the "swine flu" virus, could have a severe adverse effect on our business.

- Political tension, civil unrest, riots, acts of violence, situations of war or terrorist activities may result in disruption of services and may potentially lead to an economic recession and/or impact investor confidence.

57. ***Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. These acts may result in a loss of business confidence, make other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business.

58. ***Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which may be material to the Financial Statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Red Herring Prospectus.***

We have not attempted to quantify the impact of US GAAP or any other system of accounting principles on the financial data, prepared and presented in accordance with Ind AS for the 9 month period ended December 31, 2018, the Fiscals ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or any other accounting principles. US GAAP differs in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the restated financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. Additionally, Ind AS differs in certain respects from IFRS and therefore financial statements prepared under Ind AS may be substantially different from financial statements prepared under IFRS.

59. ***If security or industry analysts do not publish research or publish unfavourable research or inaccurate research about the business of our Company, the price and trading volume of the Equity Shares may decline.***

The trading market for the Equity Shares will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. We may be unable to sustain coverage by well regarded securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of our Company, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for our Equity Shares would be negatively impacted. In the event we obtain securities or industry analyst coverage, if one or more of the analysts downgrade our Equity Shares or publish inaccurate or unfavourable research about our business, our Equity Shares price may decline. If one or more of these analysts cease coverage of our Company or fail to publish reports on us regularly, demand for our Equity Shares could decrease, which might cause the price and trading volume of our Equity Shares to decline.

60. ***The Companies Act, 2013 has effected significant changes to the existing Indian Company law framework, which may subject us to higher compliance requirements and increase our compliance costs.***

The Companies Act, 2013 has been notified, except for certain provisions. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, and in certain cases, introduced certain requirements which did not have corresponding provisions under the Companies Act, 1956, such as provisions related to private placement of securities, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by Shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors.

In addition, pursuant to the corporate social responsibility provisions contained in the Companies Act, 2013, our Company may also need to spend, in each financial year, at least 2% of our average net profits during the 3 immediately preceding financial years towards one of the specified corporate social responsibility activities.

61. ***Our ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

62. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, in India may adversely affect the business and financial performance of our Company.***

The business and financial performance of our Company could be affected by any unfavourable change in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to our Company and its business. There can be no assurance that the Government may not propose and implement new regulations and policies which may affect our business or our Company. Any such change and the related uncertainties with respect to the implementation of the new regulations may have an adverse effect on the business, financial condition and results of operations of our Company. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulation, which may adversely affect the results of operations of our Company.

The GoI is proposing to revamp the implementation of direct taxes by way of the introduction of the Direct Taxes Code (**DTC**). The DTC is expected to consolidate and amend laws relating to income tax and wealth tax. The impact of DTC, if implemented, is difficult to ascertain at present. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

For further details on certain existing laws and regulations applicable to the business of our Company, please refer to the chapter '*Regulations and Policies*' on page 173.

63. ***Investors may be adversely affected due to retrospective tax law changes by the Indian government affecting our Company.***

Certain changes to the Income Tax Act provide that income arising directly or indirectly through the sale of a capital asset of an offshore company, including shares, will be subject to tax in India, if such shares derive indirectly or directly their value substantially from assets located in India. The term '*substantially*' has not been defined under the Income Tax Act and therefore, the applicability and implications of these changes are largely unclear. Due to these recent changes, Investors may be subject to Indian income taxes on the income arising directly or indirectly through the sale of the Equity Shares. In the past, there have been instances where changes in the Income Tax Act have been made retrospectively and there cannot be an assurance that such retrospective changes will not happen again.

64. ***General economic conditions in India and globally could adversely affect our business and results of operation.***

Our results of operations and financial condition depend significantly on worldwide economic conditions and the health of the Indian economy. Various factors may lead to a slowdown in the Indian or world economy which in turn may adversely impact our business, financial performance and operations.

We mainly derive revenue from our operations in India and the performance and growth of our business is significantly dependent on the performance of the Indian economy. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, rising inflation rates and various other factors.

Risk management initiatives undertaken by financial institutions in order to remedy the global economic slowdown could affect the availability of funds in the future or cause the withdrawal of our existing credit facilities. Further the Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, also have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition and the trading price of the Equity Shares.

India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

65. ***Investors may have difficulty enforcing foreign judgments against us or our management.***

We are incorporated under the laws of India and all our directors and key managerial personnel reside in India. A majority of our assets, and the assets of our Directors and officers, are also located in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Code of Civil Procedure, 1908, of India (**Civil Code**). Further, the Civil Code only permits enforcement of monetary decrees not being in the nature of any amounts payable in respect of taxes or, other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards. Judgments or decrees from jurisdictions not recognised as a reciprocating territory by India cannot be enforced or executed in India. Even if a party were to obtain a judgment in such a jurisdiction, it would be required to institute a fresh suit upon the judgment and would not be able to enforce such judgment by proceedings in execution. Further, the party which has obtained such judgment must institute the new proceedings within three years of obtaining the judgment

As a result, you may be unable to: (i) effect service of process outside of India upon us and such other persons or entities; or (ii) enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment, and any such amount may be subject to income tax in accordance with applicable laws.

66. ***Shareholders may be subject to Indian taxes arising out of capital gains on the sale of Equity Shares.***

Under current Indian tax laws, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable. However, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months are grandfathered and will not be subject to long term capital gains tax in India provided that securities transaction tax (**STT**) is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of equity shares which are not subject to STT, as notified by the Central Government.

The Finance Act, 2018, though, has now introduced taxes on long term capital gains exceeding ₹ 100,000 arising from sale of Equity Shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, investors may be subject to payment of long term capital gains tax in India held for more than 12 months. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident.

67. ***Our performance is linked to the stability of policies and the political situation in India and any significant changes in the policies may disrupt our business.***

The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Company's shares, may be affected by changes in GoI's policies, including taxation. Social, political, economic or other developments in or affecting India could also adversely affect our business.

Since 1991, successive governments have pursued policies of economic liberalisation and financial sector reforms. The current Government has announced its general intention to continue India's current economic and financial sector liberalization and deregulation policies. However, we cannot assure you that such policies will be continued and a significant change in the Government's policies in the future could affect business and economic conditions in India and could also adversely affect our business, results of operations and financial condition. The rate of economic liberalisation could change, and specific laws and policies affecting companies in the manufacturing sector, foreign investment and other matters affecting investment in the Equity Shares could change as well. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of the Equity Shares. Any adverse change in government policies relating to our sector in particular may have an impact on our profitability. Any political instability could delay the reform of the Indian economy and could have an adverse effect on the market for the Equity Shares. Protests against privatization could slow down the pace of liberalisation and deregulation. The rate of economic liberalisation could change, and specific laws and policies affecting companies in our sector, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

68. ***Financial instability in Indian financial markets could adversely affect our results of operations and financial condition.***

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

69. ***Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn in the U.S. and several European countries during a part of fiscal 2008 and 2009 adversely affected market prices in the global securities markets, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of the Equity Shares.

70. ***Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely impact the trading price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. In addition, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all. Please refer to the chapter '*Restrictions on Foreign Ownership of Indian Securities*' on page 520.

71. ***If the rate of Indian price inflation increases, our results of operations and financial condition may be adversely affected.***

In recent years, India's wholesale price inflation index has indicated an increasing inflation trend compared to prior periods. An increase in inflation in India could cause a rise in the cost of transportation, wages, raw materials or any other expenses. If this trend continues, we may be unable to reduce our costs or pass our increased costs on to our customers and our results of operations and financial condition may be adversely affected.

72. ***Our Equity Shares are quoted in Indian rupees in India and Investors may be subject to potential losses arising out of foreign exchange rate risk on the Indian rupee and risks associated with the conversion of the Indian rupee proceeds into foreign currency.***

The Equity Shares will be quoted in Rupees on the Stock Exchanges and Investors will be subject to currency fluctuation risk and convertibility risk. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into other currencies for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders. The volatility of the Indian Rupee against the US Dollar and other currencies subjects Investors who convert funds into Indian Rupees to purchase our Equity Shares to currency fluctuation risks.

73. ***The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

The Offer Price of the Equity Shares will be determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Manager and the Co-Book Running Lead Manager through the Book Building Process. This price will be based on numerous factors, as described under the chapter '*Basis for Offer Price*' on page 115 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price.

74. ***The price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Indian stock exchanges may not develop or be sustained after the Offer. The Offer Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Offer.

The market price of the Equity Shares after the Offer can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian specialty chemical industry, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations. In addition, the Stock Exchanges may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity Shares.

General or industry specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance also affect the price of the Equity Shares. In particular, the stock market as a whole recently experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies' operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, results of operations or cash flow and financial condition.

75. ***We may raise additional equity capital which may dilute your existing shareholding.***

Our growth and business strategies may require us to raise additional capital which may be met through a further issue of equity, or securities convertible into equity. Any issuance of Equity Shares to persons other than the Equity Shareholders will dilute your existing equity shareholding. Further, we may obtain funding from our Promoters through an equity infusion. This will also dilute your shareholding in our Company.

Our future issuances of Equity Share or the disposal of Equity Shares by our Promoters or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India, may significantly affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that the Shareholders will not dispose of, pledge or otherwise encumber the Equity Shares. Any future issuances could also dilute the value of your investment in our Company.

76. ***Sale of Equity Shares by our Promoters and Promoter Group in future may adversely affect the market price of the Equity Shares.***

After the completion of the Offer, our Promoters and Promote Group will own, directly and indirectly, [●]% of our issued Equity Shares. Sale of a large number of the Equity Shares by our Promoters and, or, our Promoter Group could adversely affect the market price of the Equity Shares. Similarly, the perception that any such primary or secondary sale may occur, could adversely affect the market price of the Equity Shares. No assurance may be given that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

77. ***There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell Equity Shares or the price at which Equity Shares can be sold at a particular point in time.***

Following the Offer, our listed Equity Shares will be subject to a daily "circuit breaker" imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the stock exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform our Company of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares beyond the circuit breaker limit set by the Stock Exchanges. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

78. ***Rights of shareholders under Indian law may differ or may be more limited than under the laws of other jurisdictions.***

The Companies Act and rules made thereunder, the rules and regulations issued by SEBI and other regulatory authorities, the Memorandum of Association, and the Articles of Association govern the corporate affairs of our Company. Indian legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder in India than as a shareholder of a corporation in another jurisdiction.

79. ***Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in our Company may be reduced.

80. ***QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

Prominent Notes

1. Initial Public Offer of up to [●] Equity Shares for cash at a price of ₹ [●] per equity share (including a share premium of ₹ [●] per equity share) aggregating up to [●] million comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹700.00 million by our Company and an Offer for Sale of up to 1,699,600 Equity Shares by Promoter Selling

Shareholder and up to 1,200,400 Equity Shares by Promoter Group Selling Shareholder, aggregating up to ₹[●] million. The Offer shall constitute [●]% of the post-Offered paid up equity share capital of our Company.

2. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more 50% of the Offer shall be available for allocation on a proportionate basis to QIB, provided that our Company may, in consultation with the Book Running Lead Manager and the Co-Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

3. Our Company was incorporated as 'Neogen Chemicals Private Limited' on March 7, 1989, at Thane, Maharashtra as a private limited company under the Companies Act, 1956 and received a certificate of incorporation from the Registrar of Companies, Mumbai, Maharashtra. Subsequently, pursuant to a special resolution passed by the shareholders of our Company on May 2, 1998, our Company was converted to a public limited company and the name of our Company was changed to 'Neogen Chemicals Limited', and a fresh certificate of incorporation dated July 2, 1998 was issued to our Company by the Registrar of Companies, Mumbai, Maharashtra. Pursuant to the aforesaid changes to the name of our Company, we have not amended the objects clause of the Memorandum of Association of the Company, to permit carrying our any activity as reflected by the new name. For more details of change in the name of our Company and alterations to our Memorandum of Association, please refer to the chapter *'History and Certain Corporate Matters'* on page 175.

4. As on December 31, 2018 and March 31, 2018, our Company's net worth was ₹ 617.22 million and ₹ 502.30 million, respectively, as per Restated Standalone Financial Statements and ₹ 614.87 million and ₹ 500.62 million, respectively, as per the Restated Consolidated Financial Statements. For further details, please refer to the chapter '*Financial Statements*' on page 208.

5. As on December 31, 2018 and March 31, 2018, the net asset value per Equity Share was ₹ 30.74 and ₹ 25.12, respectively, as per Restated Standalone Financial Statements and ₹ 30.62 and ₹ 25.03, respectively, as per the Restated Consolidated Financial Statements. For further details, please refer to the chapter '*Financial Statements*' on page 208.

6. The average cost of acquisition of Equity Shares by our Promoters is set forth below:

Sr. No.	**Name of the Promoter**	**No. of Equity Shares held**	**Average cost of acquisition (₹)***
1.	Haridas Thakarshi Kanani	13,999,680	1.14
2.	Harin Haridas Kanani	2,000,000	1.18

**As certified by the Statutory Auditors by their certificate dated November 5, 2018.*

For further details, please refer to the chapter '*Capital Structure'* on page 80. The average cost of acquisition per Equity Share by our Promoters has been calculated by taking the average of the amounts paid by each of our Promoters to acquire Equity Shares.

7. Except as disclosed in the chapters '*Group Companies'* and '*Financial Statements'* on pages 202 and 208, respectively, our Group Company does not have any business interest or other interest in our Company.

8. For further details of related party transactions entered into by our Company with our Promoters and Group Company during the last Fiscal, including nature and cumulative value of the transaction, please refer to the chapter '*Related Party Transactions*' on page 205.

9. There have been no financing arrangements whereby our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of 6 months immediately preceding the date of filing of this Red Herring Prospectus.

10. For any complaints, information or clarifications pertaining to the Offer, investors may contact the Book Running Lead

Manager or the Co-Book Running Lead Manager who have submitted the due diligence certificate to the SEBI or the Registrar to the Offer.

All grievances, in relation to the ASBA process, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted and the Book Running Lead Manager or the Co-Book Running Lead Manager, quoting the full name of the sole or first Bidder, ASBA Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder and ASBA Account number (for Bidders other than RIBs bidding though the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of RIBs bidding through the UPI Mechanism. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove. Further, all grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Application Form and the name and address of the BRLM or CBRLM where the Bid cum Application Form was submitted by the Anchor Investor.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

The following is a summary of the chapter 'Industry Overview'.

This summary is subject to the disclaimer set out in "Certain Conventions, Presentation of Financial, Industry and Market Data – Disclaimer of CRISIL" on page 17 and is qualified in its entirety by the description set out in the chapters 'Industry Overview' on page 122, 'Our Business', 'Risk Factors', 'Financial Statements' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on page 154, 19, 208 and 398 of this Red Herring Prospectus..

Overview of global macro-economic scenario

The world gross domestic product (**GDP**) grew 3.8% in calendar year (**CY**) 2017 driven by an investment recovery in the advanced economies, continued strong growth in the emerging Asia and a notable upswing in the emerging Europe, according to the International Monetary Fund's (**IMF**) World Economic Outlook (**WEO**) released in April 2018. The growth was not just 0.5 percentage point faster than CY 2016, it was also the strongest since CY 2011. The United States (US), Euro area and Japan posted solid above-trend growth during the year, expanding 2.3%, 2.3% and 1.7%. China, now the world's second largest economy and the largest contributor to the global GDP, grew a robust 6.9%.

India is one of the fastest growing economies, having expanded faster than China since 2015. Both fiscal and monetary policies of the country are more prudent, focusing on raising the quality of growth and not just the rate.

Review of India's GDP growth

GDP grew 6.9% CAGR over the past six years

In 2015, the Indian government changed the base year for calculation of GDP to Fiscal 2012 from Fiscal 2005. Based on this, the country's GDP shot up from ₹ 87 trillion in Fiscal 2012 to ₹ 130 trillion in Fiscal 2018, recording a compound annual growth rate (CAGR) of 6.9%. As per the Central Statistics Office (**CSO**), in Fiscal 2018, India's growth picked up in the second half to reach 6.7% that year.

Overview of specialty chemicals industry globally and in India

Specialty chemicals can be classified based on end-user industries. There are some specialty chemicals which are used in multiple industries. CRISIL Research considers the following categories of specialty chemicals: agrochemicals, personal care ingredients, polymer additives, water chemicals, textile chemicals, construction chemicals, surfactants, flavours and fragrances, and dyes and pigments. Unlike bulk chemicals, specialty chemicals are used in low quantities and are consumed for specific end-use applications. They are chemical products that are sold on the basis of specific requirement in end use segments, rather than their composition.

Global chemicals and specialty chemicals market

The global chemicals market, which stood at $3,722.53 billion in 2017, is segregated into basic chemicals, industrial gases, petrochemicals, polymers, specialty chemicals, and others. China, Japan and the US are leaders in this space.

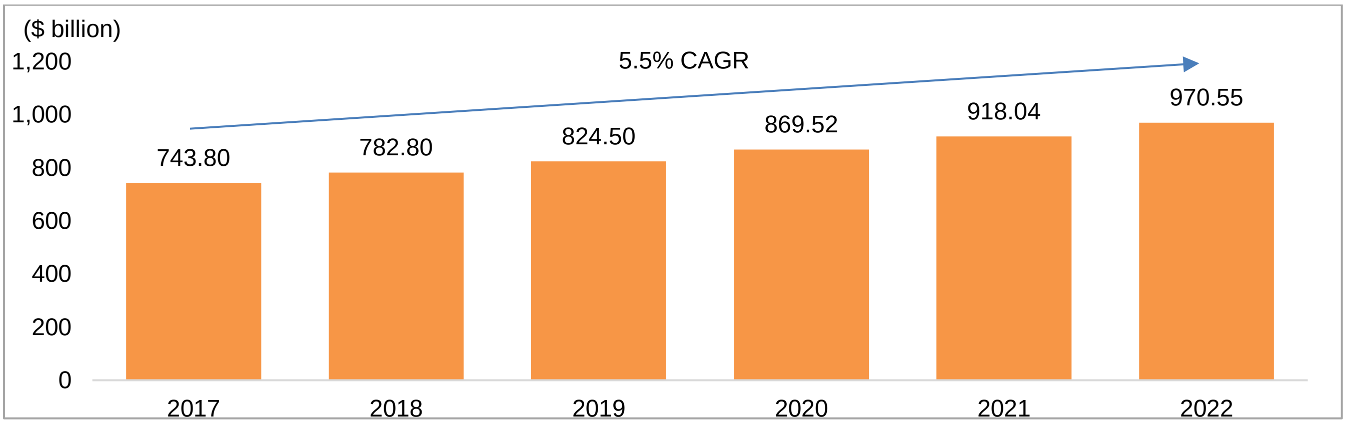
Global specialty chemicals market to grow to $970.55 billion by 2022

Within global chemicals, specialty chemicals is a key segment, valued at $743.80 billion in 2017. Specialty chemicals are widely used for specialised applications, especially to meet industry-specific requirement. These chemicals impart a variety of properties to products, have a high degree of value addition, and are produced in small volume.

Agrochemicals dominated the specialty chemicals revenue pie, accounting for 21% share in 2017. The use of agrochemicals in fertilisers, herbicides, insecticides and pesticides is rising because of increasing demand for agro products owing to rapid industrialisation and population growth globally. The polymers and plastic additives segments comprised the second-largest revenue share at 13.5%.

By 2022, the global specialty chemicals market is expected to grow at 5.47% CAGR to $970.55 billion. The steady growth is because of sustained demand in end-user industries. Rapid industrialisation in China and India is also driving demand for specialty chemicals.

Global specialty chemicals market size



Source: Technavio, CRISIL Research

APAC – key contributor to global specialty chemicals market in 2017

The APAC region was the key contributor to the global specialty chemicals market in 2017, followed by the US and Germany. The countries' share is expected to sustain up to 2022.

Market share of specialty chemicals of key countries in 2017

China	40%-44%
US	14%-17%
Germany	4%-7%
Japan	4%-5%
India	2%-3%

Investments in specialty chemicals in the APAC region is rising because of a large consumer base, suitable climate conditions, and favourable government policies.

Consequently, the region is expected to grow at a higher trajectory vis-à-vis the global pace, going forward. The APAC region's specialty chemicals market, which was valued at $297.52 billion in 2017, is projected to expand at 6.62% CAGR to $409.94 billion in 2022.

Key challenges faced by the global specialty chemicals market

Some of the key challenges faced by the global specialty chemicals market are the commoditisation of products, unavailability of raw materials, and regulatory issues and environmental concerns. China is considered to have the worst air quality in the world following its rapid industrialisation, fuelled by coal – the cheapest but highly polluting energy source, which the country has in abundance. With the government clampdown on polluting generating industries in several cities across the country, China's production of chemical raw materials and chemical products grew at a more moderate on-year pace between January and October 2017.

Emerging trends, such as increased biotechnology solutions and rise in adoption of digitalisation, though, are expected to drive growth of the global specialty chemicals market.

Classification of chemicals industry in India

The chemicals industry supports India's agricultural and industrial development. It provides raw materials, intermediates and process chemicals for agro chemicals, detergents and soaps, textiles, paper, paints, pharmaceuticals, varnish, etc.

Alkali chemicals	Pesticides & Insecticides	Dyes & dye stuffs	Specialty chemicals	Other inorganic chemicals	Other organic chemicals
• Soda ash • Caustic soda • Liquid chlorine	• Mancozab • 2, 4-D • Dichlorodi-phenyltrichloro ethane (DDT) • Malathion • Dimethoate • DDVP • Quinalphos • Monocrotophos • Phorate • Ethion • Fenvalerate • Cypermethrin • Acephate • Chlorphyriphos • Triazphos • Profenofos technical • Glyphosate • Aluminium phosphide	• Azo dyes • Acid direct dyes • Disperse dyes • Fast colour bases • Ingrain dyes • Organic pigment • Reactive dyes • Optical whitening agents • Pigment emulsion • Sulphur dyes • Inorgnic pigments	• Water treatment & construction chemicals • Surfactants • Textile chemicals • Polymers additives • Personal care ingredients • Flavours & fragrances • Pharmaceutical intermediates • Agrochemical intermediates • Engineering fluids • Electronic chemicals	• Aluminium Fluoride • Calcium Carbide • Potassium Chlorate • Titanium Dioxide • Red Phosphorous • Calcium carbonate • Hydrogen peroxide	• Acetic acid • Acetic anhydride • Acetone • Phenol • Methanol • Formaldehyde • Nitrobenzene • Maleic anhydride • Pentaerythritol • Aniline • Chloro methanes • Isobutylbenzen e • ONCB • PNCB • MEK • Acetaldehyde • Ethanolamines • Ethyl acetate

Note: The above *list is indicative in nature and non-exhaustive.*
Source: CRISIL Research

Market size of domestic specialty chemicals industry

Specialty chemicals industry to register ~10% CAGR during Fiscal 2019 to 2021

Growth of specialty chemicals is contingent upon growth in major end-user industries. Paints and coatings demand will be driven by growth in the Indian automotive sector, which has risen sharply in the recent past. Also, sharp rise in demand for water has put pressure on supply of water for irrigation, drinking and industrial usage. The need to augment and maintain adequate supply of water necessitates greater amount of recycling, resulting in higher demand for water chemicals. Water treatment chemicals are used for a wide range of industrial and in-process applications such as reducing effluent toxicity, controlling biological oxygen demand and chemical oxygen demand and disinfecting water for potable purpose. Water chemicals are used across diverse industries, ranging from large power plants, refineries and fertilizer factories to pharmaceuticals, food and beverages, electronic and automobile companies.

Key growth drivers for specialty chemicals industry in India

1. Increased intensity of consumption;
2. End-use demand;
3. Improved consumption standards;
4. Government initiatives; and
5. Favourable global factors.

Key risks for Indian specialty chemicals industry

1. Fragmentation and lack of scale;
2. Commoditisation;
3. Regulations;
4. Raw material cost and availability;
5. Use of outdated technology; and
6. Research and development.

Organic chemicals exports from India grew at a CGAR of ~6.9% during Fiscal 2014 and Fiscal 2018

Exports of organic chemicals from India have grown by a CAGR of ~6.9% during the period Fiscal 2014 to Fiscal 2018 in value terms. Exports of organic chemicals grew from ₹ 953 billion in Fiscal 2018 from ₹ 784 million in Fiscal 2017 depicting a growth of 22% y-o-y. China (₹ 135.79 billion) was the largest export market for Indian organic chemicals in Fiscal 2018 in value terms followed by USA (₹ 101.93 billion) and Saudi Arabia (₹ 38.82 billion). Share of the top five countries in total exports of organic chemicals in Fiscal 2018, in value terms, stood at 36%.

Inorganic Chemicals Exports from India grew at a CGAR of ~7.9% during Fiscal 2014 and Fiscal 2018

Exports of inorganic chemicals from India in value terms, during the period from Fiscal 2014 to Fiscal 2018, has grown at a CAGR of ~7.9%. Fiscal 2018 portrayed a massive growth of 22% y-o-y in exports of organic chemicals. UAE (₹ 19.57 billion) was the largest buyer of inorganic chemicals from India in Fiscal 2018, in value terms, followed by China (₹ 7.65 billion) and USA (₹ 7.05 billion). Share of top five countries in total exports of inorganic chemicals in Fiscal 2018 in value terms stood at ~41%.

Overview of key end-user industries for specialty chemicals in India

The key end-user industries for specialty chemicals in India are set out below.

1. Advanced intermediates;
2. Bulk drugs;
3. Pesticides;
4. HVAC industry.

Peers

A list of peers is set out below:

1. Aarti Industries;
2. Atul Limited;
3. Mody Chemi Pharma Private Limited;
4. Navin Fluoride International Limited;
5. Pacific Organics Private Limited;
6. Paushak Limited; and
7. Vinati Organics Limited.

SUMMARY OF OUR BUSINESS

The following is a summary of our business. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapters entitled 'Our Business', 'Risk Factors', 'Financial Statements' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on page 154, 19, 208 and 398 of this Red Herring Prospectus. The information pertaining to the industry in which our Company operates has been sourced from the CRISIL Report which was commissioned by our Company. In this Section, unless otherwise specified, all financial information has been incorporated from our Restated Consolidated Financial Statements.

Overview

We are one of India's leading manufacturers of bromine-based, and lithium-based, specialty chemicals. Specialty chemicals are those chemicals that impart different properties to a variety of products (i.e. the effect that specialty chemicals have varies based on the product) and have a high degree of value addition. Specialty chemicals are, also generally, in the Indian context, manufactured in smaller volumes when compared to non-specialty chemicals. Specialty chemicals, including bromine and lithium-based compounds, comprise pharmaceutical intermediates, agrochemical intermediates, engineering fluids, electronic chemicals, polymers additives, water treatment chemicals, construction chemicals and flavours and fragrances.

Specialty chemicals are widely used for specialised applications to meet industry-specific requirements and can be classified based on application industries. Additionally, certain specialty chemicals find application in multiple industries.

We manufacture specialty organic bromine-based chemical compounds (**Bromine Compounds**) and other specialty organic chemical compounds as well as specialty inorganic lithium-based chemicals compounds (**Lithium Compounds** and together with the Bromine Compounds the **Products**). We commenced our business operations in 1991, at our Mahape, Navi Mumbai manufacturing facility with a few Bromine Compounds and Lithium Compounds. Over the years we have expanded our range of products and, presently, manufacture an extensive range of specialty chemicals which find application across various industries in India and globally. As on February 28, 2019, we have manufactured an aggregate of 198 products comprising 181 organic chemicals and 17 inorganic chemicals.

Our specialty chemicals product offerings comprise:

1. **Organic chemicals** – these are chemicals containing carbon in combination with hydrogen, and, or, other elements with a covalent bond (i.e. a chemical bond atoms sharing at least one pair of electrons between them). Our product offering in this segment comprises Bromine Compounds and other organic compounds containing chlorine, fluorine and iodine-based and combinations thereof. In addition, we also manufacture niche products such as Grignard reagents. Our specialty organic chemical compounds find use in application industries such as pharmaceutical, agrochemical, flavor and fragrance and electronic-chemical. We market and sell our Products in India and export our Products primarily to Europe, USA and Japan.

2. **Inorganic chemicals** – these are chemicals with an ionic bond (i.e. a chemical bond between a non-metal and a metal ion involving transfer of electron from one element to another, creating positively and negatively charged ions which together form the compound). Our product offering in this segment primarily comprises Lithium Compounds. The Lithium Compounds manufactured by us are used in eco-friendly Vapor Absorption Machines (**VAM**) for cooling air/water/process equipment and find application in industries such as heating ventilation and air-conditioning (**HVAC**) and refrigeration, construction chemicals, pharmaceutical and specialty polymer. We market and sell the Lithium compounds in India and export our Products, in particular, to the USA, Europe and Japan.

In addition to manufacturing our standard products, we also undertake custom synthesis and contract manufacturing. In custom synthesis the product is developed and customized primarily for a specific customer, but process know-how and technical specifications are developed in-house by us. Further, we have, more recently, also commenced contract manufacturing where, the product is developed under confidentiality for a single customer using the process know-how and the technical specifications provided by the customer. Contract manufacturing has enabled us to increase our bouquet of product offering. We differentiate ourselves in the contract manufacturing space by additionally offering process innovation, which, generally, reduces the overall operating costs for our customers.

We operate out of our manufacturing facilities located in Mahape, Navi Mumbai in Maharashtra (**Mahape Facility**) and Karakhadi, Vadodara in Gujarat (**Vadodara Facility**). Our corporate office is located in Thane, Maharashtra. We are, presently, developing a green-field manufacturing unit in Dahej SEZ, in Gujarat (**Proposed Dahej Facility**) and are also proposing to expand our operations in Karakhadi, Vadodara (**Proposed Vadodara Facility**). Our manufacturing facilities in aggregate are spread across approximately 40 acres with an additional 12 acres of leased property in Dahej SEZ. Our manufacturing units at Vadodara and Mahape also contain our research and development (**R&D**) units comprising a dedicated 20 member in-house team.

Our aggregate manufacturing capacity, and a break-up of our capacity, across our manufacturing units is set out below:

1. Aggregate manufacturing capacity of organic chemicals – approximately 1,30,400 litres (reactor volume); and
2. Aggregate manufacturing capacity of inorganic chemicals – 1,200,000 Kg. per annum of products.

Manufacturing Plant	Product	Unit of Capacity Measurement	Capacity
Mahape, Navi Mumbai*	Organic chemicals	Reactor volume in litres	45,000
Karakhadi, Vadodara**	Organic chemicals	Reactor volume in litres	85,400
Mahape, Navi Mumbai*	Inorganic chemicals	Kg. production per annum	1,200,000

** As per certificate dated September 4, 2018 issued by M/s Anukul Associates, Consultants and Engineers.*

*** As per certificate dated September 19, 2018 issued by Mukund M. Patki, Chartered Chemical Engineer.*

Our capacity utilization at each of our manufacturing units for the immediately preceding 3 Fiscals is set out below.

Facility	Nature of the product	Unit for capacity measurement	Capacity utilisation (%)			
			9 month period ended December 31, 2018	Fiscal 2018	Fiscal 2017	Fiscal 2016
Mahape	Organic chemicals	Reactor volume in Litres	85.10	78.66	79.64	94.01
Vadodara	Organic chemicals	Reactor volume in Litres	67.51	56.01	28.85	-
Mahape	Inorganic chemicals	Kg. production per annum	74.10	93.85	91.19	81.39

As on February 28, 2019, we employed 152 full time, 45 fixed term contract employees (generally a 5-year contract) and 4 retainers.

Our restated total income on standalone basis for 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, was ₹1,598.81 million, ₹1,648.17 million, ₹1,218.79 million and ₹1,090.46 million, respectively. Our restated profit for the year on a standalone basis for 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, was ₹ 122.88 million, ₹106.00 million, ₹77.49 million and ₹51.80 million, respectively. Our restated total income and restated profit for the year on a standalone basis, grew at a CAGR of 19.66% and 30.61%, respectively, between the Fiscals 2014 and 2018.

Our restated total income on consolidated basis for 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, was ₹ 1,596.87 million, ₹1,646.75 million, ₹1,217.75 million and ₹1,090.46 million, respectively. Our restated profit for the year on a consolidated basis for the 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, was ₹122.21 million, ₹104.97 million, ₹76.83 million and ₹51.80 million, respectively. Our restated total income and restated profit for the year on a consolidated basis, grew at a CAGR of 19.69% and 30.29%, respectively, between the Fiscals 2014 and 2018.

Competitive Strengths

Set out below are our primary competitive strengths.

Experienced promoters with domain knowledge

Our promoters, Haridas Thakarshi Kanani and Harin Haridas Kanani, have a cumulative experience of more than 6 decades. Both are chemical engineers and alumni of the Indian Institute of Technology, Bombay. Harin Haridas Kanani also completed his Ph.D. in chemical engineering from the University of Maryland, College Park, USA.

Haridas Thakarshi Kanani has over the years worked as a consultant with chemical manufacturing companies in India before setting up our Company in 1989. Prior to joining our Company, Harin Haridas Kanani worked with Asian Paints Limited. He also worked with a research company viz., Pioneer Hi-Bred International – DuPont Company, USA. He initially worked for our Company between 2000-2002 before leaving for his post-graduation and Doctorate studies. He re-joined our Company in 2008 and has been instrumental in raising the profile of our Company. He focusses on business development, marketing, purchase and quality control.

Large and diverse array of products

We set up our Company in 1989 and started operations in 1991 manufacturing 4 products viz., lithium bromide, n-propyl bromide, potassium bromide and meta-phenoxy benzaldehyde. As of February 28, 2019, we have manufactured an aggregate of 198 Products comprising 181 organic chemicals and 17 inorganic chemicals. Of these, our Product bouquet comprises:

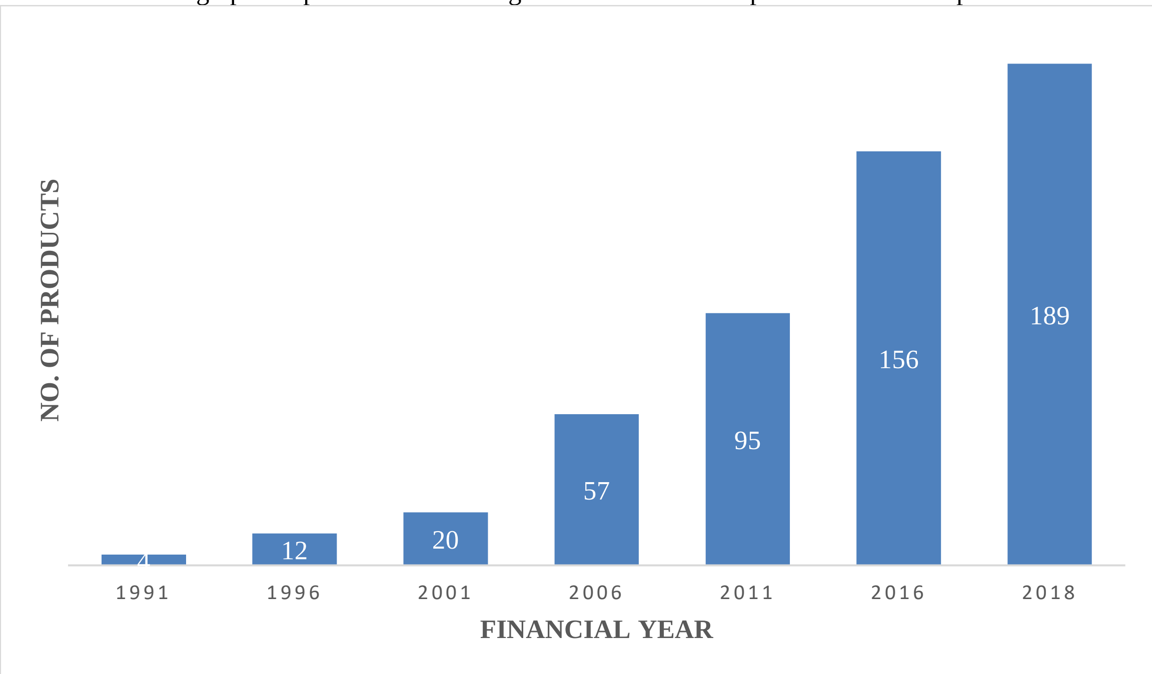
- 131 Bromine Compounds;
- 10 Lithium Compounds;
- 32 non-bromine specialty chemical compounds comprising 25 organic specialty chemical compounds; and
- 25 types of Grignard reagents.

Set out below is the break-up of our Revenue from Operations from the sale of organic and inorganic chemicals for the 9 month period ended December 31, 2018, Fiscals 2018, 2017 and 2016 and, on consolidated basis:

(₹ in million)

Particulars	**9 month period ended December 31, 2018**		**Fiscal 2018**		**Fiscal 2017**		**Fiscal 2016**	
	Revenue from Operations	**%**	**Revenue from Operations**	**%**	**Revenue from Operation**	**%**	**Revenue from Operations**	**%**
Organic chemicals	1,259.35	78.65	1,056.23	64.82	634.20	57.30	732.18	72.62
Inorganic chemicals	341.86	21.35	573.18	35.18	472.57	42.70	276.07	27.38
Total	**1,601.21**	**100.00**	**1,629.41**	**100.00**	**1,106.77**	**100.00**	**1,008.25**	**100.00**

Set out below is a graphic representation of the growth in our Product portfolio since inception.



A large product base such as ours allows us to cater to the very niche requirements of customers from diverse industries and geographic locations. Our broad-based and diverse Product bouquet enables us to cater to disparate needs of customers thereby increasing our viability of becoming a preferred supplier.
In addition, the vast array of Products demonstrates technical quality as well as our ability to innovate and instils in our customers the confidence of entrusting us with the manufacture of newer products that we may not have manufactured thus far.

Diversified and stable customer base

Further, our diversified Product range enables us to cater to diverse customers across a wide array of user industries such as pharmaceutical, agrochemical, aroma chemical, electronic-chemical, construction chemicals, specialty polymer and VAM original equipment manufacturers. This helps us to mitigate risks emanating from customer, industry and geographic concentration.

The table below sets out our top 10 customers by revenue for the 9 month period ended December 31, 2018 and the immediately preceding 3 Fiscals, on a consolidated basis.

Sr. No.	9 month period ended December 31, 2018	Fiscal 2018	Fiscal 2017	Fiscal 2016
1.	18.76%	8.44%	11.27%	14.18%
2.	12.24%	7.16%	5.97%	7.07%
3.	7.44%	6.66%	5.96%	6.29%
4.	4.30%	4.49%	4.95%	5.75%
5.	3.89%	3.87%	4.77%	4.66%
6.	3.61%	3.43%	4.63%	3.25%
7.	3.30%	3.11%	4.37%	3.25%
8.	2.86%	2.65%	2.70%	3.16%
9.	2.26%	2.56%	2.63%	2.64%
10.	1.54%	2.09%	2.18%	2.56%
Revenue from Operations	**60.19%**	**44.45%**	**49.43%**	**52.81%**

In addition, our diversified customer base would enable us to benefit from the expected growth in application industries such as the Pharmaceuticals, including advanced pharmaceutical intermediates, pesticides and the HVAC industry. *[Source of expected industry growth: CRISIL Report.]*

Growth led by continuous investment in R&D

Our Promoters, who are also our Managing Directors, have inculcated the culture of innovation and instilled a firm belief that R&D is a key element of our growth and, will continue to remain so. In line with this thinking, our Company has over the years made regular investments in R&D to expand our bouquet of Product offerings and to streamline manufacturing process.

We have 2 R&D facilities, one each in our Vadodara and Mahape manufacturing units. We have dedicated 20-member R&D team constituting around 10% of our total workforce. The team comprises 6 senior personnel (including 1 retainer) with doctorates in science (Ph. D.) from reputed institutions. Our Chairman and Managing Director Haridas Thakarshi Kanani leads the R&D initiatives.

Further, since the commencement of our dedicated R&D department in December 2001, our Product portfolio has grown from around 20 products in 2001 to 198 products at present (excluding the products developed under contract manufacturing). We believe that product and process innovations will be key factors going forward and our continued investment in R&D will better prepare us take advantage of any future opportunities.

Management expertise

We believe that we have a strong management team led by persons with significant experience in the specialty chemicals industry. In addition to our Promoters, our Board comprises Directors who have extensive experience in the chemical industries sector. We also have a management team of qualified professionals, who have expertise and experience in our business. Further, since use of bromine requires a specialised skill set and experience, we need a highly skilled technical work force which we have succeeded in retaining over a long period of time. Our management team comprises of skilled and capable professionals who assist the Board in identifying new opportunities and in implementing our business strategies. For further details please refer to the chapter '*Our Management'* on page 181.

Specialised business model with high entry barriers

The specialty chemicals industry is highly knowledge intensive. our Products are used for specialty applications in the pharmaceutical, agrochemical, aroma chemical, construction chemical, speciality polymer and electronic-chemical industries where they are used to manufacture high value proprietary and specialised products. Given the nature of the application of our Products, our processes and products are subject to, and measured against, exacting quality standards and stringent impurity specifications. Further, where our Products are used, and such use has been formally recognised in filings with regulatory agencies, any change in the vendor of the product may require significant time and cost for the customer. These factors create significant entry barriers. We believe that we have, over the years, built strong relationships of more than a decade with customers who recognise our technical capabilities and timely deliveries and associate our brand with good and consistent quality products.

Moreover, some of the chemicals that we use such as bromine, fluorine and lithium are highly corrosive and toxic chemicals. Therefore, handling these chemicals requires a high degree of technical skill and expertise, and operations involving such hazardous chemicals ought to be undertaken only by personnel who are qualified and proficient. We believe that the level of technical skill and expertise that is essential for handling such chemicals can only be achieved over a period of time creating further barrier for new entrants.

Established and stable relationship with suppliers

Our consistent track record of business growth over the years and repeated business from existing customers has enabled us to develop long standing relationship with our suppliers. We have relationships of over a decade with large producers of Bromine Source and Lithium Source. Based on our relationships with our suppliers we are able to enter into annual contracts thereby offering stability in pricing to our customers. Also, during times of shortages, we are ensured of continuous supplies at competitive rates and hence our productivity and commitment to customers is not affected even under such difficult situations. Further, due to large volume of annual contracts we are also able to negotiate attractive pricing as compared to our local competitors which gives us a competitive advantage.

Business Strategy

We believe that following business strategies will enable us to continue on our growth path.

Expanding our production capacities

We have over the years increased our production capacities through organic and inorganic growth. Set out below is a table depicting the growth of our capacity for the production of organic chemicals at our Mahape Facility.

Year	Glass lined reactor capacity (in Ltrs.)*
1991	1,600
1994	6,000
2000	20,000
2007	30,000
2012	45,000

** As per certificate dated September 4, 2018 issued by M/s Anukul Associates, Consultants and Engineers.*

We also broadened our product range by setting up facilities for the manufacture of inorganic chemicals at Mahape. Further, in Fiscal 2016, we acquired the Vadodara Facility for augmenting our organic chemicals manufacturing capability.

Presently, we propose to further increase our manufacturing capacity at our Vadodara facility by an additional 126,000 litres (reactor volume in litres) which will nearly double our organic chemicals manufacturing capacity from 130,400 litres to 256,400 litres. Further, our Vadodara Facility is spread over approximately 39 acres and on completion of the Proposed Vadodara Facility we will still have over 32 acres of freehold land which we can use for further growth and expansion.

In addition, we also propose to set up the Proposed Dahej Facility, a green-field manufacturing facility for manufacturing inorganic chemical products. When completed, the Proposed Dahej Facility will increase our inorganic chemicals manufacturing capacity by 1,200,000 kg per annum, which will double our total inorganic specialty chemical manufacturing capacity. The Proposed Dahej Facility is expected to cater to the anticipated increase in demand for lithium compounds. We expect that we will still have approximately 9 acres available for further expansion.

We believe that the Proposed Vadodara Facility and the Proposed Dahej facility will enable us to significantly increase our product offering and we also expect to benefit from the economies of scale.

Increasing our contract manufacturing portfolio

We believe that the contract manufacturing business will enable~~s~~ us to enter into long term contracts with assured margins and product off-take which will help~~s~~ us strengthen our repeat business as year on year repeatability is confirmed by these customers. At present, our Company has entered into contract manufacturing arrangements with a few international companies, engaged in the pharmaceutical, agrochemical, aroma and speciality polymer industries and we have already delivered products under some of these arrangements. During the 9 month period ended December 31, 2018, and during Fiscal 2018, Fiscal 2017 and Fiscal 2016, our revenue from contract manufacturing operations on a consolidated basis, was ₹ 149.84 million, ₹38.08 million, ₹24.16 million and ₹1.77 million, respectively.

We aim to increase the size and scale of our contract manufacturing business over the next few years. We are in discussions with various companies in Europe and Japan to develop their proprietary products for which we have already executed non-disclosure and secrecy agreements. Further, we also propose to increase our focus on our custom synthesis business by augmenting the share of our business with innovator companies.

Augmenting growth in domestic and global markets

Presently, our revenue from domestic and export business is almost 50% each, (including 16% deemed exports, where we supply our Product to customers who will eventually export their end product). In India, over the last 3 immediately preceding fiscal years, the pharmaceuticals, agrochemical, refrigeration and specialty polymer, industries have, generally, contributed in excess of 90% of our Revenue from Operations. Going forward our primary focus would be to continue our growth in export. We strongly believe that the demand for bromine-based and lithium-based products will grow, in India and overseas, owing to the growth in their final application industries such as pharmaceutical, agrochemical, refrigeration, polymer synthesis, flavour and fragrances, etc. We believe we are well positioned to exploit the opportunities offered by the expected growth in the final application industries due to our strong manufacturing capabilities, established customer relationships, strong R&D capabilities and robust Product portfolio. We intend to focus on leveraging such opportunities to increase sales and cross-sales of our Bromine Compounds and Lithium Compounds across various industries. Further, we also expect to derive the benefits of the general decline in manufacturing of specialty chemicals in China due to environmental concerns, which comprised a significant part of global specialty chemical market share.

Improving financial performance through focus on operational efficiencies and functional excellence

We believe that our focus on functional excellence and providing integrated solutions for a gamut of Bromine Compounds and Lithium Compounds has contributed to our financial strength and performance whilst also strengthening the trust and engagement that we share with our customers.

We believe that the various strategic initiatives that we have implemented, including the continued investment in our manufacturing facilities such as the use of bromine in 6,000 litre ISO storage tanks in our Vadodara Facility instead of in 1 litre glass bottles at Mahape which reduced manpower cost for transfer and addition of bromine, permits a much faster rate of addition of bromine, thereby increasing reactor productivity. In addition, developing and enhancing our in-house capabilities, and our supply-chain management protocols will continue to play a critical role in our future success. Accordingly, we intend to build on our existing strategic initiatives to achieve operational excellence that translates into financial strength and performance.

Focus on advanced specialty intermediates which offer higher value addition

Over the last few years our Company has been focusing not only on manufacturing Bromine Compounds but also combining bromination with other chemistries to make advance intermediates which otherwise would have been manufactured by our customers internally. Such forward integration allows customers to reduce processing at their end freeing up their specialized capacity for making final molecules such as APIs, specialty polymers, electronic chemicals etc. Such forward integration enables us to offer higher value addition and generate higher margin and increased profitability. We believe that with our proposed augmentation in capacity we would be able to cater to the increasing demand for such advanced intermediates.

Competition

While we are one of the leading manufacturers of bromine-based, and lithium-based, specialty chemicals we face competition from domestic and international operators. Our major competitors in India include Aarti Industries, Atul Limited, Mody Chemi Pharma Private Limited, NFIL, Pacific Organics Private Limited, Paushak Limited and Vinati Organics Limited.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations and presented at the chapter "Financial Statements" on page 208.

The summary financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto and the chapters "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 208 and 398, respectively.

RESTATED CONSOLIDATED FINANCIAL STATEMENTS

Restated Consolidated Statement of Assets and Liabilities

(₹ in million, unless stated otherwise)

Particulars	Proforma Ind AS	Proforma Ind AS	Proforma Ind AS	Proforma Ind AS	Proforma Ind AS	Proforma Ind AS
	As at December 31, 2018	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**
ASSETS						
(1) Non-current assets						
(a) Property, plant and equipment	810.43	666.41	563.19	174.22	131.77	136.24
(b) Capital work-in-progress	0.49	13.79	12.59	6.87	1.25	0.37
(c) Intangible assets	0.86	0.55	0.03	0.05	0.09	0.13
(d) Financial assets						
(i) Investments	5.50	4.23	4.88	-	-	-
(ii) Loans & advances	34.07	18.52	21.42	13.75	9.30	1.73
(iii) Other financial assets	25.23	23.09	22.59	-	-	-
(e) Other non-current assets	6.87	6.29	1.27	0.76	14.40	29.34
Total Non-current Assets	**883.45**	**732.88**	**625.97**	**195.65**	**156.81**	**167.81**
(2) Current Assets						
(a) Inventories	772.17	499.93	400.13	317.57	242.97	212.31
(b) Financial assets						
(i) Trade receivables	424.65	413.63	321.61	158.49	179.68	165.87
(ii) Cash and cash equivalents	1.84	3.17	5.77	5.18	6.89	2.70
(iii) Bank balances other than (ii) above	8.12	15.00	24.99	19.54	17.14	15.22
(iv) Loans & advances	2.84	0.81	4.03	-	2.90	6.39
(v) Other current financial assets	9.40	1.64	1.83	2.55	5.48	1.80
(c) Other current assets	271.59	133.47	138.82	105.84	75.69	57.23
Total Current Assets	**1490.61**	**1,067.65**	**897.18**	**609.17**	**530.75**	**461.52**
TOTAL ASSETS	**2374.06**	**1,800.53**	**1,523.15**	**804.82**	**687.56**	**629.33**
EQUITY AND LIABILITIES						
(1) Equity						

(a) Equity share capital	200.79	200.00	200.00	200.00	45.00	45.00
(b) Other equity	414.08	300.62	219.66	75.49	189.87	150.93
Total Equity	**614.87**	**500.62**	**419.66**	**275.49**	**234.87**	**195.93**
(2) Non-current liabilities						
(a) Financial liabilities						
- Borrowings	440.62	384.95	367.61	47.70	47.33	47.59
- Other Non-current Financial Liabilities	20.00	21.74	21.73	1.72	1.72	-
(b) Long Term Provisions	18.31	17.25	11.82	2.41	3.26	1.69
(c) Deferred tax liabilities (net)	45.41	40.30	36.50	21.73	20.37	16.64
Total Non-current Liabilities	**524.34**	**464.24**	**437.66**	**73.56**	**72.68**	**65.92**
(3) Current liabilities						
(a) Financial liabilities						
(i) Borrowings	677.02	412.23	301.49	200.60	183.36	189.96
(ii) Trade payables – Due to entities under micro and small enterprises	4.59	0.00	0.00	0.00	0.00	0.00
Due to other than micro and small enterprise	472.77	366.72	309.80	218.36	163.58	143.55
(iii) Other financial liabilities	61.82	34.38	36.30	24.88	12.52	23.14
(b) Other current liabilities	9.53	15.31	15.44	8.19	18.06	10.50
(c) Short-term provisions	9.12	7.03	2.80	3.74	2.49	0.33
Total Current liabilities	1234.85	835.67	665.83	455.77	380.01	367.48
Total Liabilities	**1759.19**	**1,299.91**	**1,103.49**	**529.33**	**452.69**	**433.40**
TOTAL EQUITY AND LIABILITIES	**2374.06**	**1,800.53**	**1,523.15**	**804.82**	**687.56**	**629.33**

Restated Consolidated Statement of Profit and Loss

(₹ in million, unless stated otherwise)

Particulars	Proforma Ind AS	Proforma Ind AS	Proforma Ind AS	Proforma Ind AS	Proforma Ind AS	Proforma Ind AS
	For 9 months Ended December 31, 2018	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
Income						
I. Revenue from operations	1,592.31	1,640.12	1,214.67	1,088.85	914.84	799.04
II. Other income	4.56	6.63	3.08	1.62	9.96	4.10
Total Income (I+II)	**1,596.87**	**1,646.75**	**1,217.75**	**1,090.47**	**924.80**	**803.14**
III. Expenses						
Cost of materials consumed	1,110.67	1,025.59	695.60	652.28	526.51	465.36
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(171.37)	(77.27)	(55.29)	(41.41)	(29.14)	(17.19)
Employee benefits expense	81.16	87.01	54.47	45.37	47.61	34.38
Finance costs	85.57	104.17	75.16	47.91	46.54	47.75
Depreciation and Amortization Expenses	21.09	19.40	13.11	10.00	9.35	9.22
Other Expense	300.54	314.88	320.02	291.51	243.28	201.73
Total Expenses	**1,427.66**	**1,473.78**	**1,103.07**	**1,005.66**	**844.15**	**741.25**
IV. Profit/(loss) before, share of profit of investment accounted for using equity method and taxes	**169.21**	**172.97**	**114.68**	**84.81**	**80.65**	**61.89**
Share of Profit/(Loss) of investments accounted for using equity method	**1.28**	**0.38**	**0.38**	**-**	**-**	**-**
Profit Before Tax	**170.49**	**173.35**	**115.06**	**84.81**	**80.65**	**61.89**
V. Income tax						
1. Current Tax	43.50	64.77	39.05	31.47	25.50	18.33
2. Deferred Tax	4.78	3.61	(0.82)	1.54	4.30	7.13
VI. Profit for the year/period	**122.21**	**104.97**	**76.83**	**51.80**	**50.85**	**36.43**
VII. Other comprehensive income						
Items that will not be reclassified to restated statement of profit or loss						
Statement of other comprehensive income	1.16	0.54	(7.19)	(0.54)	(1.68)	0.36
Income tax related to items that will be reclassified to profit or loss	(0.34)	(0.19)	2.49	0.19	0.57	(0.12)
Other comprehensive income, net of tax	**0.82**	**0.35**	**(4.70)**	**(0.35)**	**(1.11)**	**0.24**
VIII. Total comprehensive income for the year	**123.04**	**105.32**	**72.13**	**51.45**	**49.74**	**36.67**

IX. Earnings per equity share (In INR)						
- Basic	**6.09***	**5.25**	**3.84**	**2.59**	**11.30**	**8.10**
- Diluted	**6.09***	**5.25**	**3.84**	**2.59**	**11.30**	**8.10**

**Not Annualised*

Restated Consolidated Statement of Cashflow

(₹ in million, unless stated otherwise)

Particulars	Proforma Ind AS	Proforma Ind AS	Proforma Ind AS	Proforma Ind AS	Proforma Ind AS	Proforma Ind AS
	For 6 months Ended December 31, 2018	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015	For the Year Ended March 31, 2014
CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit/(loss) before extra - ordinary Items & tax	**170.49**	**173.35**	**115.06**	**84.81**	**80.65**	**61.89**
Adjustments for:						
Depreciation and amortisation expense	21.09	19.43	13.12	9.98	9.34	9.22
Finance Costs	85.57	104.17	75.16	47.91	46.54	47.75
Interest & Other income	(0.85)	(2.54)	(2.24)	(1.62)	(1.68)	(1.34)
Fair Value Gain / Loss on Derivative Contracts	(0.14)	(4.47)	(1.04)	6.50	(3.34)	0.62
Loss/(Gain) on sale/write of fixed assets (net)	-	-	-	-	(0.17)	-
Employee Benefit Expenses	2.00	2.57	(9.55)	(1.88)	0.96	(0.61)
Operating profit before working capital changes	**278.15**	**292.51**	**190.51**	**145.70**	**132.30**	**117.53**
Movement in working capital						
(Increase)/decrease in current and non-current long-term loans & advances	(15.54)	5.69	(11.83)	(1.11)	(4.80)	2.53
(Increase)/decrease in inventories	(272.25)	(99.80)	(82.56)	(74.59)	(30.66)	(10.40)
(Increase)/decrease in current and non-current financial assets - Loans	0.22	(9.79)	(3.90)	(19.75)	15.24	(30.60)
(Increase)/decrease in other current and non-current financial assets	(8.04)	15.27	(29.07)	(4.28)	(8.56)	9.68
(Increase)/decrease in other current and non-current assets	(118.39)	1.07	1.66	(4.97)	3.58	(2.10)
(Increase)/decrease in trade receivables	(11.02)	(92.03)	(163.11)	21.14	(13.81)	(44.70)
Increase/(decrease) in other current and non-current financial liabilities	25.70	3.49	4.31	4.51	(8.18)	(2.47)
Increase/(decrease) in non-current provisions	1.06	0.89	32.05	0.38	1.09	(0.10)
Increase/(decrease) in current provisions	(21.99)	(7.56)	6.40	(3.93)	4.59	(0.59)
Increase/(decrease) in other current and non-current liabilities	(5.13)	(8.17)	5.20	(0.51)	1.21	(5.70)
Increase/(decrease) in trade payables	110.63	56.92	91.45	54.78	20.03	10.11

Cash flow from/ (utilised in) operating activities post working capital changes	**(314.75)**	**(134.02)**	**(149.40)**	**(28.33)**	**(20.27)**	**(74.34)**
Income tax paid/Refunds (net)	(26.08)	(40.00)	(39.05)	(31.47)	(25.50)	(13.85)
Net cash flow from/ (utilised in) operating activities (A)	**(62.68)**	**118.49**	**2.06**	**85.90**	**86.53**	**29.34**
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of property, plant and equipment (including intangible assets, capital advances, capital creditors and intangible assets under development)	(171.30)	(138.85)	(324.16)	(40.42)	(22.18)	(13.72)
Interest received						
-Bank & Others	0.85	2.16	1.57	1.62	1.68	1.34
-Other Income	-	0.38	0.67	-	-	-
Capital WIP	(0.49)	9.47	(3.29)	(5.29)	(0.88)	-
Investment in Partnership Firm	(2.02)	-	(4.03)	-	-	-
Amount received from Partnership Firm	-	0.08	-	-	-	-
Sale of property, plant and equipment	-	-	-	-	3.50	-
Movement in other bank balances (net)	-	-	-	-	-	-
Net cash used in investing activities (B)	**(172.96)**	**(126.76)**	**(329.24)**	**(44.09)**	**(17.88)**	**(12.38)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from fully redeemable preference shares received	-	-	107.00	-	-	-
Proceeds from Optional convertible preference shares received	-	-	-	-	13.00	-
Proceeds / (Repayment) of long-term borrowings	68.77	9.66	194.75	0.19	(11.34)	(9.92)
Proceeds / (Repayment) of short-term borrowings	264.79	110.74	100.89	17.24	(6.60)	51.19
Statutory fees for raising Share Capital	-	-	(0.15)	(2.38)	-	-
Finance Cost	(68.65)	(82.21)	(64.65)	(43.78)	(46.80)	(47.56)
Dividends Paid	(31.13)	(31.79)	(3.83)	(10.30)	(9.00)	(9.01)
Prior Period Taxes	-	(3.97)	-	-	-	-
Tax on Dividend	(6.35)	(6.76)	(0.78)	(2.10)	(1.80)	(1.53)
Net cash flow from/ (utilised in) financing activities (C)	**227.43**	**(4.33)**	**333.23**	**(41.13)**	**(62.54)**	**(16.83)**
Increase/(decrease) in cash and cash equivalents (A+B+C)	**(8.21)**	**(12.60)**	**6.05**	**0.69**	**6.11**	**0.13**
Cash and cash equivalents at the beginning of the year	18.17	30.77	24.72	24.03	17.92	17.79

Cash and cash equivalents at the end of the year	9.96	18.17	30.77	24.72	24.03	17.92
Notes to cash flow statement						
Components of cash and cash equivalents:						
- Cash in hand	0.64	1.09	1.21	0.38	1.86	1.72
- Balances with bank (Current Account)	1.20	2.08	4.57	4.80	5.03	0.98
-Balances with bank (Deposit Account)	8.12	15.00	24.99	19.54	17.14	15.22
	9.96	**18.17**	**30.77**	**24.72**	**24.03**	**17.92**

RESTATED STANDALONE FINANCIAL STATEMENTS

Restated Standalone Statement of Assets and Liabilities

(₹ in million, unless stated otherwise)

Particulars	Proforma Ind AS As at 9 month period ended December 31, 2018	Proforma Ind AS As at March 31, 2018	Proforma Ind AS As at March 31, 2017	Proforma Ind AS As at March 31, 2016	Proforma Ind AS As at March 31, 2015	Proforma Ind AS As at March 31, 2014
ASSETS						
(1) Non-current assets						
(a) Property, plant and equipment	810.43	666.41	563.19	174.22	131.77	136.24
(b) Capital work-in-progress	0.49	13.79	12.59	6.87	1.25	0.37
(c) Intangible assets	0.86	0.55	0.03	0.05	0.09	0.13
(d) Financial assets						
(i) Investments	4.50	4.50	4.50	-	-	-
(ii) Loans& advances	34.06	18.52	21.42	13.75	9.30	1.73
(iii) Other financial assets	25.23	23.09	22.59	-	-	-
(e) Other non-current assets	6.87	6.29	1.27	0.76	14.40	29.34
Total Non-current Assets	**882.44**	**733.15**	**625.59**	**195.65**	**156.82**	**167.81**
(2) Current Assets						
(a) Inventories	772.17	499.93	400.13	317.57	242.97	212.31
(b) Financial assets						
(i) Trade receivables	424.65	413.63	321.61	158.49	179.68	165.87
(ii) Cash and cash equivalents	1.84	3.17	5.77	5.18	6.89	2.70
(iii) Bank balances other than (ii) above	8.12	15.00	24.99	19.54	17.14	15.22
(iv) Loans& advances	3.75	1.50	4.30	0.00	2.90	6.39
(v) Other current financial assets	11.75	2.29	2.57	2.57	5.49	1.82
(c) Other current assets	271.59	133.55	138.85	105.84	75.69	57.23
Total Current Assets	**1,493.87**	**1,069.07**	**898.22**	**609.19**	**530.75**	**461.52**
TOTAL ASSETS	**2,376.31**	**1,802.22**	**1,523.81**	**804.84**	**687.57**	**629.35**
EQUITY AND LIABILITIES						
(1) Equity						
(a) Equity share capital	200.79	200.00	200.00	200.00	45.00	45.00
(b) Other equity	416.43	302.31	220.32	75.49	189.87	150.94
Total Equity	617.22	**502.31**	**420.32**	**275.49**	**234.87**	**195.94**
(2) Noncurrent liabilities						
(a) Financial liabilities						
- Borrowings	440.62	384.95	367.60	47.70	47.33	47.60
- Other Non-current Financial Liabilities	20.00	21.74	21.73	1.72	1.72	0.00
(b) Long Term Provisions	18.31	17.25	11.82	2.42	3.26	1.69
(c) Deferred tax liabilities (net)	45.41	40.30	36.50	21.74	20.38	16.64
Total Non-current Liabilities	**524.34**	**464.24**	**437.65**	**73.58**	**72.69**	**65.93**
(3) Current liabilities						
(a) Financial liabilities						
(i) Borrowings	**677.02**	412.23	301.49	200.60	183.36	189.96
(ii) Trade payables						

Dues to entities under Micro and Small Enterprise	4.59	0.00	0.00	0.00	0.00	0.00
Total dues to entities other than Micro and Small Enterprise	472.77	366.72	309.80	218.36	163.57	143.55
(iii) Other financial liabilities	61.82	34.38	36.30	24.88	12.52	23.14
(b) Other current liabilities	9.43	15.31	15.44	8.19	18.06	10.50
(c) Short-term provisions	9.12	7.03	2.81	3.74	2.50	0.33
Total Current liabilities	**1,234.75**	**835.67**	**665.84**	**455.77**	**380.01**	**367.48**
Total Liabilities	**1,759.09**	**1,299.91**	**1,103.49**	**529.35**	**452.70**	**433.41**
TOTAL EQUITY AND LIABILITIES	**2,376.31**	**1,802.22**	**1,523.81**	**804.84**	**687.57**	**629.35**

Restated Standalone Statement of Profit and Loss

(Currency: ₹ in millions, unless stated otherwise)

Particulars	Proforma Ind AS 9 month period ended December 31, 2018	Proforma Ind AS For the Year Ended March 31, 2018	Proforma Ind AS For the Year Ended March 31, 2017	Proforma Ind AS For the Year Ended March 31, 2016	Proforma Ind AS For the Year Ended March 31, 2015	Proforma Ind AS For the Year Ended March 31, 2014
Income						
I. Revenue from operations	1,592.31	1640.12	1214.67	1088.85	914.84	799.04
II. Other income	6.50	8.04	4.13	1.62	9.96	4.10
Total Income (I+II)	**1,598.81**	**1648.16**	**1218.80**	**1090.47**	**924.80**	**803.14**
III. Expenses						
Cost of materials consumed	1,110.67	1025.59	695.60	652.28	526.51	465.36
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(171.37)	(77.27)	(55.29)	(41.41)	(29.14)	(17.19)
Employee benefits expense	81.16	87.01	54.47	45.37	47.61	34.38
Finance costs	85.57	104.17	75.16	47.91	46.54	47.75
Depreciation and Amortization Expenses	21.09	19.40	13.11	10.00	9.35	9.22
Other Expense	300.54	314.88	320.02	291.51	243.28	201.73
Total Expenses	**1,427.66**	**1473.78**	**1103.08**	**1005.66**	**844.15**	**741.25**
IV. Profit/(loss) before taxes	**171.15**	**174.38**	**115.73**	**84.81**	**80.65**	**61.89**
V. Income tax						
1. Current Tax	43.50	64.77	39.05	31.47	25.50	18.33
2. Deferred Tax	4.78	3.61	-0.82	1.54	4.30	7.13
VI. Profit for the year/period	**122.88**	**106.00**	**77.50**	**51.80**	**50.85**	**36.43**
VII. Other comprehensive income						
Items that will not be reclassified to restated statement of profit or loss						
Statement of other comprehensive income	1.16	0.54	(7.19)	(0.54)	(1.68)	0.36
Income tax related to items that will be reclassified to profit or loss	(0.34)	(0.19)	2.49	0.19	0.57	-0.12
Other comprehensive (expense)/ income, net of tax	0.82	0.35	(4.70)	(0.35)	(1.11)	0.24
VIII. Total comprehensive income for the year	**123.70**	**106.35**	**72.80**	**51.45**	**49.74**	**36.67**
IX. Earnings per equity share (in INR)						
- Basic	**6.12***	**5.30**	**3.87**	**2.59**	**11.30**	**8.10**
- Diluted	**6.12***	**5.30**	**3.87**	**2.59**	**11.30**	**8.10**

**Not Annualised*

Restated Standalone Statement of Cashflow

(₹ in million, unless stated otherwise)

Particulars	Proforma Ind AS 9 month period ended December 31, 2018	Proforma Ind AS For the Year Ended March 31, 2018	Proforma Ind AS For the Year Ended March 31, 2017	Proforma Ind AS For the Year Ended March 31, 2016	Proforma Ind AS For the Year Ended March 31, 2015	Proforma Ind AS For the Year Ended March 31, 2014
CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit/(loss) before extra - ordinary Items & tax	**171.15**	**174.38**	**115.72**	**84.81**	**80.65**	**61.89**
Adjustments for:						
Depreciation and amortisation expense	21.09	19.43	13.12	9.98	9.34	9.22
Liabilities/Provision no longer required written back	0.00	0.00	0.00	0.00	0.00	0.00
Finance Costs	85.57	104.17	75.16	47.91	46.54	47.75
Interest & Other income	(2.80)	(3.57)	(2.90)	(1.62)	(1.68)	(1.34)
Fair Value Gain / Loss on Derivative Contracts	(0.14)	(4.47)	(1.04)	6.50	(3.34)	0.62
Loss/(Gain) on sale/write of fixed assets (net)	0.00	0.00	0.00	0.00	(0.17)	0.00
Employee Benefit Expenses	2.00	2.56	(9.55)	(1.88)	0.96	(0.60)
Provision for doubtful debts & Other Receivables and Loan & advances	0.00	0.00	0.00	0.00	0.00	0.00
Provision for loans/advances given to subsidiary/associate	0.00	0.00	0.00	0.00	0.00	0.00
Provision for impairment of investment in subsidiary and associate	0.00	0.00	0.00	0.00	0.00	0.00
Operating profit before working capital changes	276.87	292.50	190.51	145.70	132.30	117.54
Movement in working capital						
(Increase)/decrease in current and non-current long-term loans & advances	(15.55)	5.69	(11.83)	(1.11)	(4.80)	2.53
(Increase)/decrease in inventories	(272.25)	(99.80)	(82.56)	(74.57)	(30.64)	(10.40)
(Increase)/decrease in current and non-current financial assets - Loans	0.00	(10.25)	(4.20)	(19.75)	15.24	(30.60)
(Increase)/decrease in other current and non-current financial assets	(8.24)	14.70	(29.43)	(4.28)	(8.56)	9.68

(Increase)/decrease in other current and non-current assets	(118.40)	1.07	1.66	(4.97)	3.58	(2.10)
(Increase)/decrease in trade receivables	(11.02)	(92.03)	(163.11)	21.14	(13.81)	(44.70)
Increase/(decrease) in other current and non-current financial liabilities	25.70	3.49	5.53	4.52	(8.19)	(2.47)
Increase/(decrease) in non-current provisions	(1.06)	0.90	32.05	0.38	1.08	(0.10)
Increase/(decrease) in current provisions	(21.99)	(7.56)	6.39	(3.95)	4.58	(0.59)
Increase/(decrease) in other current and non-current liabilities	(5.15)	(8.17)	5.20	(0.51)	1.21	(5.70)
Increase/(decrease) in trade payables	110.63	56.92	91.45	54.78	20.03	10.11
Cash flow from/(utilized in) operating activities post working capital changes	**(315.20)**	**(135.04)**	**(148.85)**	**(28.33)**	**(20.27)**	**(74.34)**
Income tax paid/Refunds (net)	**(26.08)**	**(40.00)**	**(39.05)**	**(31.46)**	**(25.50)**	**(13.86)**
Net cash flow from/(utilized in) operating activities (A)	**(64.40)**	**117.46**	**2.61**	**85.91**	**86.53**	**29.34**
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of property, plant and equipment (including intangible assets, capital advances, capital creditors and intangible assets under development)	(171.30)	(138.85)	(324.16)	(40.42)	(22.18)	(13.73)
Interest received						
-Bank & Others	1.56	2.62	1.87	1.61	1.68	1.34
-Other Income	1.23	0.95	1.03	0.00	0.00	0.00
Capital WIP	(0.49)	9.47	(3.29)	(5.29)	(0.88)	0.00
Investment in Partnership Firm	(2.25)	0.00	(5.24)	0.00	0.00	0.00
Amount received from Partnership Firm	0.00	0.08	0.00	0.00	0.00	0.00
Sale of property, plant and equipment	0.00	0.00	0.00	0.00	3.50	0.00
Movement in other bank balances (net)						
Net cash used in investing activities (B)	**(171.24)**	**(125.73)**	**(329.79)**	**(44.10)**	**(17.88)**	**(12.39)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from fully redeemable preference shares received	**0.00**	0.00	107.00	0.00	0.00	0.00

Proceeds from Optional convertible preference shares received	0.00	0.00	0.00	0.00	13.00	0.00
Proceeds / (Repayment) of long-term borrowings	68.77	9.66	194.75	0.19	(11.34)	(9.92)
Proceeds / (Repayment) of short-term borrowings	264.79	110.74	100.89	17.24	(6.60)	51.19
Statutory fees for raising Share Capital	0.00	0.00	(0.15)	(2.38)	0.00	0.00
Finance Cost	(68.65)	(82.20)	(64.66)	(43.78)	(46.79)	(47.56)
Dividends Paid	(31.13)	(31.79)	(3.83)	(10.30)	(9.00)	(9.01)
Prior Period Taxes	0.00	(3.97)	0.00	0.00	0.00	0.00
Tax on Dividend	(6.35)	(6.76)	(0.78)	(2.10)	(1.80)	(1.53)
Net cash flow from/(utilized in) financing activities (C)	**227.43**	**(4.32)**	**333.22**	**(41.13)**	**(62.53)**	**(16.83)**
Increase/(decrease) in cash and cash equivalents (A+B+C)	**(8.21)**	**(12.60)**	**6.05**	**0.68**	**6.12**	**0.13**
Cash and cash equivalents at the beginning of the year	**18.17**	**30.77**	**24.72**	**24.03**	**17.92**	**17.79**
Cash and cash equivalents at the end of the year	**9.96**	**18.17**	**30.77**	**24.72**	**24.03**	**17.92**
Notes to cash flow statement						
1 Components of cash and cash equivalents:						
- Cash in hand	0.64	1.09	1.21	0.38	1.86	1.72
- Balances with bank (Current Account)	1.20	2.08	4.57	4.80	5.03	0.98
-Balances with bank (Deposit Account)	8.12	15.00	24.99	19.54	17.14	15.22
	9.96	**18.17**	**30.77**	**24.72**	**24.03**	**17.92**

THE OFFER

The following table summarises the details of the Offer:

Equity Shares offered	
Offer	Up to [●] Equity Shares of face value of ₹ 10 aggregating ₹[●] million
Comprising	
I. Fresh Issue (1)	[●] Equity Shares of face value of ₹ 10 aggregating up to ₹700.00 million
II. Offer for Sale by:	Up to 2,900,000 Equity Shares of face value of ₹ 10 aggregating ₹[●] million
A. Promoter Selling Shareholder	Up to 1,699,600 Equity Shares of face value of ₹ 10 aggregating ₹[●] million
B. Promoter Group Selling Shareholder	Up to 1,200,400 Equity Shares of face value of ₹ 10 aggregating ₹[●] million
The Offer consists of:	
1. QIB Portion(3)(4)	Not more than [●] Equity Shares of face value of ₹ 10
of which	
Anchor Investor Portion	Not more than [●] Equity Shares of face value of ₹ 10
Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares of face value of ₹ 10
of which	
Mutual Fund Portion	[●] Equity Shares of face value of ₹ 10
Balance for all QIBs including Mutual Funds	[●] Equity Shares of face value of ₹ 10
2. Non-Institutional Portion(4)	Not less than [●] Equity Shares of face value of ₹ 10
3. Retail Portion(4)	Not less than [●] Equity Shares of face value of ₹ 10
Pre and Post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	20,078,793 Equity Shares of face value of ₹ 10
Equity Shares outstanding after the Offer	[●] Equity Shares of face value of ₹ 10
Utilization of Net Proceeds	Please refer to the chapter '*Objects of the Offer*' on page 107 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis. For further details, please refer to the chapter '*Offer Procedure – Allotment Procedure and Basis of Allotment*' on page 462.

(1) The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on September 21, 2018 and by our Shareholders pursuant to a resolution passed at the EGM held on October 16, 2018.

(2) Promoter Selling Shareholder and Promoter Group Selling Shareholder vide their letters each dated September 20, 2018 have confirmed and authorised their respective participation in the Offer for Sale. The Selling Shareholders, vide the said letters, have also confirmed that the Offered Shares, have been held by them for a period of at least 1 year prior to filing of this Red Herring Prospectus or such Equity Shares have resulted from a bonus issue on Equity Shares held for a period of at least one year prior to the filing of this Red Herring Prospectus, and are eligible for being offered for sale in the Offer, as required by Regulation 26(6) of the SEBI ICDR Regulations. For further details please refer to the chapter 'Other Regulatory and Statutory Disclosures' on page 441.

(3) Our Company and the Selling Shareholders in consultation with the BRLM and the CBRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In case of under-subscription in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. For further details, please refer to the chapter 'Offer Procedure' on page 459.

(4) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM, the CBRLM and the Designated Stock Exchange, on a proportionate basis.

For further details of the Offer procedure, including the grounds for rejection of Bids, please refer to the chapter '*Offer Procedure*' on page 462. For further details of the terms of the Offer, please refer to the chapter '*Terms of the Offer*' on page 454.

GENERAL INFORMATION

Our Company was incorporated as 'Neogen Chemicals Private Limited' on March 7, 1989, at Thane, Maharashtra as a private limited company under the Companies Act, 1956 and received a certificate of incorporation from the RoC. Subsequently, pursuant to a special resolution passed by the shareholders of our Company on May 2, 1998, our Company was converted to a public limited company and the name of our Company was changed to 'Neogen Chemicals Limited', and a fresh certificate of incorporation dated July 2, 1998 was issued to our Company by the RoC. For further details, please refer to the chapter '*History and Certain Corporate Matters*' on page 175.

Corporate and Registered Office of our Company

1002, 10th Floor, Dev Corpora Building,
Opp. Cadbury Junction, Off Pokhran Road No 2,
Khopat, Thane West - 400 601,
Maharashtra, India
Tel: +91 22 2549 7300
Fax: +91 22 2549 7399
Email: investor@neogenchem.com
Website: www.neogenchem.com
Corporate Identity Number: U24200MH1989PLC050919

Address of the RoC

Our Company is registered with the Registrar of Companies, Mumbai, Maharashtra situated at the following address:

Registrar of Companies
100, Everest, Marine Drive
Mumbai - 400002
Maharashtra, India
Tel: +91 22 2281 2627
Fax: +91 22 2281 1977

Board of Directors

The Board of our Company comprises the following:

Name	Designation	DIN	Address
Haridas Thakarshi Kanani	Chairman and Managing Director	00185487	B-802, Siddhi Tower, Bhakti Mandir, Panch Pakhodi, Damani Estate, Naupada, Thane – 400602, Maharasthra, India
Harin Haridas Kanani	Joint Managing Director	05136947	B-1004, Savoy Building, Raheja Garden, LBS Road, Wagle Estate, Thane - 400604, Maharashtra India
Sanjay Natwarlal Mehta	Independent Director	00002817	6 Vatika, 14 Baptista Road, Vile Parle (West) Mumbai 400056, Maharashtra, India
Hitesh Bharatkumar Reshamwala	Independent Director	00367482	701-702-A, Sudarshan Solitaire, V.Desai Road, D-65, Azad Nagar, Nirmal, Andheri West, Mumbai - 400053, Maharashtra, India
Shyamsundar Radheshyam Upadhyay	Executive Director	07274873	103, Building No.11, Harmony, Highland Residency, Kolshet Road, Dhokali, Thane - 400607, Maharashtra, India
Anurag Surana	Non-Executive Director	00006665	222-D, Block – H, Pushpa Bhawan, Sainik Farms, New Delhi 110062, India
Avi Kersi Sabavala	Independent Director	08246256	4, Asopalav Park, near Manjalpur Samsan, Manjalpur, Vadodara - 390011, Gujarat, India
Ranjan Kumar Malik	Independent Director	08221989	B-201, Ascona, Raheja Garden LBS Marg, Opposite Hotel Tip-Top Plaza, Thane West, Thane - 4000604, Maharashtra India

For further details of the Directors, please refer to the chapter '*Our Management*' on page 181.

Company Secretary and Compliance Officer

Lalit Ashok Karne
1002, 10th Floor, Dev Corpora Building,
Opp. Cadbury Junction, Off Pokhran Road No 2,
Khopat, Thane West – 400 601, Maharashtra, India
Maharashtra, India
Tel: +91 22 2549 7300
Fax: +91 22 2549 7399
Email: investor@neogenchem.com

Chief Financial Officer

Mahesh Mukundrai Tanna
1002, 10th Floor, Dev Corpora Building,
Opp. Cadbury Junction, Off Pokhran Road No 2,
Khopat, Thane West – 400 601, Maharashtra, India
Maharashtra, India
Tel: +91 22 2549 7300
Fax: +91 22 2549 7399
Email: investor@neogenchem.com

Selling Shareholders

1. Haridas Thakarshi Kanani

2. Beena Haridas Kanani

Investor Grievances

Bidders can contact our Company Secretary and Compliance Officer, the BRLM, the CBRLM or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLM and the CBRLM.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form, cheque or draft number and issuing bank and the name and address of the BRLM and the CBRLM where the Bid cum Application Form was submitted by the Anchor Investor.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid-cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number (for Bidders other than RIBs bidding through the UPI mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of RIBs bidding through the UPI mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

Book Running Lead Manager

Inga Advisors Private Limited

1229, Hubtown Solaris,

N.S. Phadke Marg, Opp. Telli Galli,
Andheri (E) - 400 069, Mumbai
Maharashtra, India
Tel: +91 22 2681 6003
Fax: +91 22 2681 6020
E-mail: neogen.ipo@ingaadvisors.com
Investor grievance e-mail: investors@ingaadvisors.com
Website: www.ingaadvisors.com
Contact Person: Kavita Shah
SEBI Registration No.: INM000012573

Co-Book Running Lead Manager

Batlivala & Karani Securities India Private Limited
Ground Floor, City Ice Building,
298 Perin Nariman Street, Fort,
Mumbai – 400001, India
Tel: +91 22 40317000
Fax: +91 22 22635020/30
E-mail: merchantbanking@bksec.com
Investor grievance e-mail: grievance.mbd@bksec.com
Website: www.bksec.com
Contact Person: Darshan Piyush Trivedi / Sujeet Gurav
SEBI Registration No.: INM000010908

Syndicate Members

Batlivala & Karani Securities India Private Limited
Ground Floor, City Ice Building,
298 Perin Nariman Street, Fort,
Mumbai – 400001, India
Tel: +91 22 40317000
Fax: +91 22 22635020/30
Contact: Sunil Pandit / Viral Boradia
Email: sunil.pandit@bksec.com/viral.boradia@bksec.com
Website: www.bksec.com
SEBI Registration No.: INZ000214132

Bonanza Portfolio Limited
Plot No. M - 2,
Cama Industrial Estate,
Walbhat Road, Goregaon (East) ,
Mumbai 400063,
Maharashtra, India
Contact Person: Kamal Bansal
Tel: +91 22 3086 3700 / 6273 5500
Fax: +91 22 2686 5774
Email: kamal@bonanzaonline.com
Website: www.bonanzaonline.com
SEBI Registration No.: INZ000212137

Hem Securities Limited
204, Jaipur Towers,
M I Road, Jaipur 302 001,
India
Contact Person: Anil Bhargava
Tel: +91 141 4051 000
Fax: +91 141 5101 767
Email: ib@hemsecurities.com
Website: www.hemsecurities.com
SEBI Registration No.: INZ000168034

Legal Counsel to the Offer

Bharucha & Partners
2nd Floor, Hague Building
9, S.S. Ram Gulam Marg
Ballard Estate
Mumbai – 400 001
Maharashtra, India
Tel: +91 22 6132 3900
Fax: +91 22 6633 3900

Legal Counsel to the Promoters and Selling Shareholders

Spice Route Legal
01B-115, WeWork
G-Block, Bandra Kurla Complex
Bandra East, Mumbai – 400 051
Maharashtra, India
Tel: + 91 22 4445 1041

Special Purpose International Legal Counsel to the Book Running Lead Manager and the Co-Book Running Lead Manager

Squire Patton Boggs Singapore LLP

10 Collyer Quay
#03-01/03 Ocean Financial Centre
Singapore 049315
Republic of Singapore
Tel: +65 6922 8668
Fax: +65 6922 8650

Statutory Auditor to the Company

J.M.T & Associates *

Wing A 304-305 Winsway Complex,
Old Police Lane, Opp. Rly Stn,
Andheri East, Mumbai 400 069
Tel: + 91 22 2684 8347
E-mail: jayesh@jmta.co.in/sanjay@jmta.co.in
Firm registration number: 104167W

***** *J.M.T & Associates have confirmed they hold a valid certificate dated January 11, 2017 issued by the peer review board of the Institute of Chartered Accountants of India and are eligible to examine the financial information as per the requirements of SEBI ICDR Regulations.*

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083, Maharashtra, India
Tel: +91 22 4918 6200
Fax: +91 22 4918 6195
E-mail: neogenchem.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than 6 months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Expert

Except as stated below, our Company has not obtained any expert opinion:

1. Our Company has received written consent from the Statutory Auditor to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an 'expert' defined under Section 2(38) of the Companies Act, 2013 in respect of the reports of the Statutory Auditors on the Restated Financial Statements dated March 26, 2019 and the Statement of Tax Benefits dated April 11, 2019 included in this Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Red Herring Prospectus;

2. Our Company has received written consent from the Statutory Auditor to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an 'expert' defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate dated April 2, 2019 certifying the utilisation of the capacities of our plants at Mahape and Vadodara; and such consent has not been withdrawn as on the date of this Red Herring Prospectus;

3. Our Company has received written consent from Sanjay .S. Ranade, Anukul Associates, to include his name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an 'expert' defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate dated September 4, 2018 certifying the manufacturing capacities of our plant at Mahape

4. Our Company has received written consent from Patki M.M, a chartered chemical engineer, to include his name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an 'expert' defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate dated September 19, 2018 certifying the manufacturing capacities of our plant at Vadodara.

Escrow Collection Bank, Public Offer Bank, Refund Bank and Sponsor Bank
HDFC Bank Limited
FIG-OPS Dept.
Lodha, Think Techno Campus
O-3, Kanjurmarg (East)
Mumbai 400 042.
Contact Person: Vincent Dsouza, Siddharth Jadhav, Prasanna Uchil and Neerav Desai
Tel: +91 22 3075 2927/28/2914
Fax: +91 22 2579 9801
Email: vincent.dsouza@hdfcbank.com/ siddharth.jadhav@hdfcbank.com, prasanna.uchil@hdfcbank.com and neerav.desai@hdfcbank.com
Website: www.hdfcbank.com
SEBI Registration No.: INBI00000063

Bankers to our Company

State Bank of India Wagle Ind.Est. Branch B-35, Road No.22, Wagle Industrial Estate, Thane (west), Thane 400 604	**Citibank N.A.** FIFC, 9th floor, C-54 & C-55, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 Tel: 022-61756116	**YES Bank Limited** YES Bank Tower, IFC 2, 25th floor, Senapati Bapat Marg, Elphinstone (west), Mumbai 400 013 Tel: 022-33669000

Tel: 022-25822677 Fax: 022-25805651 E-mail: **sbi.01053@sbi.co.in** Contact Person: T. Bharadwaj	Fax: 022-66541318 E-mail: rakesh.kothari@citi.com Contact Person: Rakesh Kothari	Fax: 022-24214500 E-mail: akash.anand@yesbank.in Contact Person: Akash Anand

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time. For further details of the Designated Branches of the SCSBs to receive the ASBA Forms from the Designated Intermediaries and as updated from time to time, please refer to the above mentioned link.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time.

Monitoring Agency

In terms of Regulation 16 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency as the size of the Fresh Issue is less than ₹ 1,000.00 million.

Statement of Inter-se Responsibilities of the BRLM and the CBRLM

The inter-se responsibilities of the BRLM and CBRLM in the Offer are set out below:

Sr. No.	Activity	Responsibility	Coordination
1.	Capital structuring with relative components and formalities such as type of instruments, etc.	Book Running Lead Manager and Co-Book Running Lead Manager	Inga Advisors
2.	Due diligence of the Company's operations/ management/ business plans/ legal etc. Drafting and design of Offer Documents including memorandum containing salient features of the Offer Documents. The Book Running Lead Manager and the Co-Book Running Lead Manager shall ensure compliance with stipulated requirements and completion of	Book Running Lead Manager and Co-Book Running Lead Manager	Inga Advisors

Sr. No.	Activity	Responsibility	Coordination
	prescribed formalities with the Stock Exchanges, ROC and SEBI including finalization of the Offer Documents and ROC filing.		
3.	Co-ordinating for all statutory advertisements.	Book Running Lead Manager and Co-Book Running Lead Manager	Inga Advisors
4.	Co-ordinating for all publicity material other than statutory advertisements, including non-statutory/ corporate advertisement and brochures, media compliance report, etc.	Book Running Lead Manager and Co-Book Running Lead Manager	Inga Advisors
5.	Appointment of and co-ordination with intermediaries, namely, the Registrar, the advertising agency, Bankers to the Offer, printers, etc.	Book Running Lead Manager and Co-Book Running Lead Manager	Inga Advisors
6.	Marketing and road-show presentation and preparation of frequently asked questions for the road show team.	Book Running Lead Manager and Co-Book Running Lead Manager	Inga Advisors
7.	Marketing strategy for domestic institutions including banks, mutual funds, etc., finalizing the list and division of investors for one to one meetings, in consultation with the Company, and finalizing the investor meeting schedules.	Book Running Lead Manager and Co-Book Running Lead Manager	B&K
8.	Marketing strategy for international institutions investors, finalizing the list and division of investors for one to one meetings, in consultation with the Company, and finalizing the investor meeting schedules.	Book Running Lead Manager and Co-Book Running Lead Manager	B&K
9.	Non-Institutional and retail marketing of the Offer, which will include *inter alia*, formulating marketing strategies, preparation of publicity budget, finalizing media and public relations strategy, finalizing centres for holding conferences for press and brokers, deciding on the quantum of Offer material and following-up on distribution of publicity and Offer material including forms, prospectuses, etc.	Book Running Lead Manager and Co-Book Running Lead Manager	Inga Advisors
10.	Co-ordination with Stock Exchanges for book building software, Bidding terminals and mock trading and anchor investor intimation, and payment of 1% security deposit to DSE.	Book Running Lead Manager and Co-Book Running Lead Manager	Inga Advisors
11.	Managing the book and finalization of pricing, in consultation with the Company.	Book Running Lead Manager and Co-Book Running Lead Manager	Inga Advisors
12.	The post Bidding activities including management of escrow accounts, co-ordination of institutional and non-institutional allocation, intimation of allocation and dispatch of refunds to bidders etc. The post-Offer activities for the Offer involving essential follow up steps, which include the finalization of trading and dealing of instruments and demat delivery of Equity Shares, with the various agencies connected with the work such as the Registrar and Bankers to the Offer, SCSBs and the bank(s) handling refund business.	Book Running Lead Manager and Co-Book Running Lead Manager	Inga Advisors
13.	Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI.	Book Running Lead Manager and Co-Book Running Lead Manager	Inga Advisors

Sr. No.	Activity	Responsibility	Coordination
14.	Filing of media compliance report to SEBI.	Book Running Lead Manager and Co-Book Running Lead Manager	Inga Advisors

Credit Rating

As this is an Offer of Equity Shares, there is no credit rating for this Offer.

IPO Grading

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

Trustees

As this is an Offer of Equity Shares, the appointment of trustees is not required.

Appraising Entity

None of the objects of the Offer for which the Net Proceeds will be utilised have been appraised.

Book Building Process

The book building, in the context of the Offer, refers to the process of collection of Bids on the basis of this Red Herring Prospectus, the Bid cum Application Form and Revision Form, within the Price Band, which will be decided by our Company and Selling Shareholders in consultation with the BRLM and the CBRLM, and advertised in all editions of the English national newspaper Business Standard, all editions of the Hindi national newspaper Business Standard and all editions of the Marathi newspaper Navshakthi (Marathi being the regional language of Maharashtra where our registered office is located), each with wide circulation, at least 2 Working Days prior to the Bid/Offer Opening date. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLM and CBRLM, after the Bid/Offer Closing Date.

All Bidders (excluding Anchor Investors) shall participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process. Only RIBs can participate using UPI Mechanism.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bids until Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis. For further details, please refer to the chapter '*Offer Procedure*' on page 462.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Offer.

Steps to be taken by the Bidders for Bidding:

Check eligibility for making a Bid. For further details please see the chapter "*Offer Procedure*" on page 462.

Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

Ensure that the Bid cum Application Form is duly completed as per the instructions given in this Red Herring Prospectus and in the respective form;

Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the State of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, are exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/ bilateral institutions, which are exempted from specifying, may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see "*Offer Procedure*" on page 470). The exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims;

Ensure the correctness of your PAN, DP ID, UPI ID (in case of RIBs bidding thought the UPI Mechanism) and Client ID and beneficiary account number given in the Bid cum Application Form. Based on these parameters, the Registrar to the Offer will obtain details of the Bidders from the Depositories including the Bidder's name, bank account number etc., and the Stock Exchanges will validate the electronic Bid details with the Depositories records for PAN, DP ID, UPI ID (in case of RIBs bidding thought the UPI Mechanism) and Client ID;

Ensure correctness of your demographic details such as the address, UPI ID (in case of RIBs bidding thought the UPI Mechanism), the bank account details for printing and occupation given in the Bid cum Application Form, with the details recorded with your Depository Participant;

Retail Individual Investors can submit their Bids by ASBA Forms which shall include their bank account linked UPI ID, either in physical or electronic mode to any of the Designated Intermediaries. UPI Bidders should ensure that the bank account linked to the UPI ID mentioned in the ASBA Form have adequate credit balance at the time of accepting the UPI Mandate Request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account to ensure that their ASBA Form is not rejected;

Bids by ASBA Bidders will have to be submitted to the Designated Intermediaries in physical form. It may also be submitted in electronic form to the Designated Branches of the SCSBs only. ASBA Bidders should ensure that the ASBA Accounts have adequate credit balance at the time of submission of the ASBA Forms to the Designated Intermediaries to ensure that the ASBA Form submitted by the ASBA Bidders is not rejected.

For further details, see the chapter "*Offer Procedure*" on page 463.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, please refer to the chapter '*Offer Procedure - Part B - Basis of Allocation*' on page 476.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters and the Selling Shareholders for the Equity Shares proposed to be Offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.

Name and Address of the Underwriters along with the telephone number, fax number and e-mail address of the Underwriter	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ million)
[●]	[●]	[●]
[●]	[●]	[●]

The above-mentioned amount is indicative and will be finalised after determination of the Offer Price and actual allocation and subject to the provisions of the SEBI ICDR Regulations

In the opinion of the Board of Directors (based on certificates provided by the Underwriters), the resources of the above-mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe to the Equity Shares to the extent of the defaulted amount.

The underwriting arrangements mentioned above shall not apply to the subscriptions by the Bidders in this Offer, except for Bids procured by the Syndicate Member(s). The Underwriting Agreement shall list out the role and obligations of each Syndicate Member.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Offer, including through the devolvement to the Underwriters within 60 days from the Bid/ Offer Closing Date, as applicable, our Company shall forthwith refund the entire subscription monies received within the timelines prescribed under applicable laws, failing which, the directors of our Company who are officers in default shall, jointly and severally, be liable to repay that money with interest at the rate of 15% per annum or such other rate as prescribed by SEBI. This is further subject to the compliance with Regulation 19(2)(b) of the SCRR. Further in terms of Regulation 26(4) of the SEBI ICDR Regulations, our Company will ensure that the number of Bidders to whom the Equity Shares are Allotted in the Offer will be not less than 1,000.

In accordance with SEBI ICDR Regulations, the requirement for minimum subscription is not applicable to the Offer for Sale.

In the event of under subscription in the Offer, the Selling Shareholders, the BRLM, the CBRLM and our Company agree that Equity Shares sufficient to ensure compliance with applicable minimum subscription norms and Rule 19 (2)(b)(i) of the SCRR and 90% of the Offer shall be issued in order of priority from the Fresh Issue, prior to the sale of Equity Shares forming part of the Offer for Sale, after which the balance subscription in the Offer shall be applied towards allotment of Equity Shares offered by each Selling Shareholder in the Offer for Sale, as agreed by them.

For further details refer to the Chapter '*Terms of the Offer'* on page 454.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Red Herring Prospectus, is set forth below:

(*in ₹ million except share data*)

Sr. No.	Particulars	Aggregate value at nominal value	Aggregate value at Offer Price
A	**AUTHORISED SHARE CAPITAL**		
	25,000,000 Equity Shares	250.00	-
	2,000,000 9.8% fully redeemable cumulative preference shares	200.00	-
	500,000 10% cumulative optionally convertible preference shares	50.00	-
B	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE OFFER**		
	20,078,793 Equity Shares	200.79	-.
	1,070,000 9.8% fully redeemable cumulative preference shares#	107.00	-
C	**PRESENT OFFER IN TERMS OF THIS RED HERRING PROSPECTUS**		
	Offer of up to [•] Equity Shares	[•]	[•]
	Comprising		
	Fresh Issue of up to [•] Equity Shares*	[•]	700.00
	Offer for Sale of up to 2,900,000 Equity Shares**	29.00	[•]
D	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE OFFER**		
	[•] Equity Shares	[•]	[•]
E	**SHARE PREMIUM ACCOUNT**		
	Before the Offer	14.49	
	After the Offer	[•]	

*# 1,070,000 9.8% fully redeemable cumulative preference shares (**9.8% FRCPS**) are proposed to be redeemed from the Net Proceeds. For further details please refer to the chapter 'Objects of the Offer' on page 107.*

** The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on September 21, 2018 and by our Shareholders pursuant to a resolution passed at its extraordinary general meeting held on October 16, 2018.*

*** Haridas Thakarshi Kanani and Beena Haridas Kanani vide their respective letters dated September 20, 2018 have confirmed and authorized their participation in the Offer for Sale. For further details, please refer to the chapter 'Other Regulatory and Statutory Disclosures' on page 441.*

Changes in the authorised share capital of our Company

Sr. No.	Date of Shareholders' resolution	Particulars
1.	March 7, 1989	Incorporated with an authorised share capital of ₹ 1,000,000 divided into 10,000 Equity Shares of ₹ 100 each.
2.	August 24, 1994	Increase in the authorised share capital of our Company from ₹ 1,000,000 divided into 10,000 Equity Shares of ₹ 100 each to ₹ 5,000,000 divided into 50,000 Equity Shares of ₹ 100 each.
3.	May 2, 1998	Subdivision of each existing Equity Share of ₹ 100 each into 10 equity shares of ₹ 10 each.

Sr. No.	Date of Shareholders' resolution	Particulars
4.	May 2, 1998	Increase in the authorised share capital from ₹ 5,000,000 divided into 50,000 Equity Shares of ₹ 100 each to ₹10,000,000 divided into 750,000 Equity Shares of ₹ 10 each and 250,000 redeemable cumulative preference shares of ₹ 10 each.
5.	March 12, 1999	Increase in the authorised share capital of our Company from ₹10,000,000 divided into 750,000 Equity Shares of ₹ 10 each and 250,000 redeemable cumulative preference shares of ₹ 10 each to ₹ 15,000,000 divided into 1,000,000 equity shares of ₹ 10 each and 500,000 redeemable preference shares of ₹ 10 each.
6.	January 9, 2002	Reclassification of the authorised share capital of our Company from ₹ 15,000,000 divided into 1,000,000 Equity Shares of ₹ 10 each and 5,00,000 redeemable preference shares of ₹ 10 each to ₹ 15,000,000 divided into 500,000 Equity Shares of ₹ 10 each, 500,000 14% preference shares of ₹ 10 each and 500,000 18% preference shares of ₹ 10 each.
7.	September 27, 2002	Reclassification of the authorised share capital of our Company from ₹ 15,000,000 divided into 500,000 Equity Shares of ₹ 10 each, 500,000 14% preference shares of ₹ 10 each and 500,000 18% preference shares of ₹ 10 each to ₹ 15,000,000 divided into 500,000 Equity Shares of ₹ 10 each, 500,000 14% non-convertible cumulative redeemable preference shares of ₹ 10 each and 500,000 18% non-convertible cumulative redeemable preference shares of ₹ 10 each.
8.	September 30, 2003	Increase in the authorised share capital of our Company from ₹ 15,000,000 divided into 500,000 Equity Shares of ₹ 10 each, 500,000 14% non-convertible cumulative redeemable preference shares of ₹ 10 each and 500,000 18% non-convertible cumulative redeemable preference shares of ₹ 10 each to ₹ 20,000,000 divided into 1,000,000 Equity Shares of ₹ 10 each, 500,000 18% non-convertible cumulative redeemable preference shares of ₹ 10 each and 500,000 14% non-convertible cumulative redeemable preference shares of ₹ 10 each.
9.	March 5, 2008	Reclassification of share capital from ₹ 20,000,000 divided into 10,00,000 Equity Shares of ₹ 10 each, 5,00,000 14% non-convertible cumulative redeemable preference shares of ₹ 10 each and 5,00,000 18% non-convertible cumulative redeemable preference shares of ₹ 10 each to ₹ 2,00,00,000 divided into 15,00,000 Equity Shares of ₹ 10 each and 500,000 14% non-convertible cumulative redeemable preference shares of ₹ 10 each.
10.	September 15, 2010	Increase in the authorised share capital of our Company from ₹ 20,000,000 divided into 1,500,000 Equity Shares of ₹ 10 each and 500,000 14% redeemable non-convertible cumulative preference shares of ₹ 10 each to ₹ 27,500,000 divided into 2,750,000 Equity Shares of ₹ 10 each.
11.	September 15, 2012	Increase in the authorised share capital of our Company from ₹ 27,500,000 divided into 2,750,000 Equity Shares of ₹ 10 each to ₹ 45,000,000 divided into 4,500,000 Equity Shares of ₹ 10 each.
12.	January 3, 2015	Increase in the authorised share capital of our Company from ₹ 45,000,000 divided into 4,500,000 Equity Shares of ₹ 10 each to ₹ 250,000,000 divided into 10,000,000 Equity Shares of ₹ 10 each and 1,500,000 10% cumulative optionally convertible preference shares (**10% OCPS**) of ₹ 100 each.
13.	March 10, 2016	Increase in the authorised share capital of our Company from ₹ 250,000,000 divided into 10,000,000 Equity Shares of ₹ 10 each and 1,500,000 10% OCPS of ₹ 100 each to ₹ 500,000,000 divided into 25,000,000 Equity Shares of ₹ 10 each and 2,500,000 10% OCPS of ₹ 100 each.
14.	September 24, 2016	Reclassification of the authorised share capital of our Company from ₹ 500,000,000 divided into 25,000,000 Equity Shares of ₹ 10 each and 2,500,000 10% OCPS of ₹ 100 each to ₹ 500,000,000 divided into 25,000,000 Equity Shares of ₹ 10 each, 2,000,000 9.8% FRCPS of ₹ 100 each and 500,000 10% OCPS of ₹ 100 each.

Notes to Capital Structure

1. **Equity Share capital build-up of our Company**

The details of the Equity Share capital of our Company is set out below:

(in ₹ million except share data)

Date of allotment of Equity Shares	No. of Equity Shares allotted	Face value (₹)	Issue price (₹)	Nature of consideration	Reason for allotment	Cumulative number of Equity Shares	Cumulative paid up capital (₹ million)	Cumulative securities premium (₹ million)
March 7, 1989*	10	100	100	Cash	Subscription to Memorandum of Association (1)	10	0.001	Nil
January 31, 1990*	1,600	100	100	Cash	Rights issue (2)	1,610	0.16	Nil
July 24, 1990*	2,830	100	100	Cash	Rights issue (3)	4,440	0.44	Nil
March 30, 1991*	5,560	100	100	Cash	Rights issue (4)	10,000	1.00	Nil
September 26, 1994*	20,000	100	NA	Other than cash	Bonus issue (5)	30,000	3.00	Nil
March 23, 1996	4,000	100	100	Cash	Rights issue (6)	34,000	3.40	Nil
March 31, 1997	15,000	100	NA	Other than cash	Conversion of 1,500 debentures to Equity Shares (7)	49,000	4.90	Nil
May 2, 1998	Sub-division of 49,000 Equity Shares of the face value of ₹ 100 each into 490,000 Equity Shares of the face value of ₹ 10 each					490,000	4.90	Nil
November 1, 2003*	260,000	10	10	Cash	Rights issue (8)	750,000	7.50	Nil
March 31, 2005	120,000	10	10	Cash	Rights issue (9)	870,000	8.70	Nil
March 31, 2006*	130,000	10	10	Cash	Rights issue (10)	1,000,000	10.00	Nil
March 27, 2008	500,000	10	10	Cash	Rights issue (11)	1,500,000	15.00	Nil
November 26, 2010	1,000,000	10	10	Cash	Rights issue (12)	2,500,000	25.00	Nil
September 25, 2012	2,000,000	10	NA	Other than cash	Bonus issue (13)	4,500,000	45.00	Nil
March 14, 2016	15,500,000	10	NA	Other than cash	Bonus issue (14)	20,000,000	200.00	Nil
September 8, 2018	78,793	10	193.86	Cash	Conversion of 10% OCPS into Equity Shares (15)	20,078,793	200.79	14.49

(1) Allotment of 5 Equity Shares each to Haridas Thakarshi Kanani and Beena H. Kanani;

(2) Allotment of 700 Equity Shares to Haridas Thakarshi Kanani and 900 Equity Shares to Beena H. Kanani taking into account renunciation of shares;

(3) Allotment of 1,830 Equity Shares to Haridas Thakarshi Kanani, 350 Equity Shares to Beena H. Kanani, 400 Equity Shares to Harin Haridas Kanani and 250 Equity Shares to Pallika H. Kanani taking into account renunciation of shares;

(4) Allotment of 5,010 Equity Shares to Haridas Thakarshi Kanani, 300 Equity Shares to Harin Haridas Kanani, 250 Equity Shares to Pallika H. Kanani taking into account renunciation of shares;

(5) Allotment of 15,090 Equity Shares to Haridas Thakarshi Kanani, 2,492 Equity Shares to Beena H. Kanani, 1,390 Equity Shares to Harin H. Kanani and 990 Equity Shares to Pallika H. Kanani, 2 Equity Shares to Khorshed J. Ghadiali, 2 Equity Shares to Dilip Jasani, 2 Equity Shares to Rajesh Patel (HUF), 2 Equity Shares to Jeet Bookseller, 2 Equity Shares to Raksha P. Bookseller, 2 Equity Shares to Sudhir Arvindan, 2 Equity Shares to Pandit Arvindan, 2 Equity Shares to Radha Arvindan, 2 Equity Shares to Smita Desai, 2 Equity Shares to Hemant Desai, 2 Equity Shares to Virendra B. Reshamwala, 2 Equity Shares to Kirti Shah, 2 Equity

Shares to Mohit Shah, 2 Equity Shares to Nainesh Shah, 2 Equity Shares to Vimal Shah, 2 Equity Shares to Ishwarlal Reshmwala, 2 Equity Shares to Rajesh Patel, 2 Equity Shares to Pratosh Gandhi and 2 Equity Shares to Haridas Thakarshi Kanani (HUF);

(6) Allotment of 2,912 Equity Shares to Beena H. Kanani, 973 Equity Shares to Harin H. Kanani and 115 Equity Shares to Pallika H. Kanani taking into account renunciation of shares;

(7) Allotment of 8,300 Equity Shares to Haridas Thakarshi Kanani, 3,350 Equity Shares to Beena H. Kanani, 1,950 Equity Shares to Harin H. Kanani, 1,400 Equity Shares to Pallika H. Kanani;

(8) Allotment of 224,080 Equity Shares to Haridas Thakarshi Kanani, 20,000 Equity Shares to Beena H. Kanani, 9,920 Equity Shares to Harin H. Kanani, 6,000 Equity Shares to Pallika H. Kanani taking into account renunciation of shares;

(9) Allotment of 80,000 Equity Shares to Haridas Thakarshi Kanani and 40,000 Equity Shares to Beena H. Kanani taking into account renunciation of shares;

(10) Allotment of 86,000 Equity Shares to Haridas Thakarshi Kanani, 40,000 Equity Shares to Beena H. Kanani, and 4,000 Equity Shares to Pallika H. Kanani taking into account renunciation of shares;

(11) Allotment of 349,990 Equity Shares to Haridas Thakarshi Kanani, 50,000 Equity Shares to Harin H. Kanani, 65,000 Equity Shares to Beena H. Kanani, 35,000 Equity Shares to Pallika H. Kanani and 10 Equity Shares to Sanjay N. Mehta taking into account renunciation of shares;

(12) Allotment of 700,000 Equity Shares to Haridas Thakarshi Kanani, 150,000 Equity Shares to Beena H. Kanani, 100,000 Equity Shares to Harin H. Kanani and 50,000 Equity Shares to Pallika H. Kanani taking into account renunciation of shares;

(13) Allotment of 1,399,976 Equity Shares to Haridas Thakarshi Kanani, 300,000 Equity Shares to Beena H. Kanani, 200,000 Equity Shares to Harin H. Kanani, 100,000 Equity Shares to Pallika H. Kanani, 8 Equity Shares to Bharat B. Reshamwala, 8 Equity Shares to B.T. Kaushal and 8 Equity Shares to Sanjay N. Mehta;

(14) Allotment of 10,849,752 Equity Shares to Haridas Thakarshi Kanani, 2,325,000 Equity Shares to Beena H. Kanani, 1,550,000 Equity Shares to Harin H. Kanani, 775,000 Equity Shares to Pallika H. Kanani and 62 Equity Shares each to Bharat B. Reshamwala, Sanjay N. Mehta, Hitesh B. Reshamwala and Shyamsunder R. Upadhyay;

(15) Allotment of 6,061 Equity Shares to Beena H. Kanani, 6,061 Equity Shares to Pragna J. Thacker and Jawahar M. Thacker, 6,061 Equity Shares to Dhruv H. Reshamwala and Heena H. Reshamwala, 6,061 Equity Shares to Repeat Purchase India Private Limited, 6,061 Equity Shares to Kalpana H. Mehta, 6,061 Equity Shares to Rajendra V. Paleja and Pinank R. Paleja, 6,061 Equity Shares to Pinank R. Paleja and Amita P. Paleja, 6,061 Equity Shares to Anjoo A. Bajaj and Ashok M. Bajaj, 6,061 Equity Shares to Chandrakant B. Reshamwala and Nayana C. Reshamwala, 6,061 Equity Shares to Nayana C. Reshamwala and Chandrakant B. Reshamwala, 6,061 Equity Shares to Sanjay N. Mehta (HUF), 6,061 Equity Shares to Khorshed J. Ghadiali and Jimmy H. Ghadiali and 6,061 Equity Shares to Kalpana H. Mehta and Himanshu M. Mehta.

******Our Company is unable to locate the relevant ROC filings for the said allotment or the annual returns filed by our Company for the year. Further, certain annual returns contain inadvertent errors. Consequently, our Company has relied on the register of members and the relevant board and, or, shareholder minutes and financial statements in this regard. Further, some information mentioned in this Red Herring Prospectus with respects to periods prior to 2007 is based on the ROC physical search report certificate provided by Secretarial firm, M/s DVD and Associates, dated October 25, 2018. For more details, please refer to the section 'Risk Factors' on page 19.*

All the above Equity Shares were fully paid-up at the time of allotment.

2. **Preference share capital history of our Company**

The details of the Preference Share capital of our Company is set out below:

i. 18% Redeemable Cumulative Preference Shares (**18% RCPS**)

Date	No. of 18% RCPS	Face value (₹)	Issue price (₹)	Nature of consideration	Reason for allotment	Cumulative number of 18% RCPS	Cumulative paid up 18% RCPS capital (₹million)
April 1, 1999	167,000	10	10	Cash	Rights Issue (1)	167,000	1.67
September 30, 1999*	333,000	10	10	Cash	Rights Issue (2)	500,000	5.00
March 23, 2006*	(500,000)	Redemption of 18% RCPS (3)				Nil	Nil

(1) Allotment of 10,000 18% Redeemable Cumulative Preference Shares to Sanjay N. Mehta (HUF), 5,000 18% Redeemable Cumulative Preference Shares to Nikhil Kothare, 10,000 18% Redeemable Cumulative Preference Shares to Utpal J. Desai, 10,000 18% Redeemable Cumulative Preference Shares to Saguna J. Naik, 20,000 18% Redeemable Cumulative Preference Shares to Mina P. Desai, 7,000 18% Redeemable Cumulative Preference Shares to Shahikala R. Ghandhi, 5,000 18% Redeemable Cumulative Preference Shares to Rashmikant K. Ghandhi, 5,000 18% Redeemable Cumulative Preference Shares to Vasant R. Shroff, 5,000 18% Redeemable Cumulative Preference Shares to Shobhana V. Shroff, 15,000 18% Redeemable Cumulative Preference Shares to Sunil S. Kelkar, 20,000 18% Redeemable Cumulative Preference Shares to Praful R. Gandhi, 20,000 18% Redeemable Cumulative Preference Shares to Jitendra Harjivandas, 5,000 18% Redeemable Cumulative Preference Shares to Madhukar K. Mankar, 5,000 18% Redeemable Cumulative Preference Shares to Pragna J. Thacker, 5,000 18% Redeemable Cumulative Preference Shares to Jawahar M. Thacker and 20,000 18% Redeemable Cumulative Preference Shares to Nalini R. Damania taking into account renunciation of shares.

(2) Allotment of 10,000 18% Redeemable Cumulative Preference Shares to Madhuben T.Patel, 25,000 18% Redeemable Cumulative Preference Shares to Vyal V. Adhye, 25,000 18% Redeemable Cumulative Preference Shares to Rushabh V. Adhye, 25,000 18% Redeemable Cumulative Preference Shares to Rekha V. Adhye, 20,000 18% Redeemable Cumulative Preference Shares to Girish K. Munshi, 5,000 18% Redeemable Cumulative Preference Shares to Arun K. Gandhi (HUF), 5,000 18% Redeemable Cumulative Preference Shares to Smita A. Gandhi, 5,000 18% Redeemable Cumulative Preference Shares to Vaishali P. Gandhi, 40,000 18% Redeemable Cumulative Preference Shares to Jimmy H. Ghadiali, 50,000 18% Redeemable Cumulative Preference Shares to Salma Syed, 50,000 18% Redeemable Cumulative Preference Shares to Kabir Khalid, 5,000 18% Redeemable Cumulative Preference Shares to Snehlata M. Kawthankar, 58,000 18% Redeemable Cumulative Preference Shares to Haridas Thakarshi Kanani, 10,000 18% Redeemable Cumulative Preference Shares to Beena H. Kanani taking into account renunciation of shares.

***** *Our Company is unable to locate the relevant ROC filings for the said allotment. Consequently, our Company has relied on the register of members and the relevant board and, or, shareholder minutes and financial statements in this regard. Further, some information mentioned in this Red Herring Prospectus with respects to periods prior to 2007 is based on the ROC physical search report certificate provided by Secretarial firm, M/s DVD and Associates, dated October 25, 2018. For more details, please refer to the section 'Risk Factors' on page 27.*

ii. 14% Redeemable Preference Shares (**14% RPS**)

Date	No. of 14% RPS	Face value (₹)	Issue price (₹)	Nature of consideration	Reason for allotment	Cumulative number of 14% RPS	Cumulative paid up 14% RPS capital (₹million)
April 1, 2004	387,000	10	10	Cash	Rights Issue (1)	387,000	3.87
March 31, 2005	40,000	10	10	Cash	Rights Issue (2)	427,000	4.27
March 1, 2007	50,000	10	10	Cash	Rights Issue (3)	477,000	4.77
March 11, 2010*	(477,000)	Redemption of 14% RPS				Nil	Nil

(1) Allotment of 2,500 14% Redeemable Preference Shares to Shirishchandra R. Mehta, 30,000 14% Redeemable Preference Shares to Girish K. Munshi, 20,000 14% Redeemable Preference Shares to Khorshed J. Ghadiali, 5,000 14% Redeemable Preference Shares to Rama M. Mehta, 5,000 14% Redeemable Preference Shares to Himanshu M. Mehta, 5,000 14% Redeemable Preference Shares to Kalpana H. Mehta, 5,000 14% Redeemable Preference Shares to Nirav H. Mehta, 5,000 14% Redeemable Preference Shares to Kandarp M. Desai, 5,000 14% Redeemable Preference Shares to Himanshu Mehta (HUF), 5,000 14% Redeemable Preference Shares to Nikhil M. Desai, 5,000 14% Redeemable Preference Shares to Parimal M. Desai, 5,000 14% Redeemable Preference Shares to Meena H. Desai, 7,500 14% Redeemable Preference Shares to Shashikala R Gandhi, 7,500 14% Redeemable Preference Shares to Rashmikant K. Gandhi, 17,500 14% Redeemable Preference Shares to Vasant R. Shroff, 17,500 14% Redeemable Preference Shares to Shobhana V. Shroff, 5,000 14% Redeemable Cumulative Preference Shares to Swati M. Sable, 10,000 14% Redeemable Preference Shares to Sanjay N. Mehta (HUF), 10,000 14% Redeemable Preference Shares to Alka B. Desai, 10,000 14% Redeemable Preference Shares to Praful B. Desai, 50,000 14% Redeemable Preference Shares to Sunil S. Kelkar, 5,000 14% Redeemable Preference Shares to Smita A. Gandhi, 5,000 14% Redeemable Preference Shares to Arun K. Gandhi (HUF), 5,000 14% Redeemable Preference Shares to Snehal A. Gandhi, 5,000 14% Redeemable Preference Shares to Bharat R. Desai, 2,500 14% Redeemable Preference Shares to Amit B. Desai, 2,500 14% Redeemable Preference Shares to Udit B. Desai, 2,500 14% Redeemable Preference Shares to Ranjit C. Vashi, 2,500 14% Redeemable Preference Shares to Manjula R. Vashi, 5,000 14% Redeemable Preference Shares to Nayana C. Reshamwala, 2,500 Sejal V. Agarwal, 5,000 14% Redeemable Preference Shares to Arvind B. Sheth, 2,500 14% Redeemable Preference Shares to Gohardhandas P. Parikh, 2,500 14% Redeemable Preference Shares to Sailesh Gohardhandas Parikh, 2,500 14% Redeemable Preference Shares to Sandip G. Patel, 2,500 14% Redeemable Preference Shares to Avantika G. Patel, 2,500 14% Redeemable Preference Shares to Gohardhanbhai K. Patel, 5,000 14% Redeemable Preference Shares to Jawahar M. Thacker, 5,000 14% Redeemable Preference Shares to Pragna J. Thacker, 13,000 14% Redeemable Preference Shares to Smita P. Gandhi, 5,000 14% Redeemable Preference Shares to Nirav P. Gandhi, 4,000 14% Redeemable Preference Shares to Prafull R. Gandhi, 2,500 14% Redeemable Preference Shares to Sureshkumar J. Rathod, 2,500 14% Redeemable Preference Shares to Niru S. Rathod, 2,500 14% Redeemable Preference Shares to Mona C. Desai, 2,500 14% Redeemable Preference Shares to Chetan R. Desai, 5,000 14% Redeemable Preference Shares to Ishverlal B. Reshamwala, 50,000 14%

Redeemable Preference Shares to Association of Engineering Workers, 2,500 14% Redeemable Preference Shares to Krishnadas S. Deo taking into account renunciation of shares.

(2) Allotment of 7,500 14% Redeemable Preference Shares to Ranjit C. Vashi, 7,500 14% Redeemable Preference Shares to Manjula R. Vashi, 7,500 14% Redeemable Preference Shares to Chetan R. Desai, 7,500 14% Redeemable Preference Shares to Mona C. Desai, 10,000 14% Redeemable Preference Shares to Mukti R. Desai taking into account renunciation of shares.

(3) Allotment of 50,000 14% Redeemable Preference Shares to Association of Engineering Workers taking into account renunciation of shares.

***** *Our Company is unable to locate the relevant ROC filings for the said allotment. Consequently, our Company has relied on the register of members and the relevant board and, or, shareholder minutes in this regard. Further, some information mentioned in this Red Herring Prospectus with respects to periods prior to 2007 is based on the ROC physical search report certificate provided by Secretarial firm, M/s DVD and Associates, dated October 25, 2018. For more details, please refer to the section 'Risk Factors' on page 27.*

iii. 10% OCPS

Date	No. of 10% OCPS	Face value (₹)	Issue price (₹)	Nature of consideration	Reason for allotment	Cumulative number of 10% OCPS	Cumulative paid up 10% OCPS capital (₹million)
March 20, 2015	130,000	100	100	Cash	Preferential allotment (1)	130,000	13
September 8, 2018	(130,000)	Conversion of 10% OCPS into Equity Shares (2)				Nil	Nil

(1) 10,000 10% OCPS allotted to Beena H. Kanani, 10,000 10% OCPS allotted to Pragna J. Thacker and Jawar M. Thacker, 10,000 10% OCPS allotted to Dhruv H. Reshamwala and Heena H. Reshamwala, 10,000 10% OCPS allotted to Anjoo A. Bajaj and Ashok M. Bajaj, 10,000 10% OCPS allotted to Sanjay N. Mehta (HUF), 10,000 10% OCPS allotted to Khorshed J. Ghadiali and Jimmy H. Ghadiali, 10,000 10% OCPS allotted to Kalpana H. Mehta and Himanshu M. Mehta, 10,000 10% OCPS allotted to Delphine Fernandes and Victor Fernandes, 10,000 10% OCPS allotted to H.M. Mehta (HUF), 10,000 10% OCPS allotted to Rajendra V. Paleja and Pinank R. Paleja, 10,000 10% OCPS allotted to Pinank R. Paleja and Rajendra V. Paleja, 10,000 10% OCPS allotted to Chandrakant B. Roshanwala, 10,000 10% OCPS allotted to Nayana C. Reshamwala and Chandrakant B. Reshamwala.

(2) 130,000 10% OCPS were converted into 78,793 Equity Shares at a premium of ₹183.86 per Equity Share.

iv. 9.8% FRCPS

Date	No. of 9.8% FRCPS Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reason for allotment	Cumulative number of 9.8% FRCPS	Cumulative paid up 9.8% FRCPS capital (₹)
October 4, 2016	1,070,000	100	100	Cash	Preferential allotment (1)	1,070,000	107.00

(1) 1,070,000 9.8% FRCPS allotted to Karvy Capital Limited.

3. **Shares allotted in terms of any scheme approved under sections 391- 394 of the Companies Act, 1956 or sections 230-232 of the Companies Act, 2013**

Our Company has not issued or allotted any Equity Shares or preference shares in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.

4. **Details of shares issued for consideration other than cash or out of revaluation reserves or unrealised profit**

Except as set out below we have not issued Equity Shares for consideration other than cash or out of revaluation reserves or unrealised profit:

Date of allotment	No of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Reason for issue	Benefits accrued to our Company, if any
September 26, 1994	20,000	100	NA	Bonus issue of Equity Shares out of revaluation reserves (1)	-
March 31, 1997	15,000	100	NA	Conversion of 1,500 debentures into Equity Shares (2)	-
September 25, 2012	2,000,000	10	NA	Bonus issue of Equity Shares(3)	-
March 14, 2016	15,500,000	10	NA	Bonus issue of Equity Shares(4)	-
September 8, 2018	78,793	10	193.86	Conversion of 78,793 10% OCPS into Equity Shares(5)	-

(1) *Allotment of 15,090 Equity Shares to Haridas Thakarshi Kanani, 2,492 Equity Shares to Beena H. Kanani, 1,390 Equity Shares to Harin H. Kanani and 990 Equity Shares to Pallika H. Kanani, 2 Equity Shares to Khorshed J. Ghadiali, 2 Equity Shares to Dilip Jasani, 2 Equity Shares to Rajesh Patel (HUF), 2 Equity Shares to Jeet Bookseller, 2 Equity Shares to Raksha P. Bookseller, 2 Equity Shares to Sudhir Arvindan, 2 Equity Shares to Pandit Arvindan, 2 Equity Shares to Radha Arvindan, 2 Equity Shares to Smita Desai, 2 Equity Shares to Hemant Desai, 2 Equity Shares to Virendra B. Reshamwala, 2 Equity Shares to Kirti Shah, 2 Equity Shares to Mohit Shah, 2 Equity Shares to Nainesh Shah, 2 Equity Shares to Vimal Shah, 2 Equity Shares to Ishwarlal Reshmwala, 2 Equity Shares to Rajesh Patel, 2 Equity Shares to Pratosh Gandhi and 2 Equity Shares to Haridas Thakarshi Kanani (HUF). These Equity Shares were issued out of revaluation reserves created pursuant to revaluation of assets of our Company on March 31, 1994;*

(2) *Allotment of 8,300 Equity Shares to Haridas Thakarshi Kanani, 3,350 Equity Shares to Beena H. Kanani, 1,950 Equity Shares to Harin H. Kanani, 1,400 Equity Shares to Pallika H. Kanani.*

(3) *Allotment of 1,399,976 Equity Shares to Haridas Thakarshi Kanani, 300,000 Equity Shares to Beena H. Kanani, 200,000 Equity Shares to Harin H. Kanani, 100,000 Equity Shares to Pallika H. Kanani, 8 Equity Shares to Bharat B. Reshamwala, 8 Equity Shares to B.T. Kaushal and 8 Equity Shares to Sanjay N. Mehta.*

(4) *Allotment of 10,849,752 Equity Shares to Haridas Thakarshi Kanani, 2,325,000 Equity Shares to Beena H. Kanani, 1,550,000 Equity Shares to Harin H. Kanani, 775,000 Equity Shares to Pallika H. Kanani and 62 Equity Shares each to Bharat B. Reshamwala, Sanjay N. Mehta, Hitesh B. Reshamwala and Shyamsunder R. Upadhyay.*

(5) *Allotment of 6,061 Equity Shares each to Beena H. Kanani, 6,061 Equity Shares to Pragna J. Thacker and Jawahar M. Thacker, 6,061 Equity Shares to Dhruv H. Reshamwala and Heena H. Reshamwala, 6,061 Equity Shares to Repeat Purchase India Private Limited, 6,061 Equity Shares to Kalpana H. Mehta, 6,061 Equity Shares to Rajendra V. Paleja and Pinank R. Paleja, 6,061 Equity Shares to Pinank R. Paleja and Amita P. Paleja, 6,061 Equity Shares to Anjoo A. Bajaj and Ashok M. Bajaj, 6,061 Equity Shares to Chandrakant B. Reshamwala and Nayana C. Reshamwala, 6,061 Equity Shares to Nayana C. Reshamwala and Chandrakant B. Reshamwala, 6,061 Equity Shares to Sanjay N. Mehta (HUF), 6,061 Equity Shares to Khorshed J. Ghadiali and Jimmy H. Ghadiali and 6,061 Equity Shares to Kalpana H. Mehta and Himanshu M. Mehta.*

5. **Details of bonus shares allotted out of revaluation reserves**

   Except as disclosed in paragraph 4 above, our Company has not allotted Equity Shares out of revaluation reserves.

6. As on date of this Red Herring Prospectus, our Company does not have any employee stock option scheme.

7. Details of Equity Shares issued by our Company at a price that may be lower than the Offer Price during the period of one year preceding the date of this Red Herring Prospectus are set out in the table below:

Date of allotment	No of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Reason for issue
September 8, 2018	78,793	10	193.86	Conversion of 78,793 10% OCPS into Equity Shares (1)

(1) *Allotment of 6,061 Equity Shares each to Beena H. Kanani, 6,061 Equity Shares to Pragna J. Thacker and Jawahar M. Thacker, 6,061 Equity Shares to Dhruv H. Reshamwala and Heena H. Reshamwala, 6,061 Equity Shares to Repeat Purchase India Private Limited,*

6,061 Equity Shares to Kalpana H. Mehta, 6,061 Equity Shares to Rajendra V. Paleja and Pinank R. Paleja, 6,061 Equity Shares to Pinank R. Paleja and Amita P. Paleja, 6,061 Equity Shares to Anjoo A. Bajaj and Ashok M. Bajaj, 6,061 Equity Shares to Chandrakant B. Reshamwala and Nayana C. Reshamwala, 6,061 Equity Shares to Nayana C. Reshamwala and Chandrakant B. Reshamwala, 6,061 Equity Shares to Sanjay N. Mehta (HUF), 6,061 Equity Shares to Khorshed J. Ghadiali and Jimmy H. Ghadiali and 6,061 Equity Shares to Kalpana H. Mehta and Himanshu M. Mehta. Except for Beena H. Kanani. None of these allottees form part of the Promoter Group.

8. **History of build-up, contribution, and lock-in of promoters' Equity shareholding**

As on the date of this Red Herring Prospectus, our Promoters hold 15,999,680 Equity Shares, equivalent to 79.68% of the issued, subscribed and paid-up Equity Share capital of our Company.

i. ***Build-up of Equity Shares held by our Promoters***

The details of the build-up of our Promoters' shareholding in our Company are as follows:

a. **Haridas Thakarshi Kanani**

Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue price / Transfer price per Equity Share (₹)	Nature of Consideration	Percentage of Pre-Offer Capital (%)	Percentage of Post-Offer Capital
March 7, 1989*	Subscription to Memorandum of Association	5	100	100	Cash	0.00	[•]
January 31, 1990	Rights issue**	700	100	100	Cash	0.35	[•]
July 24, 1990	Rights issue**	1,830	100	100	Cash	0.91	[•]
March 30, 1991	Rights issue**	5,010	100	100	Cash	2.50	[•]
September 26, 1994*	Bonus issue	15,090	100	NA	Other than cash	7.52	[•]
March 31, 1997	Conversion of debentures to Equity Shares	8,300	100	NA	Other than cash	4.13	[•]
May 2, 1998	Sub-division of 30,935 Equity Shares of the face value of ₹ 100 each into 309,350 Equity Shares of the face value of ₹ 10 each					-	-
November 1, 2003	Rights issue**	224,080	10	10	Cash	1.12	[•]
March 31, 2005	Rights issue**	80,000	10	10	Cash	0.40	[•]
March 31, 2006*	Rights issue**	86,000	10	10	Cash	0.43	[•]
March 31, 2006	Transfer from Bharat B. Reshamwala*	10	10	10	Cash	0.00	[•]
March 27, 2008	Rights issue**	349,990	10	10	Cash	1.74	[•]
November 26, 2010	Rights issue**	700,000	10	10	Cash	3.49	[•]

Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue price / Transfer price per Equity Share (₹)	Nature of Consideration	Percentage of Pre-Offer Capital (%)	Percentage of Post-Offer Capital
January 8, 2012	Transfer from Haridas Thakarshi Kanani (HUF), P.P. Shah (HUF) and Parthasarthi K. Rana*	540	10	10	Cash	0.00	[•]
September 25, 2012	Bonus issue	1,399,976	10	NA	Other than cash	6.97	[•]
July 27, 2015	Transfer to Shyamsunder R. Upadhyay*	(18)	10	10	Cash	0.00	[•]
March 14, 2016	Bonus issue	10,849,752	10	NA	Other than cash	54.04	[•]

***Our Company is unable to locate the relevant ROC filings for the said allotment, transfer certificates and, or, the annual returns filed for the year. Consequently, our Company has relied on the register of members and the minutes of the relevant board and, or, shareholder meetings in this regard. Further, some information mentioned in this Red Herring Prospectus with respects to periods prior to 2007 is based on the ROC physical search report certificate provided by Secretarial firm, M/s DVD and Associates, dated October 25, 2018. For more details, please refer to the chapter 'Risk Factors' on page 27.*
***Including shares renounced in their favour.*

b. Harin H. Kanani

Date of allotment	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue Price /Transfer Price per Equity Share (₹)	Nature of Consideration	Percentage of Pre-Offer Capital	Percentage of Post-Offer Capital
July 24, 1990*	Rights issue**	400	100	100	Cash	0.20	[•]
March 30, 1991*	Rights issue**	300	100	100	Cash	0.15	[•]
July 25, 1992	Transfer to Dilip Jasani*	(1)	100	100	Cash	0.00	[•]
October 27, 1992*	Transfer to Smita Desai, Hemant Desai, Jayantilal Mirani and Virendra B. Reshamwala	(4)	100	100	Cash	0.00	[•]
September 26, 1994*	Bonus issue	1,390	100	NA	Other than cash	0.69	[•]
March 23, 1996	Rights issue**	973	100	100	Cash	0.48	[•]
March 31, 1997	Conversion of debentures to Equity Shares	1,950	100	100	Cash	0.97	[•]
May 2, 1998	Sub-division of 5,008 Equity Shares of the face value of ₹ 100 each into 50,080 Equity Shares of the face value of ₹ 10 each						
November 1, 2003*	Rights issue**	9,920	10	10	Cash	0.05	[•]

Date of allotment	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue Price /Transfer Price per Equity Share (₹)	Nature of Consideration	Percentage of Pre-Offer Capital	Percentage of Post-Offer Capital
March 27, 2008	Rights issue**	50,000	10	10	Cash	0.25	[•]
March 11, 2010*	Transfer from Beena H. Kanani	40,000	10	NA	Gift	0.20	[•]
November 26, 2010	Rights issue**	100,000	10	10	Cash	0.50	[•]
September 25, 2012	Bonus issue	200,000	10	NA	Other than cash	1.00	[•]
March 14, 2016	Bonus issue	1,550,000	10	NA	Other than cash	7.72	[•]

**Our Company is unable to locate the relevant ROC filings for the said allotment, transfer certificates and, or, the annual returns filed for the year. Consequently, our Company has relied on the register of members and the minutes of the relevant board and, or, shareholder meetings in this regard. Further, some information mentioned in this Red Herring Prospectus with respects to periods prior to 2007 is based on the ROC physical search report certificate provided by Secretarial firm, M/s DVD and Associates, dated October 25, 2018. For more details, please refer to the chapter 'Risk Factors' on page 27.*
***Including shares renounced in their favour.*

ii. ***Build-up of Equity Shares held by Promoter Selling Shareholder***

For details of build-up of Equity Shares of Promoter Selling Shareholder please refer to the build up of Haridas Thakarshi Kanani above

iii. ***Build-up of Equity Shares held by Promoter Group Selling Shareholder***

Beena H. Kanani

Date of allotment	Nature of transaction	Number of Equity Shares	Face Value (₹)	Issue Price/Transfer Price per Equity Share (₹)	Nature of Consideration	Percentage of Pre-Offer Capital	Percentage of Post-Offer Capital
March 7, 1989*	Subscription to Memorandum of Association	5	100	100	Cash	0.00	[•]
January 31, 1990*	Rights issue**	900	100	100	Cash	0.45	[•]
July 24, 1990*	Rights issue**	350	100	100	Cash	0.17	[•]
March 20, 1991*	Transfer of shares to Hitesh B. Reshamwala	(1)	100	100	Cash	0.00	[•]
November 10, 1991*	Transfer of shares to Atul M. Nanavati	(1)	100	100	Cash	0.00	[•]
November 30, 1991*	Transfer of shares to Jyotsana A. Nanavati and Ameeta B. Nanavati	(2)	100	100	Cash	0.00	[•]
February 25, 1992*	Transfer of shares to Khorshed J. Ghadiali	(1)	100	100	Cash	0.00	[•]

October 11, 1993*	Transfer of shares to Kirti Shah, Mohit Shah, Nainesh Shah and Vimla Shah	(4)	100	100	Cash	0.00	[•]
September 26, 1994*	Bonus issue in ratio of 1:2	2,492	100	Nil	Other than cash	1.24	[•]
March 23, 1996	Rights issue**	2,912	100	100	Cash	1.45	[•]
March 31, 1997	Conversion of Debentures into Equity	3,350	100	100	Other than cash	1.67	[•]
May 2, 1998	Sub-division of 10,000 Equity Shares of the face value of ₹ 100 each into 1,00,000 Equity Shares of the face value of ₹ 10 each						
November 1, 2003*	Rights issue**	20,000	10	10	Cash	0.10	[•]
March 31, 2005	Rights issue**	40,000	10	10	Cash	0.20	[•]
March 31, 2006*	Rights issue**	40,000	10	10	Cash	0.20	[•]
27 March 2008	Rights issue**	65,000	10	10	Cash	0.32	[•]
11 March 2010	Transfer to Harin H. Kanani*	(40,000)	10	10	Gift	0.20	[•]
November 26, 2010	Rights issue**	150,000	10	10	Cash	0.75	[•]
September 25, 2012	Bonus issue	300,000	10	Nil	Other than cash	1.49	[•]
March 14, 2016	Bonus issue	2,325,000	10	Nil	Other than cash	11.58	[•]
January 10, 2017	Transfer of shares to Kalpana H. Mehta	(20,000)	10	90	Cash	0.10	[•]
February 9, 2017	Transfer of shares to Khorshed J. Ghadiali	(6,000)	10	90	Cash	0.03	[•]
September 18, 2017	Transfer of shares to Anurag Surana	(200,000)	10	70	Cash	1.00	[•]
November 6, 2017	Transfer of shares to Jaywant Patil	(7,000)	10	100	Cash	0.03	
December 19, 2017	Transfer of shares to Kagashin Global Network Private Limited	(200,000)	10	70	Cash	1.00	[•]
September 8, 2018	Conversion of 10% OCPS into Equity	6,061	10	193.86	Other than cash	0.03	[•]
September 17, 2018	Transfer to Anurag Surana	(100,000)	10	70	Cash	0.50	[•]

September 17, 2018	Transfer to Kagashin Global Network Private Limited	(100,000)	10	70	Cash	0.50	[•]
September 18, 2018	Transfer to Rashmikant K. Gandhi & Shashikala R. Gandhi	(1,000)	10	Nil	Gift	0.00	[•]
September 18, 2018	Transfer to Pragna J. Thacker & Jawahar M. Thacker	(5,000)	10	180	Cash	0.02	[•]
September 18, 2018	Transfer to Raxit A. Gor & Krishna Gor	(2,500)	10	180	Cash	0.01	[•]
September 18, 2018	Transfer to Kalpana R. Karia	(1,000)	10	180	Cash	0.00	[•]
September 18, 2018	Transfer to Rajesh B. Karia	(1,000)	10	180	Cash	0.00	[•]
September 18, 2018	Transfer to Harsha V. Karia	(1,000)	10	180	Cash	0.00	[•]
September 18, 2018	Transfer to Gautam K. Shah	(10,000)	10	180	Cash	-0.05	[•]
September 19, 2018	Transfer to Amritlal T. Kanani & Umema A. Kanani	(1,000)	10	Nil	Gift	0.00	[•]
September 19, 2018	Transfer to Beena V. Kapadia	(250)	10	Nil	Gift	0.00	[•]
September 19, 2018	Transfer to Bharatkumar K. Karia	(250)	10	Nil	Gift	0.00	[•]
September 19, 2018	Transfer to Shailesh K. Karia	(250)	10	Nil	Gift	0.00	[•]
September 19, 2018	Transfer to Kirtida M. Panchamatia	(2,500)	10	Nil	Gift	-0.01	[•]
September 19, 2018	Transfer to Paresh T. Bookseller & Raksha P. Bookseller	(500)	10	180	Cash	0.00	[•]
September 19, 2018	Transfer to Raksha P. Bookseller & Paresh T. Bookseller	(500)	10	180	Cash	0.00	[•]
September 19, 2018	Transfer to Tarunika K. Dalal	(2,000)	10	180	Cash	-0.01	[•]
September 19, 2018	Transfer to Virendra B. Reshamwala	(1,000)	10	180	Cash	0.00	[•]

September 19, 2018	Transfer to Manav V. Reshamwala	(1,000)	10	180	Cash	0.00	[•]
September 19, 2018	Transfer to Aryan V. Reshamwala	(1,000)	10	180	Cash	0.00	[•]
September 24, 2018	Transfer to Charulatha B. Reshamwala	(1,000)	10	Nil	Gift	0.00	[•]
September 24, 2018	Transfer to Vineet B. Nanavati	(250)	10	Nil	Gift	0.00	[•]
September 24, 2018	Transfer to Nirja B. Nanavati	(250)	10	Nil	Gift	0.00	[•]
September 24, 2018	Transfer to Bhishma M. Nanavati	(250)	10	Nil	Gift	0.00	[•]
September 24, 2018	Transfer to Ameeta B. Nanavati	(250)	10	Nil	Gift	0.00	[•]
September 24, 2018	Transfer to Atul M. Nanavati	(250)	10	Nil	Gift	0.00	[•]
September 24, 2018	Transfer to Jyotsna A. Nanavati	(250)	10	Nil	Gift	0.00	[•]
September 24, 2018	Transfer to Jayprakash H. Akkad & Minal J. Akkad	(250)	10	Nil	Gift	0.00	[•]
September 24, 2018	Transfer to Minal J. Akkad & Jayprakash H. Akkad	(250)	10	Nil	Gift	0.00	[•]
September 24, 2018	Transfer to Jayprakash H. Akkad (HUF)	(250)	10	Nil	Gift	0.00	[•]
September 24, 2018	Transfer to Sanjay N. Mehta	(1,000)	10	Nil	Gift	0.00	[•]
September 24, 2018	Transfer to Leena S. Mehta	(2,000)	10	Nil	Gift	0.01	[•]
September 24, 2018	Transfer to Sanjay N. Mehta (HUF)	(2,000)	10	Nil	Gift	0.01	[•]
September 24, 2018	Transfer to Jayeshkumar K. Karia	(250)	10	Nil	Gift	0.00	[•]
September 24, 2018	Transfer to Ashok B. Mane	(1,000)	10	Nil	Gift	0.00	[•]
September 24, 2018	Transfer to Kanti Tanna	(2,500)	10	Nil	Gift	-0.01	[•]
September 24, 2018	Transfer to Arun K. Gandhi	(1,000)	10	Nil	Gift	0.00	[•]
September 24, 2018	Transfer to Milind A. Palkar & Tanuja M. Palkar	(1,000)	10	Nil	Gift	0.00	[•]

September 24, 2018	Transfer to Chandrakant B. Reshamwala	(500)	10	180	Cash	0.00	[•]
September 24, 2018	Transfer to Nayana C. Reshamwala	(500)	10	180	Cash	0.00	[•]
September 24, 2018	Transfer to Manish S. Dedhia (HUF)	(500)	10	180	Cash	0.00	[•]
September 24, 2018	Transfer to Neha A. Desai	(500)	10	180	Cash	0.00	[•]
September 24, 2018	Transfer to Amit N. Desai	(500)	10	180	Cash	0.00	[•]
September 24, 2018	Transfer to Sanjay N. Mehta	(1,500)	10	180	Cash	0.01	[•]
September 24, 2018	Transfer to Leena S. Mehta	(1,000)	10	180	Cash	0.00	[•]
September 24, 2018	Transfer to Smita P. Gandhi	(1,000)	10	180	Cash	0.00	[•]
September 24, 2018	Transfer to Nirav A. Mehta	(1,000)	10	180	Cash	0.00	[•]
September 24, 2018	Transfer to Saguna Property Management and Trading Private Limited	(1,500)	10	180	Cash	0.01	[•]
September 24, 2018	Transfer to Sanjay N. Mehta (HUF)	(1,000)	10	180	Cash	0.00	[•]
September 24, 2018	Transfer to Kalpana H. Mehta	(2,000)	10	180	Cash	0.01	[•]
September 24, 2018	Transfer to Taraben S. Mistry	(2,500)	10	180	Cash	0.01	[•]
September 24, 2018	Transfer to Hema D. Shroff	(5,000)	10	180	Cash	0.02	[•]
September 24, 2018	Transfer to Bharti N. Mhatre	(250)	10	180	Cash	0.00	[•]
September 24, 2018	Transfer to Paresh T. Bookseller (HUF)	(500)	10	180	Cash	0.00	[•]
September 24, 2018	Transfer to Zalak P. Bookseller & Zalak P. Bookseller & Raksha P. Bookseller	(500)	10	180	Cash	0.00	[•]
September 24, 2018	Transfer to Minal J. Akkad & Jayprakash H. Akkad	(500)	10	180	Cash	0.00	[•]
September 24, 2018	Transfer to Ashok B. Mane	(1,000)	10	180	Cash	0.00	[•]

September 24, 2018	Transfer to Jayprakash H. Akkad (HUF)	(1,250)	10	180	Cash	0.01	[•]
September 24, 2018	Transfer to Jayprakash H. Akkad & Minal J. Akkad	(3,250)	10	180	Cash	0.02	[•]
September 24, 2018	Transfer to Deepa H. Shah	(2,500)	10	180	Cash	0.01	[•]
September 24, 2018	Transfer to Chainika V. Shah	(2,500)	10	180	Cash	0.01	[•]
September 24, 2018	Transfer to Rajendra V. Paleja (HUF)	(7,000)	10	180	Cash	0.03	[•]
September 24, 2018	Transfer to Kalpana S. Kothari	(300)	10	180	Cash	0.00	[•]
September 24, 2018	Transfer to Sunil N. Kothari	(300)	10	180	Cash	0.00	[•]
September 24, 2018	Transfer to Rishabh S. Kothari	(400)	10	180	Cash	0.00	[•]
September 24, 2018	Transfer to Anish I. Reshamwal & Priti A. Reshamwala	(500)	10	180	Cash	0.00	[•]
September 24, 2018	Transfer to Ganesh K. Iyer	(1,000)	10	180	Cash	0.00	[•]
September 24, 2018	Transfer to Mayuri I. Reshamwala	(7,000)	10	180	Cash	0.03	[•]
September 25, 2018	Transfer to Harshida K. Malia	(2,000)	10	Nil	Gift	0.01	[•]
September 25, 2018	Transfer to Sarala R. Shah & Hemen R. Shah	(1,000)	10	Nil	Gift	0.00	[•]
September 25, 2018	Transfer to Yashwant P. Sheth	(250)	10	Nil	Gift	0.00	[•]
September 25, 2018	Transfer to Shobhana P. Thakkar	(100)	10	Nil	Gift	0.00	[•]
September 25, 2018	Transfer to Asha D. Dalal	(1,000)	10	Nil	Gift	0.00	[•]
September 25, 2018	Transfer to Suhani S. Reshamwala	(1,000)	10	180	Cash	0.00	[•]
September 25, 2018	Transfer to Nazhat S. Mulla	(5,000)	10	180	Cash	0.02	[•]
September 25, 2018	Transfer to Mitesh A. Parekh	(15,000)	10	180	Cash	0.07	[•]
September 25, 2018	Transfer to Taraben S. Mistry	(2,500)	10	NA	Gift	0.01	[•]

September 26, 2018	Transfer to Smita R. Talwalkar	(1,000)	10	NA	Gift	0.00	[•]
September 26, 2018	Transfer to Bina H. Vora	(1,000)	10	180	Cash	0.00	[•]
September 26, 2018	Transfer to Pooja S. Shah	(2,000)	10	180	Cash	0.01	[•]
September 26, 2018	Transfer to Pragna J. Thacker & Jawahar M. Thacker	(5,000)	10	180	Cash	0.02	[•]
September 27, 2018	Transfer to Ranjan H. Kanani	(1,000)	10	Nil	Gift	0.00	[•]
September 27, 2018	Transfer to Shardaben P. Kanani	(1,000)	10	Nil	Gift	0.00	[•]
September 27, 2018	Transfer to Avi S. Mehta	(500)	10	180	Cash	0.00	[•]
September 27, 2018	Transfer to Sunil P. Mehta	(500)	10	180	Cash	0.00	[•]
September 27, 2018	Transfer to Leena S. Mehta	(500)	10	180	Cash	0.00	[•]
September 28, 2018	Transfer to Sudha Rao	(250)	10	Nil	Gift	0.00	[•]
September 28, 2018	Transfer to Riddhiben B. Soni	(250)	10	180	Cash	0.00	[•]
September 28, 2018	Transfer to Arvind B. Sheth	(1,000)	10	180	Cash	0.00	[•]
September 28, 2018	Transfer to Suhani S. Reshamwala	(1,000)	10	180	Cash	0.00	[•]
September 28, 2018	Transfer to Urvashi S. Shah	(5,000)	10	180	Cash	0.02	[•]
September 28, 2018	Transfer to Shanti K. Shah	(5,000)	10	180	Cash	0.02	[•]

*****_Our Company is unable to locate the relevant ROC filings for the said allotment, transfer certificates and, or, the annual returns filed for the year. Consequently, our Company has relied on the register of members and the minutes of the relevant board and, or, shareholder meetings in this regard. Further, some information mentioned in this Red Herring Prospectus with respects to periods prior to 2007 is based on the ROC physical search report certificate provided by Secretarial firm, M/s DVD and Associates, dated October 25, 2018. For more details, please refer to the chapter 'Risk Factors' on page 27._

**Including shares renounced in their favour.

iv. None of the Equity Shares held by our Promoters are pledged or otherwise encumbered.

v. ***Details of Promoters' contribution locked-in for three years***

Pursuant to the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by the Promoters shall be locked-in for a period of 3 years from the date of Allotment of Equity Shares (**Promoters' Contribution**) in the Offer and our Promoters' shareholding in excess of 20% shall be locked in for a period of 1 year from the date of Allotment.

As on the date of this Red Herring Prospectus, our Promoters, Haridas Thakarshi Kanani and Harin Haridas Kanani hold 13,999,680 and 2,000,000 Equity Shares, respectively, aggregating 15,999,680 Equity Shares. Out of which up to 1,699,600 Equity Shares held by Haridas Thakarshi Kanani will be offered in the Offer for Sale.

In this Offer only the Equity Shares held by Haridas Thakarshi Kanani are being locked in for a period of 3 years. The details of the Equity Shares held by our Promoters, which shall be locked-in for a period of 3 years from the date of Allotment are set out in the following table:

Name of the Promoter	Date of allotment / transfer or when the Equity Share made fully paid up	Nature of transaction	No. of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of pre-Offer paid-up capital (%)	Percentage of post-Offer paid-up capital (%)
Haridas Thakarshi Kanani	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[20%]
Total			**[•]**			**[•]**	**[•]**	**[20%]**

Note: To be updated at the time of filing of the Prospectus.

Our Promoters have confirmed that the acquisition of the Equity Shares held by them, and which will be locked in as promoters' contribution, have been financed from their own funds and no loans or financial assistance from any bank or financial institution has been availed for such purpose.

The minimum Promoters' Contribution shall be brought to the extent of not less than the specified minimum lot and from our Promoters in terms of the SEBI ICDR Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 33 of the SEBI ICDR Regulations. In this regard, our Company confirms that:

a. the Equity Shares offered as part of the Promoters' Contribution do not comprise Equity Shares acquired during the 3 years preceding the date of this Red Herring Prospectus for consideration other than cash and wherein revaluation of assets or capitalisation of intangible assets was involved or bonus issue out of revaluation reserves or unrealised profits or against Equity Shares that are otherwise ineligible for computation of Promoters' Contribution;

b. the Promoters' Contribution does not include Equity Shares acquired during the year preceding the date of this Red Herring Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

c. the Promoters' Contribution does not include Equity Shares issued in the year immediately preceding the date of this Red Herring Prospectus pursuant to conversion of a partnership firm; and

d. the Equity Shares held by our Promoters and offered as part of the Promoters' Contribution are not subject to any pledge.

vi. ***Details of pre-Offer Equity Share capital locked-in for one year***

In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked in for 3 years as specified above, the entire pre-Offer Equity Share capital of our Company, except the Equity Shares sold in the Offer for Sale, will be locked-in for a period of 1 year from the date of Allotment.

vii. ***Lock in of Equity Shares Allotted to Anchor Investors***

Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

viii. ***Other requirements in respect of lock-in***

The Equity Shares held by the Promoters which are locked-in for a period of 1 year from the date of Allotment in the Offer may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions provided that the pledge of the Equity Shares is one of the terms of the sanction of such loans.

Further, the Equity Shares held by our Promoters that are locked-in for a period of 3 years from the date of Allotment of Equity Shares in the Offer, may be pledged only with scheduled commercial banks or public financial institutions if, in addition to complying with the aforesaid condition, the loans have been granted by the scheduled commercial banks or public financial institutions for the purpose of financing one or more Objects of the Offer.

The Equity Shares held by persons other than our Promoters and locked-in for a period of 1 year from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the provisions of the SEBI Takeover Regulations, as applicable.

Further, Equity Shares held by the Promoters and locked-in, may be transferred to and among the Promoters or Promoter Group or to a new Promoters or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the provisions of the SEBI Takeover Regulations, as applicable.

9. **Shareholding Pattern of our Company**

The following table sets forth details of the shareholding pattern of our Company as on the date of this Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity	Class e.g.: Others	Total								
(A)	Promoter & Promoter Group	10	19,233,453	Nil	Nil	19,233,453	95.79	19,233,453	Nil	-	19,233,453	Nil	-	-	-	-	Nil	19,233,453
(B)	Public	86	845,340	Nil	Nil	845,340	4.21	845,340	Nil	-	845,340	Nil	-	-	-	-	Nil	845,340
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employ	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category (I)	Category of shareholder (II)	Nos. of share holders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity	Class e.g.: Others	Total								
	ee Trusts																	
	Total	**96**	**20,078,793**	**Nil**	**Nil**	**20,078,793**	**100**	**-**	**20,078,793**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**Nil**	**20,078,793**

10. **Equity Shares held by 10 largest shareholders of our Company**

i. Equity Shares held by top 10 shareholders as on the date of this Red Herring Prospectus are as follows:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of pre-Offer shareholding (%)
1.	Haridas Thakarshi Kanani	13,999,680	69.72
2.	Beena H. Kanani	2,226,711	11.09
3.	Harin H. Kanani	2,000,000	9.96
4.	Pallika H. Kanani	1,000,000	4.98
5.	Anurag Surana	300,000	1.49
6.	Kagashin Global Network Private Limited	300,000	1.49
7.	Kalpana H. Mehta	34,122	0.17
8.	Pragna J. Thacker	16,061	0.08
9.	Mitesh Anil Parikh	15,000	0.07
10.	Khorshed J. Ghadiali	12,061	0.06
Total		**19,903,635**	**99.13**

ii. Equity Shares held by top 10 shareholders ten days prior to filing this Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Shares	Percentage of pre-Offer shareholding (%)
1.	Haridas Thakarshi Kanani	13,999,680	69.72
2.	Beena H. Kanani	2,226,711	11.09
3.	Harin H. Kanani	2,000,000	9.96
4.	Pallika H. Kanani	1,000,000	4.98
5.	Anurag Surana	300,000	1.49
6.	Kagashin Global Network Private Limited	300,000	1.49
7.	Kalpana H. Mehta	34,122	0.17
8.	Pragna J. Thacker	16,061	0.08
9.	Mitesh Anil Parikh	15,000	0.07
10.	Khorshed J. Ghadiali	12,061	0.06
Total		**19,903,635**	**99.13**

iii. Equity Shares held by top 10 shareholders ten days prior to filing this Red Herring Prospectus

Sr. No.	Name of the Shareholder	No. of Shares	Percentage of pre-Offer shareholding (%)
1.	Haridas Thakarshi Kanani	13,999,680	69.72
2.	Beena H. Kanani	2,974,000	14.81
3.	Harin H. Kanani	2,000,000	9.96
4.	Pallika H. Kanani	1,000,000	4.98
5.	Kalpana Mehta	20,000	0.10
6.	Khorshed J. Ghadiali	6,000	0.03
7.	Sanjay N. Mehta	80	0.00
8.	Bharatkumar B. Reshamwala	80	0.00
9.	Shyamsunder R. Upadhyay	80	0.00
10.	Dhruv H Reshamwala	62	0.00
Total		**19,999,982**	**99.60**

11. For details relating to the cost of acquisition of Equity Shares by our Promoters, please refer to the section '*Risk Factors – Prominent Notes*' on page 42.

12. As on the date of this Red Herring Prospectus, there are no outstanding warrants, financial instruments or any rights, which would entitle any other person any option to acquire/ receive any Equity Shares after the Offer.

13. Neither our Company nor our Directors have entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person. Further, the Book Running Lead Manager or the Co-Book Running Lead Manager has not made any buy-back and/or standby arrangements for purchase of Equity Shares from any person.

14. Except as disclosed below, our Promoters, Promoter Group, or the Directors of our Company and their immediate relatives or the investment manager of our Promoter, have not purchased or sold any Equity Shares of our Company within 6 months preceding the filing of this Red Herring Prospectus:

Sr. No.	Name of the transferor	Name of the transferee	Date of transfer	Number of Equity Shares transferred	Transfer price (₹)
1.	Beena H. Kanani	Anurag Surana	September 17, 2018	100,000	70
2.	Beena H. Kanani	Kagashin Global Network Private Limited	September 17, 2018	100,000	70
3.	Beena H. Kanani	Rashmikant K. Gandhi & Shashikala R. Gandhi	September 18, 2018	1,000	Nil
4.	Beena H. Kanani	Transfer to Pragna J. Thacker & Jawahar M. Thacker	September 18, 2018	5,000	180
5.	Beena H. Kanani	Raxit A. Gor & Krishna Gor	September 18, 2018	2,500	180
6.	Beena H. Kanani	Kalpana R. Karia	September 18, 2018	1,000	180
7.	Beena H. Kanani	Rajesh B. Karia	September 18, 2018	1,000	180
8.	Beena H. Kanani	Harsha V. Karia	September 18, 2018	1,000	180
9.	Beena H. Kanani	Gautam K. Shah	September 18, 2018	10,000	180
10.	Beena H. Kanani	Amritlal T. Kanani & Umema A. kanani	September 19, 2018	1,000	Nil
11.	Beena H. Kanani	Beena V. Kapadia	September 19, 2018	250	Nil
12.	Beena H. Kanani	Bharatkumar K. Karia	September 19, 2018	250	Nil
13.	Beena H. Kanani	Shailesh K. Karia	September 19, 2018	250	Nil
14.	Beena H. Kanani	Kirtida M. Panchamatia	September 19, 2018	2,500	Nil
15.	Beena H. Kanani	Paresh T. Bookseller & Raksha P. Bookseller	September 19, 2018	500	180
16.	Beena H. Kanani	Raksha P. Bookseller & Paresh T. Bookseller	September 19, 2018	500	180
17.	Beena H. Kanani	Tarunika K. Dalal	September 19, 2018	2,000	180
18.	Beena H. Kanani	Virendra B. Reshamwala	September 19, 2018	1,000	180
19.	Beena H. Kanani	Manav V. Reshamwala	September 19, 2018	1,000	180
20.	Beena H. Kanani	Aryan V. Reshamwala	September 19, 2018	1,000	180
21.	Beena H. Kanani	Charulata B. Reshamwala	September 24, 2018	1,000	Nil

22.	Beena H. Kanani	Vineet B. Nanavati	September 24, 2018	250	Nil
23.	Beena H. Kanani	Nirja B. Nanavati	September 24, 2018	250	Nil
24.	Beena H. Kanani	Bhishma M. Nanavati	September 24, 2018	250	Nil
25.	Beena H. Kanani	Ameeta B. Nanavati	September 24, 2018	250	Nil
26.	Beena H. Kanani	Atul M. Nanavati	September 24, 2018	250	Nil
27.	Beena H. Kanani	Jyotsna A. Nanavati	September 24, 2018	250	Nil
28.	Beena H. Kanani	Jayprakash H. Akkad & Minal J. Akkad	September 24, 2018	250	Nil
29.	Beena H. Kanani	Minal J. Akkad & Jayprakash H. Akkad	September 24, 2018	250	Nil
30.	Beena H. Kanani	Jayprakash H. Akkad (HUF)	September 24, 2018	250	Nil
31.	Beena H. Kanani	Sanjay N. Mehta	September 24, 2018	1,000	Nil
32.	Beena H. Kanani	Leena S. Mehta	September 24, 2018	2,000	Nil
33.	Beena H. Kanani	Sanjay N. Mehta (HUF)	September 24, 2018	2,000	Nil
34.	Beena H. Kanani	Jayeshkumar K. Karia	September 24, 2018	250	Nil
35.	Beena H. Kanani	Ashok B. Mane	September 24, 2018	1,000	Nil
36.	Beena H. Kanani	Kanti Tanna	September 24, 2018	2,500	Nil
37.	Beena H. Kanani	Arun K. Gandhi	September 24, 2018	1,000	Nil
38.	Beena H. Kanani	Milind A. Palkar & Tanuja M. Palkar	September 24, 2018	1,000	Nil
39.	Beena H. Kanani	Chandrakant B. Reshamwala	September 24, 2018	500	180
40.	Beena H. Kanani	Nayana C. Reshamwala	September 24, 2018	500	180
41.	Beena H. Kanani	Manish S. Dedhia (HUF)	September 24, 2018	500	180
42.	Beena H. Kanani	Neha A. Desai	September 24, 2018	500	180
43.	Beena H. Kanani	Amit N. Desai	September 24, 2018	500	180
44.	Beena H. Kanani	Sanjay N. Mehta	September 24, 2018	1,500	180
45.	Beena H. Kanani	Leena S. Mehta	September 24, 2018	1,000	180
46.	Beena H. Kanani	Smita P. Gandhi	September 24, 2018	1,000	180
47.	Beena H. Kanani	Nirav A. Mehta	September 24, 2018	1,000	180
48.	Beena H. Kanani	Saguna Property Management and Trading Private Limited	September 24, 2018	1,500	180
49.	Beena H. Kanani	Sanjay N. Mehta (HUF)	September 24, 2018	1,000	180

50.	Beena H. Kanani	Kalpana H. Mehta	September 24, 2018	2,000	180
51.	Beena H. Kanani	Taraben S. Mistry	September 24, 2018	2,500	180
52.	Beena H. Kanani	Hema D. Shroff	September 24, 2018	5,000	180
53.	Beena H. Kanani	Bharti N. Mhatre	September 24, 2018	250	180
54.	Beena H. Kanani	Paresh T. Bookseller (HUF)	September 24, 2018	500	180
55.	Beena H. Kanani	Zalak P. Bookseller, Zalak P. Bookseller & Raksha P. Bookseller	September 24, 2018	500	180
56.	Beena H. Kanani	Minal J. Akkad & Jayprakash H. Akkad	September 24, 2018	500	180
57.	Beena H. Kanani	Ashok B. Mane	September 24, 2018	1,000	180
58.	Beena H. Kanani	Jayprakash H. Akkad (HUF)	September 24, 2018	1,250	180
59.	Beena H. Kanani	Jayprakash H. Akkad & Minal J. Akkad	September 24, 2018	3,250	180
60.	Beena H. Kanani	Deepa H. Shah	September 24, 2018	2,500	180
61.	Beena H. Kanani	Chainika V. Shah	September 24, 2018	2,500	180
62.	Beena H. Kanani	Rajendra V. Paleja (HUF)	September 24, 2018	7,000	180
63.	Beena H. Kanani	Kalpana S. Kothari	September 24, 2018	300	180
64.	Beena H. Kanani	Sunil N. Kothari	September 24, 2018	300	180
65.	Beena H. Kanani	Rishabh S. Kothari	September 24, 2018	400	180
66.	Beena H. Kanani	Anish I. Reshamwal & Priti A. Reshamwala	September 24, 2018	500	180
67.	Beena H. Kanani	Ganesh K. Iyer	September 24, 2018	1,000	180
68.	Beena H. Kanani	Mayuri I. Reshamwala	September 24, 2018	7,000	180
69.	Beena H. Kanani	Harshida K. Malia	September 25, 2018	2,000	Nil
70.	Beena H. Kanani	Sarala R. Shah & Hemen R. Shah	September 25, 2018	1,000	Nil
71.	Beena H. Kanani	Yashwant P. Sheth	September 25, 2018	250	Nil
72.	Beena H. Kanani	Shobhana P. Thakkar	September 25, 2018	100	Nil
73.	Beena H. Kanani	Asha D. Dalal	September 25, 2018	1,000	Nil
74.	Beena H. Kanani	Suhani S. Reshamwala	September 25, 2018	1,000	180
75.	Beena H. Kanani	Nazhat S. Mulla	September 25, 2018	5,000	180
76.	Beena H. Kanani	Mitesh A. Parekh	September 25, 2018	15,000	180
77.	Beena H. Kanani	Taraben S. Mistry	September 25, 2018	2,500	Nil
78.	Beena H. Kanani	Smita R. Talwalkar	September 26, 2018	1,000	Nil

79.	Beena H. Kanani	Bina H. Vora	September 26, 2018	1,000	180
80.	Beena H. Kanani	Pooja S. Shah	September 26, 2018	2,000	180
81.	Beena H. Kanani	Pragna J. Thacker & Jawahar M. Thacker	September 26, 2018	5,000	180
82.	Beena H. Kanani	Ranjan H. Kanani	September 27, 2018	1,000	Nil
83.	Beena H. Kanani	Shardaben P. Kanani	September 27, 2018	1,000	Nil
84.	Beena H. Kanani	Avi S. Mehta	September 27, 2018	500	180
85.	Beena H. Kanani	Sunil P. Mehta	September 27, 2018	500	180
86.	Beena H. Kanani	Leena S. Mehta	September 27, 2018	500	180
87.	Beena H. Kanani	Sudha Rao	September 28, 2018	250	Nil
88.	Beena H. Kanani	Riddhiben B. Soni	September 28, 2018	250	Nil
89.	Beena H. Kanani	Arvind B. Sheth	September 28, 2018	1,000	180
90.	Beena H. Kanani	Suhani S. Reshamwala	September 28, 2018	1,000	180
91.	Beena H. Kanani	Urvashi S. Shah	September 28, 2018	5,000	180
92.	Beena H. Kanani	Shanti K. Shah	September 28, 2018	5,000	180

In the preceding 6 months the minimum and maximum price at which the Equity Shares of our Company were purchased / sold was ₹ 70 and ₹ 180, respectively. In addition, certain Equity Shares were gifted for which there was no consideration.

15. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on date of this Red Herring Prospectus. The Equity Shares offered pursuant to this Offer shall be made fully paid-up or may be forfeited for non-payment of calls within twelve months from the date of allotment of security.

16. Our Company shall not make any further issue of Equity Shares and, or, any securities convertible into Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner, during the period commencing from filing of this Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

17. Our Company presently does not have any intention or proposal to alter the capital structure for a period of 6 months from the date of opening of the Offer, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for the Equity Shares) whether by way of preferential issue or bonus or right issue or further public issue of Equity Shares or qualified institutions placement or otherwise. Provided, however, that the foregoing restrictions do not apply to: (a) the issuance of any Equity Shares under this Offer; and (b) any issuance, offer, sale or any other transfer or transaction of a kind referred to above of any Equity Shares under or in connection with the exercise of any options or similar securities, as disclosed in this Red Herring Prospectus and as will be disclosed in this Red Herring Prospectus and the Prospectus, provided they have been approved by our Board.

18. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

19. Our Promoters and members of the Promoter Group will not participate in the Offer.

20. Total number of Equity Shareholders of our Company as on the date of this Red Herring Prospectus is 96.

21. None of the Equity Shares of our Company are subject to any pledge or encumbrance.

22. No person connected with the Offer, including, but not limited to, the Book Running Lead Manager or Co-Book Running Lead Manager, the members of the Syndicate, our Company, the Selling Shareholders, the Directors, the Promoters, the Promoter Group, Group Companies, and the KMPs, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid except as disclosed in this Red Herring Prospectus.

23. Except as disclosed in this section, our Company has not made any public issue of its Equity Shares or rights issue of any kind since its incorporation.

24. Set out below are the details of the Equity Shares held by our Directors and Key Managerial Personnel in our Company:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of pre- Offer shareholding (%)	Percentage of post- Offer shareholding (%)
1.	Haridas Thakarshi Kanani	13,999,680	69.72	[•]
2.	Harin H. Kanani	2,000,000	9.96	[•]
3.	Sanjay N. Mehta*	2,580	0.01	[•]
4.	Sanjay N. Mehta (HUF)	9,061	0.05	[•]
5.	Hitesh B. Reshamwala	36	0.00	[•]
6.	Shyamsundar R. Upadhyay	80	0.00	[•]
7.	Anurag Surana	300,000	1.49	[•]

**Comprises shares held individually and jointly*.

25. As on date of this Red Herring Prospectus, all the Equity Shares of our Company held by our Promoters and Promoter Group, are in dematerialised form.

26. Oversubscription can be retained for the purpose of rounding off to make allotment in consultation with the designated stock exchange. Provided an allotment of not more than one per cent of the net Offer to public may be made for the purpose of making allotment in minimum lots.

27. This Offer is being made in terms of Rule 19(2)(b)(i) of the SCRR. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more 50% of the Offer shall be available for allocation on a proportionate basis to QIBs; provided that our Company and the Selling Shareholders may, in consultation with the BRLM and CBRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders, other than Anchor Investors, shall participate in the Offer mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For more details, please refer to the chapter '*Offer Procedure*' on page 462.

28. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except in the QIB category would be allowed to be met with spill-over from other categories or

a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the Book Running Lead Manager and Co-Book Running Lead Manager and the Designated Stock Exchange, subject to applicable law. However, under-subscription, if any, in the QIB Category will not be allowed to be met with spill-over from other categories or a combination of categories.

29. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of registering this Red Herring Prospectus with the ROC and the Bid/ Offer Closing Date, if any, shall be reported to the Stock Exchanges within 24 hours of such transaction.

30. There are no financing arrangements pursuant to which our Promoter, Promoter Group, Directors or their relatives, have financed the purchase of Equity Shares by any other person other than in the ordinary course of business of the financing entity during the 6 months preceding the date this Red Herring Prospectus.

31. None of the Book Running Lead Manager, the Co-Book Running Lead Manager or their associates hold any Equity Shares.

32. The Book Running Lead Manager, Co-Book Running Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

33. For details of our related party transactions, please refer to the chapter '*Related Party Transactions*' on page 205.

SECTION IV: PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

The Offer consists of a fresh issue by our Company (**Fresh Issue**) and an Offer for Sale by the Selling Shareholders.

Offer for Sale

The Selling Shareholders will be entitled to the proceeds of the Offer for Sale after deducting their portion of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale. All expenses in relation to the Offer other than the listing fees (which shall be borne by our Company) shall be shared proportionately among our Company and the Selling Shareholders in accordance with applicable laws. Each Selling Shareholder shall reimburse our Company for all expenses incurred in relation to the Offer for Sale on behalf of such Selling Shareholder.

Objects of the Fresh Issue

The objects of the Fresh Issue are:

1. Prepayment or repayment of all or a portion of certain borrowings availed by our Company;

2. Early redemption of 9.8% FRCPS;

3. Long term working capital; and

4. General corporate purposes.

Further, our Company expects to receive the benefits of listing Equity Shares on the Stock Exchanges, including among other things, enhancing the visibility of our brand and Company.

The main objects set out in our Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through the Fresh Issue for which the loans proposed to be repaid from the Net Proceeds were utilised.

Requirement of Funds

Offer Proceeds and Net Proceeds

The details of the proceeds of the Offer are summarised in the table below:

(in ₹ million)

Particulars	Amount
Gross proceeds from the Offer	[●]
Proceeds from the Offer for Sale	[●]
Gross proceeds from the Fresh Issue	[●]
Offer related expenses*	[●]
Net proceeds of the Fresh Issue (**Net Proceeds**) *	[●]

**To be determined on finalization of the Offer Price.*

Requirement of funds and Utilisation of the Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

(in ₹ million)

Particulars	Amount
Prepayment or repayment of all or a portion of certain borrowings availed by our Company	205.00
Early redemption of the 9.8% FRCPS	115.00
Long term working capital	200.00
General corporate purposes*	[●]

Particulars	Amount
Net Proceeds*	[●]

**To be finalised upon determination of the Offer Price.*

The Net Proceeds, after deduction of all Offer expenses, are estimated to be approximately ₹ [●] million. The funds raised through this Offer will be utilized for:

A. Prepayment or repayment of all or a portion of certain borrowings availed by our Company;

B. Early redemption of 9.8% FRCPS;

C. Long term working capital; and

D. General corporate purposes.

The fund requirement of the Objects is based on management estimates and other agreements entered into by our Company and has not been verified by the Book Running Lead Manager, the Co-Book Running Lead Manager or appraised by any bank or financial institution. Since the fund requirements are based on current circumstances of our business and our Company, we may have to revise its estimates from time to time on account of various factors beyond our control, such as market conditions, economic conditions, changing regulatory policies, and competition.

In case of a shortfall of Net Proceeds, our management may explore alternate means for shortfall, including utilization of internal accruals or further equity / debt financing. We believe that such alternate arrangements would be available to fund any such shortfalls. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of various factors such as our financial condition, business and strategy, as well as external factors such as market conditions, competitive environment, interest or exchange rate fluctuations, and finance charges, which may not be within the control of our management. In the event that the estimated utilization out of the Net Proceeds in a fiscal year is not completely met, the same shall be utilized in the next fiscal year.

Variation in the objects of the Offer, if any, will be undertaken in accordance with the Companies Act and the rules framed thereunder.

Schedule of Implementation/Utilization of Net Proceeds

The details of the proposed utilization of the Net Proceeds and the deployment of the Net Proceeds, as currently estimated by our Company, during Fiscal 2020, are set out below.

(in ₹ million)

Sr. No.	Particulars	Deployment in the Fiscal 2020	Total deployment
1.	Prepayment or repayment of all or a portion of certain borrowings availed by our Company	205.00	205.00
2.	Redemption of 9.8% FRCPS	115.00	115.00
3.	Long term working capital	200.00	200.00
4.	General corporate purposes*	[●]	[●]
	Total	**[●]**	**[●]**

** To be finalized upon determination of Offer Price.*

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the Objects during Fiscal 2020. In the event that the estimated utilisation of the Net Proceeds in a scheduled fiscal year is not completely met, the same shall be utilised in the next Fiscal.

Details of the Objects of the Offer

1. *Prepayment or repayment of all or a portion of certain borrowings availed by our Company*

As of February 28, 2019, our Company had sanctioned term loan limits aggregating ₹ 615.50 million from various banks. Of the said sanctioned limits, a sum of ₹ 425.36 million was outstanding as on February 28, 2019. For further details of our outstanding indebtedness please refer to the chapter '*Financial Indebtedness'* on page 417. Set out below are the term loan facilities availed by our Company from banks.

(₹ in million)

Sr. No.	Name of lender	Date of loan agreement	Purpose	Amount sanctioned as on February 28, 2019	Outstanding amount as on February 28, 2019*	Rate of interest (%)
1.	State Bank of India	December 7, 2016 as amended on December 29, 2017 and April 10, 2018.	For the acquisition of the Vadodara Facility	199.50	198.16	4.00% above 1 year MCLR – presently 12.55% p.a. with monthly rests
2.	Citibank N.A.	December 21, 2016	For the acquisition of the Vadodara Facility	46.00	35.41	11.75%

* *Based on the balance confirmation dated March 20, 2019, and March 26, 2019, from the State Bank of India and Citibank N.A., respectively.*

Our Company intends to utilise ₹ 205.00 million out of the Net Proceeds to part or full, prepay or repay the aforementioned term loans availed. Given the nature of these borrowings and the terms of repayment, the aggregate outstanding amounts under these loans may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Accordingly, our Company may utilise the Net Proceeds for part prepayment of any such refinanced loans or repayment of additional loan facilities obtained by it. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of loans (including refinanced or additional loans availed, if any), in part or full, would not exceed ₹ 205.00 million. The rationale for repaying these facilities is, *inter alia,* to reduce our outstanding repayment obligation and the interest cost. We believe such repayment of term loans apart from reducing our cost of finance will also significantly augment our ability to deploy resources for further investment in our business and reduce our dependency on debt.

2. *Early redemption of 9.8% FRCPS*

During the Fiscal 2017, our Company issued 1,070,000 9.8% FRCPS of face value of ₹100 each to Karvy Capital Limited aggregating ₹ 107.00 million having a yield of 9.8% per annum payable semi-annually. The said 9.8% FRCPS have been issued pursuant to a share subscription agreement (**Share Subscription Agreement**) dated October 1, 2016 entered into between our Company, the Promoters and Karvy Capital Limited. The 9.8% FRCPS were issued to meet expenses for installation of the inorganic manufacturing plant at our Company's facilities in Dahej SEZ, Gujarat and to purchase units for doubling the capacity at the Vadodara facility of our Company along with meeting working capital requirements. For further details on the terms of the agreement please refer to the chapter '*History and Certain Corporate Matters*' on page 178.

Set out below are details of utilisation of the proceeds from the issue of the 9.8% FRCPS .

(in ₹ million)

Sr. No.	Particulars	Amount
1.	Paid to Solaris Chemtech Industries Limited for the purchase of the Baroda unit	70.20
2.	Processing fees and stamp duty for the purchase of the Baroda unit from Solaris Chemtech Industries Limited	21.80

3.	General corporate purposes	12.80
4.	Payment towards Proposed Dahej Facility	2.10
Total		**107.00***

** rounding off*

 # Based on certificate dated December 21, 2018, received from the JMT & Associates, Chartered Accountants.

Our Company proposes to make an early redemption of the entire outstanding amount of 9.8% FRCPS from the Net Proceeds.

We believe that such redemption will enable our Company to significantly augment our ability to deploy internal accruals towards meeting our working capital requirements and towards further investments into our business, along with significantly increasing our ability to raise resources for future investments and asset creation by way of equity, loans and working capital facilities.

3. Long term working capital

Our Company's business is working capital intensive and our Company meets a majority of its working capital requirements in the ordinary course of business through working capital facilities/loans from banks and from internal accruals.

Our Company's working capital limits from banks and the outstanding amounts thereunder, as on February 28, 2019, are set out below.

(in ₹ million)

Particulars	Amount sanctioned	Amount outstanding*
Working capital limits (Fund based and non-fund based limits – fungible)	848.00	688.79
Total	**848.00**	**688.79**

***** *As per certificate dated April 2, 2019 from JMT and Associates, Chartered Accountants.*

The table below sets out (a) our Company's estimated current assets and financial assets (**Current and Financial Assets**) and estimated current liabilities and financial liabilities (**Current and Financial Liabilities)** for Fiscal 2019 and the estimated incremental working capital requirements; (b) our Company's Current and Financial Assets and Current and Financial Liabilities for Fiscal 2018, as per our Audited Standalone Financial Statements; (c) holding period of such Current and Financial Assets and Current and Financial Liabilities; and (d) our Company's incremental working capital requirements.

(in ₹ million, except data in respect of days)

Particulars	Fiscal 2019	Holding period (no. of days)	Fiscal 2018	Holding period (no. of days)	Fiscal 2017	Holding period (no. of days)
	Estimated		Actuals		Actuals	
CURRENT ASSETS						
Inventories:						
i. Raw materials	133.26	35	98.71	38	69.88	40
ii. Work in progress	437.85	115	308.38	119	256.80	146
iii. Finished goods	114.22	30	77.48	30	58.26	33
iv. Stores & Spares	22.84	6	15.36	6	15.19	9
Trade receivables	536.84	75	413.63	83	321.61	94
Cash and cash equivalents	25.00		18.17		30.76	
Other current assets	252.06		137.34		145.72	
Total Current Assets (A)	***1,522.07***		***1,069.07***		***898.22***	

Trade payables	319.71	75	366.72	131	309.80	163
Other current liabilities	39.34		49.69		51.74	
Short-term provisions	4.97		7.03		2.80	
Total Current Liabilities (B)	***364.02***		***423.44***		**364.34**	
Total Working Capital Requirements (A) – (B)	**1,158.05**		**645.63**		**533.88**	
Working capital facilities available	**600.00**		**412.23**		**301.49**	
To be met from the Net Proceeds	**200.00**					
Internal accruals	**358.05**		**233.40**		**232.39**	

***** *As per certificate dated November 5, 2018 from JMT and Associates, Chartered Accountants*.
# *Please see assumptions below.*

The basis of estimation of working capital requirement is set out as below:

Sr. No.	Particulars	Assumptions
1.	Inventories	*Raw material:* Our Company caters to both domestic as well as international customers. Further, we import about 40-60% of the raw materials consumed. We have had maintained raw material inventory of between 38 and 40 days in Fiscal 2018 and Fiscal 2017, respectively. This is required to ensure uninterrupted production. Accordingly, we’ve assumed a 35 days of raw material inventory for Fiscal 2019. *Work in progress:* We have a multi-product portfolio and customers require different product specifications with different impurity profiles and, consequently, the production time for making 1 metric tonne (**MT**) of product can range from 5 days to 30 days from a given reactor. To support the aforementioned requirements we have, historically, maintained approximately 120 - 145 days of work-in-progress on the cost of goods sold, and have assumed a work-in-progress level of 115 days for Fiscal 2019. *Finished goods:* In order to meet multiple customer requirements across products we need to maintain a finished goods inventory to meet short notice requirement. In Fiscal 2017 and Fiscal 2018, we maintained a cycle of 33 days and 30 day, respectively. Hence, we assume we will be required to maintain a similar level of finished goods inventory for Fiscal 2019. *Stores and spares:* Based on past trends we have assumed a requirement of 6 days in Fiscal 2019.
2.	Trade receivables	Our Company had 83 days and 94 days of receivables at the end of Fiscal 2018 and Fiscal 2017, respectively. With the expected increase in letter of credit backed domestic sales and export sales we expect the days of receivables to improve to 75 days in Fiscal 2019.
3.	Cash and cash equivalent	Cash and cash equivalents represent cash balances that are available with banks including as at end of the period. The estimates projected here are in line with business needs.
4.	Other current assets	Other currents assets include advances to suppliers, export benefit and duty drawback receivable, other credits receivable and prepaid expenses.

Sr. No.	Particulars	Assumptions
5.	Payables	Our Company had a payable cycle of 131 days and 163 days in Fiscal 2018 and Fiscal 2017, respectively. This was maintained using buyer's credit for import purchases. In the absence of the buyer's credit, we expect a payable cycle to reduce to 75 days.

Means of Finance

Based on the assumptions and projections set out above, our Company estimates a working capital requirement of ₹ 1,158.05 million for Fiscal 2019.

(*in ₹ million*)

Sr. No.	Particulars	Amount
1.	Working capital facilities available	600.00
2.	Own funds / internal accruals	358.05
3.	Net Proceeds	200.00
Total		**1,158.05**

4. General corporate purposes

Our Company, in accordance with the policies set up by our Company's Board of Directors, will have flexibility in applying ₹ [●] million i.e. not exceeding 25% of the of the gross Offer proceeds for general corporate purposes, including (i) repayment of loans; (ii) capital expenditure; (iii) brand building and other marketing efforts; (iv) acquiring fixed assets; (v) meeting any expense of our Company, including salaries and wages, rent, administration, insurance, repairs and maintenance, payment of taxes and duties; (vi) meeting expenses incurred in the ordinary course of business; and (vii) such other requirement of our Company, as may be approved by our Company's Board of Directors.

Since the entire Objects of the Offer are being met from the proceeds from the Fresh Issue, our Company is in compliance with Regulation 4(2)(g) of the SEBI ICDR Regulations.

Offer Expenses

Our Company intends to use approximately ₹ [●] million towards these expenses for the Offer. The break-up for the Offer expenses is as follows:

Activity	Expense (in ₹ million) *	Expense (% of total expenses)	Expense (% of the Offer size) *
Book Running Lead Manager Fees	[●]	[●]	[●]
Selling commission and processing fees for SCBs#			
Co-Book Running Lead Manager Fees			
Fees of Registrar to the Offer	[●]	[●]	[●]
Fees to the legal advisor, audit / chartered accountant fees, other service providers, and statutory fees	[●]	[●]	[●]
Printing and distribution expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others, if any (specify)	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

***** *To be incorporated in the Prospectus after finalization of the Offer Price.*

 # Selling commission payable to the SCSBs on the portion for Retail Individual Investors and Non-Institutional Investors, which are directly procured by them would be as follows:

Portion for Retail Individual Investors	*0.35% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Investors	*0.15% of the Amount Allotted* (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.

The Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Processing fees payable to the SCSBs for processing the Bid cum Application Form procured from Retail Individual Investors (excluding applications made by Retail Individual Investors using the UPI mechanism) and Non-Institutional Investors by members of the Syndicate /sub-syndicate members/Registered Brokers /RTAs /CDPs and submitted to SCSBs for blocking would be as follows:

Portion for Retail Individual Investors	*₹ 10.00 per valid Bid cum Application Form* (plus applicable taxes)*
Portion for Non-Institutional Investors	*₹ 10.00 per valid Bid cum Application Form* (plus applicable taxes)*

** For each Valid Application.*

Brokerages, selling commission and processing/uploading charges on the portion for Retail Individual Investors and the portion for Non-Institutional Investors which are procured by members of Syndicate (including their sub-syndicate members), RTAs and CDPs would be as follows:

Portion for Retail Individual Investors	*0.35% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Investors	*0.20% of the Amount Allotted* (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

The Selling Commission payable to the Syndicate / sub-syndicate members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate Member / sub-syndicate member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate Member / sub-syndicate member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate Member / sub-syndicate member.

The Selling Commission payable to the sub-brokers / agents of sub-syndicate members are to be handled directly by the respective sub-syndicate member.

The Selling Commission payable to the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Uploading Charges are applicable only in case of Syndicate ASBA, ₹ 10 per valid application (plus applicable taxes) bid by the members of the Syndicate, RTAs and CDPs (excluding applications made by Retail Individual Investors using the UPI mechanism).

The Bidding/Uploading Charges payable to the Syndicate Member / sub-syndicate members, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Selling commission payable to the Registered Brokers on the portion for Retail Individual Bidders and Non-Institutional Bidders which are directly procured by the Registered Brokers and submitted to SCSB for processing would be as follows:

Portion for Retail Individual Bidders	*₹ 10 per valid application* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*₹ 10 per valid application* (plus applicable taxes)*

** Based on valid applications.*

Processing fees for applications made by Retail Individual Investors using the UPI mechanism will be as under:

Members of the Syndicate / RTAs / CDPs	*INR 10.00 per valid Bid cum Application Form * (plus applicable taxes)*
Sponsor Bank	*INR 8.00 per valid Bid cum Application Form * (plus applicable taxes).* *The Sponsor Bank shall be responsible for making payments to the third parties such as Remitter Bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws.*

** For each Valid Application.*

The Offer expenses shall be payable within 90 working days post the date of receipt of the final invoice from the respective intermediaries by our Company in accordance with the arrangements/ agreements with the relevant intermediary.

Project appraisal

None of the objects of the Offer have been appraised by any bank or financial institution.

Interim use of funds

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company will deposit the funds with scheduled commercial banks included in the second schedule to the Reserve Bank of India Act, 1934. Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this RHP, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities, including through secured or unsecured loans or any short-term instrument like non-convertible debentures, commercial papers etc. pending receipt of the Offer Proceeds.

Monitoring of Utilisation of Funds

Since the Fresh Issue is for less than ₹ 1,000 million our Company is not required to appoint a monitoring agency.

Our Company will, though, on a quarterly basis, disclose to the Audit Committee and the Board the uses and applications of the Offer Proceeds in accordance with applicable law. Further, on an annual basis, our Company will prepare a statement detailing the funds which have been utilized for purposes other than those stated in the RHP, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until such time that all the Offer Proceeds have been utilized in full. The statement shall be certified by our Statutory Auditors. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company will furnish to the Stock Exchanges on a quarterly basis, a statement including material deviations if any, in the utilization of the Offer Proceeds from the objects of the Offer as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee and the Board.

Variation in the Objects

Variation in the objects of the Offer, if any, shall be undertaken in accordance with the terms of the Companies Act and the rules framed thereunder.

Other Confirmations

Our Company will not pay any part of the Net Proceeds or use any part as consideration to our Promoters, Directors, Key Management Personnel, Associates and Group Companies. There are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoter, Directors, Key Management Personnel, Associates and Group Companies. Our Company will not use the Net Proceeds for investment in listed securities.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders in consultation with the BRLM and CBRLM on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should refer to the section '*Risk Factors'* on page 19 and the chapters '*Our Business'* and '*Financial Statements'* on pages 154 and 208, respectively, to have an informed view before making an investment decision.

Qualitative Factors

1. Experienced promoters with domain knowledge;

2. Large and diverse array of products;

3. Diversified and stable customer base;

4. Growth led by continuous investment in R&D;

5. Management expertise;

6. Specialised business model with high entry barriers; and

7. Established and stable relationship with suppliers.

For further details, please refer to the chapter '*Our Business – Strengths*' on page 155.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Statements. For further details, please refer to the chapter '*Financial Statements'* on page 208.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. **Basic and Diluted Earnings Per Share (EPS), as adjusted for changes in capital:**

On a standalone basis:

Financial Period	Basic and diluted EPS (in ₹)	Weight
Fiscal 2016	2.59	1
Fiscal 2017	3.87	2
Fiscal 2018	5.30	3
Weighted Average	**4.37**	**-**
9 month period ended December 31, 2018*	6.12	

* *Not annualised.*

On a consolidated basis:

Financial Period	Basic and diluted EPS (in ₹)	Weight
Fiscal 2016	2.59	1
Fiscal 2017	3.84	2
Fiscal 2018	5.25	3
Weighted Average	**4.34**	**-**
9 month period ended December 31, 2018*	6.09	

* *Not annualised.*

Basic Earnings per share (₹) = Net profit/ (loss) after tax, as restated attributable to equity shareholders divided by weighted average number of Equity Shares outstanding during the year.

Diluted Earnings per share (₹) = Net profit / (loss) after tax, as restated attributable to equity shareholders divided by weighted average number of diluted Equity Shares outstanding during the year.

Notes:

1. EPS has been calculated in accordance with the Indian Accounting Standard 33 – 'Earning per share' notified under the Companies (Indian Accounting Standards) Rules, 2015. The above statement should be read with significant accounting policies and notes on Restated Financial Statements.

2. The Company does not have any dilutive potential Equity Shares. Consequently, the basic and diluted earnings per share of the company remain the same.

3. The face value of Equity Shares of the Company is ₹10 each.

2. **Price/Earning (P/E) ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:**

Particulars	**P/E at the lower end of Price Band (no. of times)**	**P/E at the higher end of Price band (no. of times)**
Basic and diluted EPS - for the year ended March 31, 2018 on standalone basis	**[●]**	**[●]**
Basic and diluted EPS - for the year ended March 31, 2018 on a consolidated basis	**[●]**	**[●]**

Industry P/E ratio:

i. Highest: 58.86

ii. Lowest: 19.57

iii. Average: 37.67

Notes:

1. The highest and lowest industry P.E shown above is based on the peer set provided below under "Comparison with listed industry peers". The industry average has been calculated as the arithmetic average P/E of the peer set provided below. For further details refer to "Comparison with listed industry peers" later in this chapter.

2. For industry P/E, P/E figures for the peers are computed based on the closing market price of equity shares on March 29, 2019, on www.bseindia.com, divided by the Basic EPS as on March 31, 2018 as disclosed in standalone audited financials submitted by the respective entity with the stock exchange for the Fiscal 2018.

3. **Return on Net Worth (RoNW)***

As per Restated Standalone Financial Statements of our Company:

Financial Period	**RoNW** %**	**Weight**
Fiscal 2016	18.80	1
Fiscal 2017	18.44	2
Fiscal 2018	21.10	3
Weighted Average	**19.83**	**-**
9 month period ended December 31, 2018*	19.91	-

** Not annualised.*

***RoNW (%) is Net profit after tax (as restated) attributable to equity shareholders divided by net worth. Net worth = Equity shares Capital + Reserves & Surplus (included General Reserves, Surplus in Profit & Loss Account and Share Premium) in accordance with Section 2(57) of the Companies Act 2013.*

As per Restated Consolidated Financial Statements of our Company:

Financial Period	RoNW** %	Weight
Fiscal 2016	18.80	1
Fiscal 2017	18.31	2
Fiscal 2018	20.97	3
Weighted Average	**19.72**	**-**
9 month period ended December 31, 2018*	19.88	[●]

** Not annualised.*

***RoNW (%) is Net profit after tax (as restated) attributable to equity shareholders divided by net worth. Net worth = Equity Shares Capital + Reserves & Surplus (included General Reserves, Surplus in Profit & Loss Account and Share Premium) in accordance with Section 2(57) of the Companies Act 2013.*

4. **Minimum Return on Total Net Worth after Offer needed to maintain Pre-Offer EPS for the financial year ended March 31, 2018**

To maintain pre-Offer basic and diluted EPS

Based on Restated Financial Statements of the Company

	Restated Standalone Financial Statement	Restated Consolidated Financial Statement
At Floor Price	[●]	[●]
At Cap Price	[●]	[●]
At Offer Price	[●]	[●]

5. **NET ASSET VALUE (NAV) PER EQUITY SHARE (Face value of ₹ 10):**

a. As per Restated Standalone Financial Statements

NAV per Equity Share	Restated Financial Information
As on March 31, 2016	13.77
As on March 31, 2017	21.02
As on March 31, 2018	25.12
9 month period ended December 31, 2018	30.74
After the Offer	**[●]**

** Not annualised*

NAV per Equity Share	Restated Financial Information
At Floor Price	[●]
At Cap Price	[●]
At Offer Price	[●]

b. As per Restated Consolidated Financial Statements

NAV per Equity Share	Restated Financial Information
As on March 31, 2016	13.77
As on March 31, 2017	20.98
As on March 31, 2018	25.03
9 month period ended December 31, 2018	30.62
After the Offer	

** Not annualised*

NAV per Equity Share	Restated Financial Information

At Floor Price	[●]
At Cap Price	[●]
At Offer Price	[●]

Net Asset Value Per Equity Share = Net worth as restated at the end of the year / No. of Equity Shares outstanding at the end of the year

6. **Comparison with Listed Industry Peers**

Sr no	Name of the Company	For the year ended March 31, 2018					
		Face Value (₹)	Revenue from operations [(1)] (in ₹ million)	Basic EPS[(2)] (₹)	P/E [(3)]	RoNW[(4)] (%)	NAV [(5)] (₹)
1	Neogen Chemicals Limited	10.00	1,640.12	5.30	-	22.98	25.12
	Peer Group#						
2	Aarti Industries Limited	5.00	36,993.10	38.92	40.42	22.40	186.37
3	Atul Industries	10.00	31,475.60	91.16	39.19	13.13	740.87
4	Navin Flourine International Limited	2.00	8,860.58	36.34	19.57	19.96	196.55
5	Paushak Ltd.	10.00	1,047.50	66.95	30.29	21.89	352.75
6	Vinati Organics Ltd.	2.00	7,558.74	27.93	58.86	19.49	155.02
Average					**37.67**		

 # Based on standalone financials from the filings/annual reports made by the respective companies for Fiscal 2018 on BSE/corporate websites

(1) Based on revenue from operations as reported in company filings, excluding other income

(2) Basic EPS (on standalone basis wherever applicable) as reported in company filings

(3) Price earnings ratio calculated by dividing the closing price of equity shares of the company as on March 29, 2019 on BSE Ltd, by the basic EPS of the company for Fiscal 2018.

(4) RONW has been computed as Net profit after tax for Fiscal 2018 divided by the average of net worth as at March 31, 2018 and net worth as at March 31, 2017

(5) Net asset value (NAV) per equity share has been computed as net worth as at March 31, 2018 divided by the total number of equity shares outstanding as at March 31, 2018

The Offer Price of ₹ [●] has been determined by our Company and the Selling Shareholders in consultation with the BRLM and the CBRLM on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with the section '*Risk Factors*' and the chapter '*Financial Statements'* on pages 19 and 208, respectively, to have a more informed view. The trading price of Equity Shares could decline due to factors mentioned in the section '*Risk Factors*' on page 19 or any other factors that may arise in future and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors
Neogen Chemicals Ltd.
Office No,1002 10th floor
Dev Corpora Bldg., Opp. Cadbury Co
Pokhran Road No.2, Khopat, Thane
Maharashtra - 400601

Inga Advisors Private Limited
1229, Hubtown Solaris,
N.S. Phadke Marg, Opp. Telli Galli,
Andheri (E) - 400 069
(Inga Advisors Private Limited is referred to as the '**Book Running Lead Manager**')

Batlivala & Karani Securities India Pvt. Ltd
Ground Floor, City Ice Building,
298 Perin Nariman Street, Fort,
Mumbai – 400001
(Batlivala & Karani Securities India Pvt. Ltd is referred to as the '**Co-Book Running Lead Manager**')

Re: Proposed initial public offering of equity shares of ₹ 10 each by Neogen Chemicals Limited (Company) which consists of a fresh issue of equity shares by the Company and, or, an Offer For Sale of equity shares of the Company by the existing shareholders of the Company (Offer)

Dear Sirs,

We, JMT & Associates, the statutory auditor the Company, hereby report that the enclosed statement is in connection with (i) the possible special tax benefits available to (i) the Company (including its subsidiaries and associates) and, (ii) to the shareholders of the Company, under applicable tax laws presently in force in India including the Income Act, 1961 (Act), as amended by the Finance Act 2018 and applicable for financial year 2018-19 relevant to the assessment year 2019-20, presently in force in India (the " Act"). the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable states' Goods and Services Tax Act.

Several of these benefits are dependent on the Company (including its subsidiaries and associates) or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company (including its subsidiaries and associates) or its shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company (including its subsidiaries and associates) faces in the future, the Company may or may not choose or be able to fulfil.

The benefits discussed in the enclosed Annexure covers only special tax benefits available to the Company (including its subsidiaries and associates) and its shareholders do not cover any general tax benefits available to the Company (including its subsidiaries and associates). Further, the benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. We do not express any opinion or provide any assurance as to whether:

i. the Company (including its subsidiaries and associates) or its shareholders will continue to obtain these benefits in the future; or

ii. the conditions prescribed for availing of the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We hereby consent to the extracts of this certificate being used in this Red Herring Prospectus, this Red Herring Prospectus, the Prospectus and on the website of the Company in connection with the Offer.

This certificate may be relied on by the Book Running Lead Manager, Co-Book Running lead manager and the legal advisors in relation to the Offer.

Yours sincerely,
For JMT & Associates
Chartered Accountants
Firm Registration No: 104167W

Sanjay Pichholia
Partner
Membership No.: 122651
Place: Mumbai
Cc:
Bharucha & Partners
Hague Building,
9, S.S. Ram Gulam Marg,
Ballard Estate,
Mumbai 400 001,
Maharashtra, India.
Enclosed as above.

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY (INCLUDING ITS SUBSIDIARIES AND ASSOCIATES) AND TO ITS SHAREHOLDERS UNDER INCOME TAX ACT, 1961 ('ACT'), THE CENTRAL GOODS AND SERVICES TAX ACT, 2017, THE INTEGRATED GOODS AND SERVICES TAX ACT, 2017 AND THE APPLICABLE STATES' GOODS AND SERVICES TAX ACTS.

I. Special tax benefits available to the Company

The company neither has a subsidiary nor associate. There are no possible tax benefits available to the company under Income Tax Act, 1961(Act), the Central Goods and Services Tax act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable states Goods & Services Tax Act.

II. Special tax benefits available to the subsidiaries* and associates *of the Company

The Company has no subsidiaries.

III. Special tax benefits available to the Shareholders

None

SECTION V: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

All information in this chapter is sourced from the CRISIL Report, which was commissioned by our Company. The CRISIL Report is subject to the disclaimer set out in "Certain Conventions, Presentation of Financial, Industry and Market Data – Disclaimer of CRISIL" on page 17. All forward-looking statements, estimates and projections in this chapter are CRISIL Research's forward looking statements, estimates and projections. While we have taken reasonable action to ensure that information from the CRISIL Report has been reproduced in its proper form and context, none of our Company, the Book Running Lead Manager, the Co-Book Running Lead Manager and our respective directors, employees, agents and professional advisors have conducted an independent review of the content or independently verified the accuracy thereof. Accordingly, prospective investors should not place undue reliance on the information contained in this chapter.

Overview of Indian economy

Overview of global macro-economic scenario

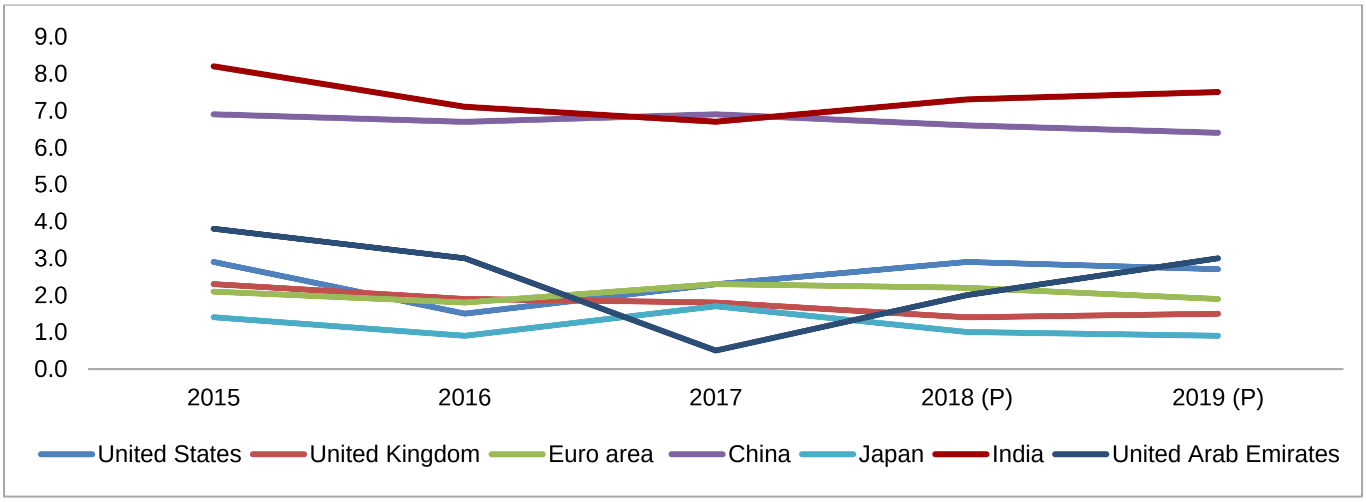
India, one of the fastest growing economies

India stands out for two reasons – stable macros and prudent fiscal and monetary policies

The world gross domestic product (**GDP**) grew 3.8% in calendar year (**CY**) 2017 driven by an investment recovery in the advanced economies, continued strong growth in the emerging Asia and a notable upswing in the emerging Europe, according to the International Monetary Fund's (**IMF**) World Economic Outlook (**WEO**) released in April 2018. The growth was not just 0.5 percentage point faster than CY 2016, it was also the strongest since CY 2011. The United States (US), Euro area and Japan posted solid above-trend growth during the year, expanding 2.3%, 2.3% and 1.7%. China, now the world's second largest economy and the largest contributor to the global GDP, grew a robust 6.9%.

India is one of the fastest growing economies, having expanded faster than China since 2015. Both fiscal and monetary policies of the country are more prudent, focusing on raising the quality of growth and not just the rate. The government has adopted an inflation targeting framework that provides an institutional framework for inflation control, while modernising the central banking. The fiscal policy has managed to stay mildly growth-focused while managing a gradual reduction in the deficit. The upshot is that India's macros are a lot more stable, and the economy is pretty resilient to global shocks.

GDP growth (percentage change)



Note: Figures stated are for calendar year except for India where official reporting is April-March; P: Projected; 2018P and 2019P reflects WEO July 2018 update
Source: WEO, April 2018, IMF, CRISIL Research

The IMF expects the global growth to tick up to 3.9% in 2018 and 2019, supported by favourable market sentiment, accommodative financial conditions, and the expansionary fiscal policy in the US. At the same time it identifies the shift towards inward-looking polices that harm international trade as a risk to the current momentum of growth. Of late there have been indications that the IMF's concerns over global trade may be materialising as both the US and China have been imposing control over imports to protect domestic businesses. Unless both the countries avoid taking such protectionist measures and resolve issues through cooperation, the dispute is likely to snowball into a full-blown trade war, jeopardising the global economic growth.

The IMF has cautioned about the increasing uneven growth among emerging markets and developing economies, on account of the combined influences of rising oil prices, higher yields in the US, sentiment shifts following escalating trade tensions, and domestic political and policy uncertainty.

As per the WEO July 2018 update, the advanced economies (such as the US, euro area, the United Kingdom (UK), Japan and Canada) grew 2.4% in 2017, 0.7 percentage points higher than 2016, due to a rise in investment spending, which has remained weak since the global financial crisis of 2008 and was particularly subdued in 2016. The emerging markets and developing economies grew 4.7% in 2017, 0.3 percentage points higher than 2016 on account of stronger private consumption and higher fixed investment growth (2.3 percentage points above 2016 level). Exceptions include China, as the country's growth was majorly supported by an increase in net exports. India's real GDP grew 6.7% in 2017 due to strong private consumption even as investment growth slowed. The United Arab Emirates' (UAE) GDP contracted 2.5 percentage points in 2017 on account of lower oil prices. In 2018, the figure is expected to be 1.5 percentage points as the oil price is on an upward trajectory.

The IMF projects India's GDP growth at 7.3% in 2018 and 7.5% in 2019, supported by strong private consumption and as effects of demonetisation and goods and services tax (GST) implementation fade. It expects the growth to gradually rise over the medium term as the government implements more structural reforms to raise productivity and incentivise private investment. These projections in the July 2018 WEO update are in fact 0.1 and 0.3 percentage points lower than the April figures, reflecting the negative effects of higher oil prices on domestic demand and faster-than-expected monetary policy tightening by the Reserve Bank of India to rein in a likely acceleration in inflation.

The global growth engine has been revving up for some time and the talks of a synchronous recovery are gaining currency. However, the rising geopolitical uncertainties in the Eurozone and the US-China trade war are raising red flags. S&P Global expects Japan's GDP to grow 0.9% in 2018 and 1.2% in 2019 compared with 1.7% in 2017.

Review of India's GDP growth

GDP grew 6.9% CAGR over the past six years

In 2015, the Indian government changed the base year for calculation of GDP to Fiscal 2012 from Fiscal 2005. Based on this, the country's GDP shot up from ₹ 87 trillion in Fiscal 2012 to ₹ 130 trillion in Fiscal 2018, recording a compound annual growth rate (CAGR) of 6.9%. As per the Central Statistics Office (CSO), in Fiscal 2018, India's growth picked up in the second half to reach 6.7% that year.

GDP growth for Fiscal 2019 seen 7.5%

CRISIL Research expects India's GDP to grow at 7.5% for Fiscal 2019, supported by a third straight year of normal and fairly reasonably distributed monsoon, ironing out of Goods and Services Tax-related issues, fading of demonetisation impact, budgetary support to the rural economy, and a low-base effect.

CRISIL Research expect***s*** growth to be stronger in the first half of this fiscal compared with the second, as the favourable base effect will begin to wear off after the second quarter. Pay Commission/ house rent allowance revisions at the state government level, where employee strength is higher than at the Centre, will also provide a transitory boost to consumption demand.

Investments will also continue to look up, as the government keeps at building roads and houses. But a broad-based recovery led by the private sector is still afflicted with capacity overhang, high leverage, and political uncertainty. There's no escaping that sustaining GDP growth at over 8% over the next few years will require significant traction in private investments and relentless implementation of reforms to raise productivity.

On the downside, escalating trade tensions could prematurely derail the global growth momentum. This threatens to hurt India's exports. On the domestic front, Fiscal 2019 is an election year and chances of diverting funds away from infrastructure are high in a zeal to meet fiscal targets. These factors pose as risks to the outlook.

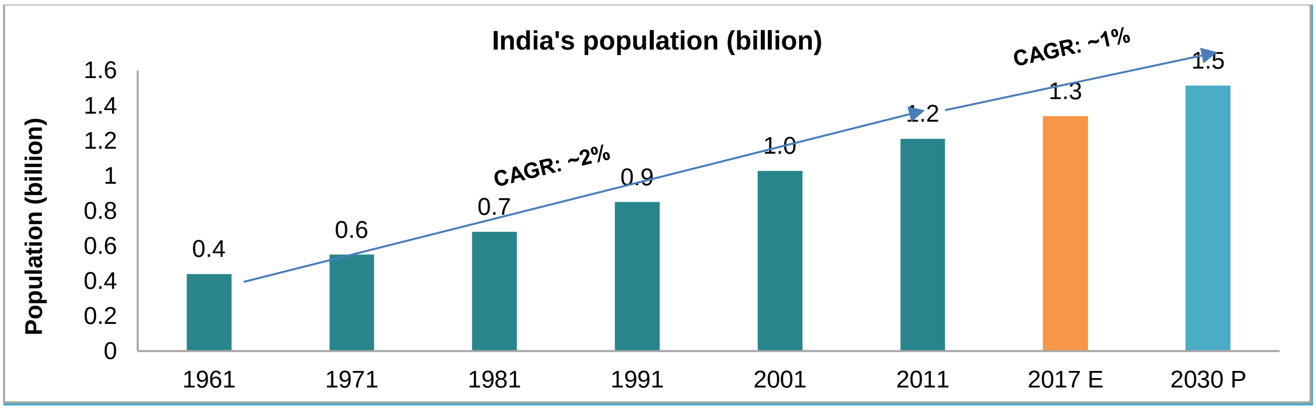
Long-term demand factors propelling GDP growth

India's population and urbanisation growth trajectory

Population growth

As per Census 2011, India's population was ~1.2 billion and comprised nearly 246 million households. Population grew at ~1.6% CAGR during 2001 to 2011. According to results of 'The 2017 Revision of the World Population Prospects' by the United Nations (UN) Population Estimates and Projections, China and India (in that order) remain the two most populous countries of the world. The report further projects India's population growing at ~1.2% CAGR up to 2030 (1.5 billion by 2030) to become the world's most populous country, surpassing China (1.4 billion by 2030).

India's population growth trajectory

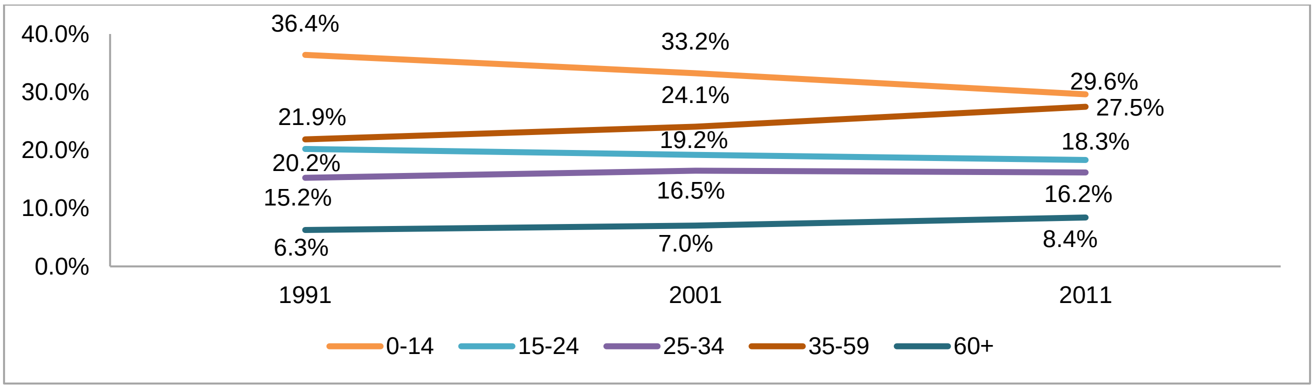


E: Estimated; P: Projected
Source: World Population Prospects: The 2017 Revision, UN, CRISIL Research

India to have world's youngest workforce by 2020

What makes India's population special is the fact that it is a nation of mostly young people. In all the censuses held in India so far, including the latest one in 2011, the 0-14-year age group always was the largest -- ~36.4% in 1991, 33.2% in 2001 and 29.6% in 2011.

Age-wise population distribution in India



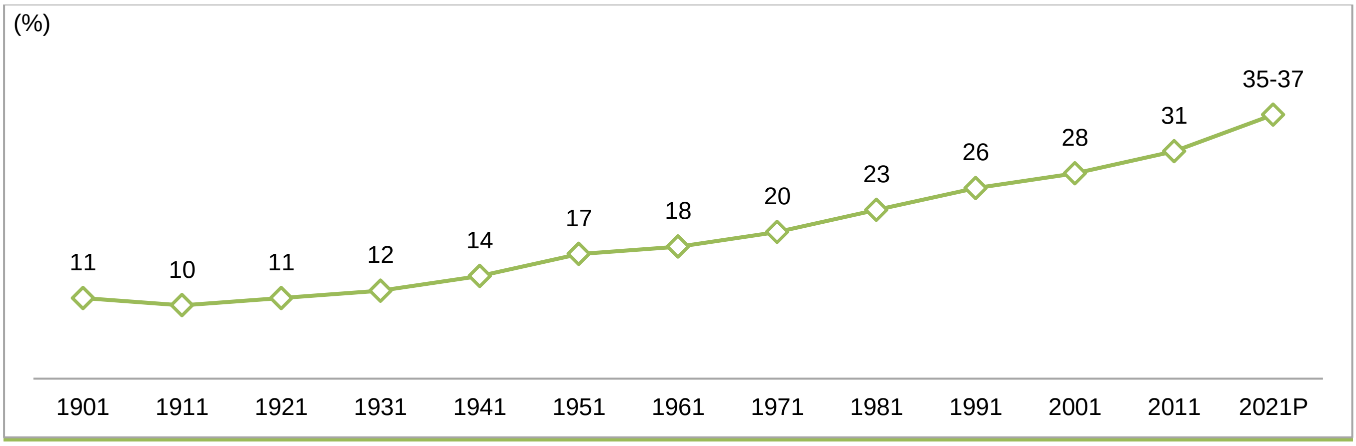
Source: Census 2011, CRISIL Research

Demographic dividend is what sets apart Asia's third-largest economy from other leading global economies, which are ageing very fast. If the right investments are made in key areas such as young people's education and health, and right policies are implemented to create job-led growth, this demographic dividend has the potential to add sizeably to the GDP growth and transform India.

Rising urbanisation

The share of urban population in the total has been consistently rising over the years, and stood at ~31% in 2011. People from the rural areas move to cities for better job opportunities, education, better life, etc. Nearly 36% of the country's population is expected to live in the urban locations by 2020.

Trend in urbanisation



P: Projected
Source: Census 2011, World Urbanization Prospects: The 2014 Revision (UN), CRISIL Research

Increasing per capita income

India's per capita income grew at a healthy rate in the three years to Fiscal 2017. Per capita net national income (**NNI**), at current prices, rose 9.6% to ₹ 103,870 in Fiscal 2017 from ₹ 94,731 in Fiscal 2016. The per capita NNI during Fiscal 2018 is estimated to be ₹ 112,764, showing a rise of 8.6% from Fiscal 2017.
The growth trend in India's per capita income is expected to continue at a healthy rate. Rising disposable income will be driven by factors such as the implementation of the 'One Rank One Pension Scheme' and sustained low inflation, thus enabling higher domestic consumption. A higher disposable income would aid increase in domestic travel demand, thus acting as an important demand driver for the Indian hospitality sector.

Per capita GDP and NNI trend

Item	Level in Fiscal 2017 (₹)		Level in Fiscal 2018 (PE) (₹)		Growth at constant prices (%)				
	Current prices	Constant prices	Current prices	Constant prices	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018 (PE)
Per capita GDP	117,427	93,888	127,456	98,867	5.2%	5.8%	6.6%	5.8%	5.3%
Per capita NNI	103,870	82,229	112,835	86,668	4.8%	5.8%	6.6%	5.7%	5.4%

PE: Provisional Estimate
Source: Provisional estimates of national income 2017-18, CSO, MoSPI

Increasing demand for domestic pharmaceuticals and per capita spend on pharmaceutical

The domestic pharmaceuticals industry, which expanded 12.5% on-year in Fiscal 2016 to approximately ₹ 970 billion, grew by ~10% in Fiscal 2017 to approximately ₹ 1,065 billion and 6.7% on-year in Fiscal 2018 to approximately ₹ 1,140 billion. This was owing to changes in domestic regulations leading to pricing pressure. CRISIL Research expects the industry to record double-digit growth in Fiscal 2019, supported by strong volume growth in the chronic segment. Further, the relatively low base of Fiscal 2018 due to the disruption caused by the GST will also aid the domestic pharmaceuticals industry. The per capita domestic spend on pharmaceuticals in the country has increased at a CAGR of 8.4% over fiscals 2012-2018 from ₹ 530 to ₹ 860. It is expected to further grow to nearly ₹ 940-950 in Fiscal 2019, growing 9.3-9.5%.

Overview of specialty chemicals industry globally and in India

Specialty chemicals can be classified based on end-user industries. There are some specialty chemicals which are used in multiple industries. CRISIL Research considers the following categories of specialty chemicals: agrochemicals, personal care ingredients, polymer additives, water chemicals, textile chemicals, construction chemicals, surfactants, flavours and fragrances, and dyes and pigments. Unlike bulk chemicals, specialty chemicals are used in low quantities and are consumed for specific end-use applications. They are chemical products that are sold on the basis of specific requirement in end use segments, rather than their composition.

Global chemicals and specialty chemicals market

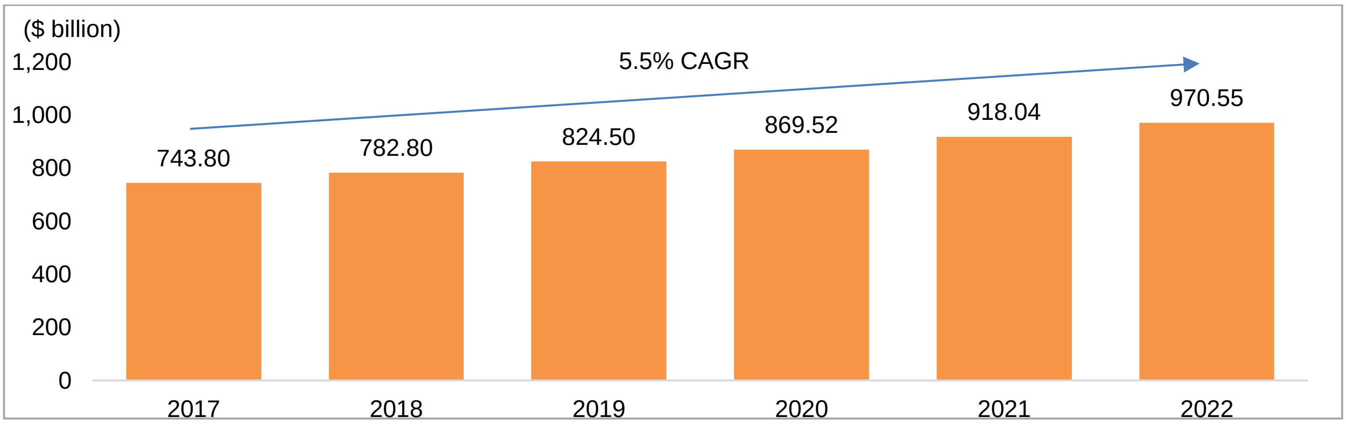
The global chemicals market, which stood at $3,722.53 billion in 2017, is segregated into basic chemicals, industrial gases, petrochemicals, polymers, specialty chemicals, and others. China, Japan and the US are leaders in this space.

Global specialty chemicals market to grow to $970.55 billion by 2022

Within global chemicals, specialty chemicals is a key segment, valued at $743.80 billion in 2017. Specialty chemicals are widely used for specialised applications, especially to meet industry-specific requirement. These chemicals impart a variety of properties to products, have a high degree of value addition, and are produced in small volume.
Agrochemicals dominated the specialty chemicals revenue pie, accounting for 21% share in 2017. The use of agrochemicals in fertilisers, herbicides, insecticides and pesticides is rising because of increasing demand for agro products owing to rapid industrialisation and population growth globally. The polymers and plastic additives segments comprised the second-largest revenue share at 13.5%.

By 2022, the global specialty chemicals market is expected to grow at 5.47% CAGR to $970.55 billion. The steady growth is because of sustained demand in end-user industries. Rapid industrialisation in China and India is also driving demand for specialty chemicals.

Global specialty chemicals market size



Source: Technavio, CRISIL Research

In fact, the Asia-Pacific (APAC) region has become a hub for specialty chemical manufacturers.

APAC – key contributor to global specialty chemicals market in 2017

The APAC region was the key contributor to the global specialty chemicals market in 2017, followed by the US and Germany. The countries' share is expected to sustain up to 2022.

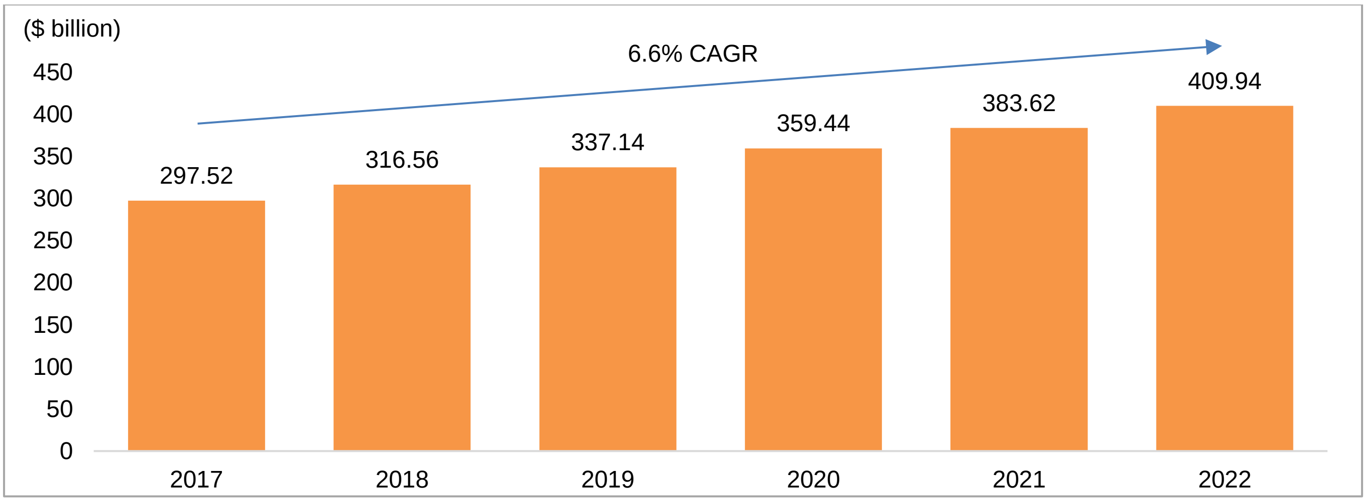
Market share of specialty chemicals of key countries in 2017

China	40%-44%
US	14%-17%
Germany	4%-7%
Japan	4%-5%
India	2%-3%

Investments in specialty chemicals in the APAC region is rising because of a large consumer base, suitable climate conditions, and favourable government policies.

Consequently, the region is expected to grow at a higher trajectory vis-à-vis the global pace, going forward. The APAC region's specialty chemicals market, which was valued at $297.52 billion in 2017, is projected to expand at 6.62% CAGR to $409.94 billion in 2022.

APAC specialty market size and forecast - 2017 to 2022



Source: Technavio, CRISIL Research

The reason for the region serving as a production base for leading global vendors is also because of a continuously growing middle-class population, and thereby easy availability of low-cost labour. In addition, the presence of sizeable automotive, construction, electronics, pharmaceuticals and textile markets in China, India, Japan and South Korea contributes significantly to the global chemicals market.

In fact, the construction industry is expected to be the catalyst, with the sector forecast to grow rapidly and likely account for majority share of the global construction market.

China dominates the construction market in the APAC region. The increase in demand for commercial infrastructure and industrial buildings and expansion of road and railway networks in China are expected to drive the use of construction chemicals. Growing demand for electronic chemicals in China is also a key demand driver. Also, automobile production in the APAC region is rising rapidly because of demand in India, Indonesia, Thailand and Vietnam. Demand in China, though, has been slowing because of the recent economic downturns.

Another sector promoting growth of specialty chemicals in the APAC region is the textiles industry. Increase in investments in the textile manufacturing is expected to boost the textile chemicals market in the APAC region. The textiles sector is growing rapidly in China and India because of low labour cost. China is the largest producer and exporter of textiles on the back of the country undertaking several projects to build Xinjiang in a hub for textile and apparel production by 2030. In addition, export revenue from textiles and clothing from Vietnam was $28.5 billion in 2016, which is expected to reach $50.5 billion by 2020.

Key challenges faced by the global specialty chemicals market

Some of the key challenges faced by the global specialty chemicals market are the commoditisation of products, unavailability of raw materials, and regulatory issues and environmental concerns. China is considered to have the worst air quality in the world following its rapid industrialisation, fuelled by coal – the cheapest but highly polluting energy source, which the country has in abundance. With the government clampdown on polluting generating industries in several cities across the country, China's production of chemical raw materials and chemical products grew at a more moderate on-year pace between January and October 2017.

Emerging trends, such as increased biotechnology solutions and rise in adoption of digitalisation, though, are expected to drive growth of the global specialty chemicals market.

Classification of chemicals industry in India

The chemicals industry supports India's agricultural and industrial development. It provides raw materials, intermediates and process chemicals for agro chemicals, detergents and soaps, textiles, paper, paints, pharmaceuticals, varnish, etc.

Alkali chemicals	Pesticides & Insecticides	Dyes & dye stuffs	Specialty chemicals	Other inorganic chemicals	Other organic chemicals
• Soda ash • Caustic soda • Liquid chlorine	• Mancozab • 2, 4-D • Dichlorodi-phenyltrichloro ethane (DDT) • Malathion • Dimethoate • DDVP • Quinalphos • Monocrotophos • Phorate • Ethion • Fenvalerate • Cypermethrin • Acephate • Chlorphyriphos • Triazphos • Profenofos technical • Glyphosate • Aluminium phosphide	• Azo dyes • Acid direct dyes • Disperse dyes • Fast colour bases • Ingrain dyes • Organic pigment • Reactive dyes • Optical whitening agents • Pigment emulsion • Sulphur dyes • Inorgnic pigments	• Water treatment & construction chemicals • Surfactants • Textile chemicals • Polymers additives • Personal care ingredients • Flavours & fragrances • Pharmaceutical intermediates • Agrochemical intermediates • Engineering fluids • Electronic chemicals	• Aluminium Fluoride • Calcium Carbide • Potassium Chlorate • Titanium Dioxide • Red Phosphorous • Calcium carbonate • Hydrogen peroxide	• Acetic acid • Acetic anhydride • Acetone • Phenol • Methanol • Formaldehyde • Nitrobenzene • Maleic anhydride • Pentaerythritol • Aniline • Chloro methanes • Isobutylbenzen e • ONCB • PNCB • MEK • Acetaldehyde • Ethanolamines • Ethyl acetate

Note: The above *list is indicative in nature and non-exhaustive.*
Source: CRISIL Research

Market size of domestic specialty chemicals industry

Specialty chemicals industry to register ~10% CAGR during Fiscal 2019 to 2021

Growth of specialty chemicals is contingent upon growth in major end-user industries. Paints and coatings demand will be driven by growth in the Indian automotive sector, which has risen sharply in the recent past. Also, sharp rise in demand for water has put pressure on supply of water for irrigation, drinking and industrial usage. The need to augment and maintain adequate supply of water necessitates greater amount of recycling, resulting in higher demand for water chemicals. Water treatment chemicals are used for a wide range of industrial and in-process applications such as reducing effluent toxicity, controlling biological oxygen demand and chemical oxygen demand and disinfecting water for potable purpose. Water chemicals are used across diverse industries, ranging from large power plants, refineries and fertilizer factories to pharmaceuticals, food and beverages, electronic and automobile companies.

The textiles sector is expected to play a major role in the growth of the domestic specialty segment as well, considering the range of processing aids and dyes and pigments used in this segment, and with increasing demand from the domestic market as well as exports.

Growing affluence and resultant increase in consumption of personal care products will drive demand for a wide range of cosmetic chemicals, healthcare products and hygiene products as well.

Consequently, the domestic specialty chemicals segment, which grew at 6-7% CAGR from Fiscal 2015 to 2018, driven by increase in domestic demand and export of F&F, textile chemicals, pharmaceutical intermediates, agro chemicals and personal care ingredients, is projected to accelerate over Fiscal 2019 to 2021 at 9.5-10.5% CAGR.

Share of organised players in domestic specialty chemicals

Specialty chemicals industry highly fragmented

Globally, the specialty chemicals industry is concentrated. But, in India, the industry is highly fragmented, with small and medium enterprises comprising 70-75% market share.

Being high-valued, specialised products, these command higher margins than most bulk products. Extensive product research, development and innovation play a significant role in this industry, and ensure differentiation from the commodity chemicals industry.

However, only a few Indian players have the scale or capability to compete with global giants on product development and innovation. Global players are also investing significantly in marketing, distribution and production to strengthen their presence in the Indian market.

Another issue faced by the industry is that several mature products in the sector have already been commoditised, or are at risk of going down that path. Hence, specialty chemical manufacturers are compelled to focus on niche applications and product innovation to protect margins. Cost of compliance could make operations increasingly unviable for small players.

Key growth drivers for specialty chemicals industry in India

1. Increased intensity of consumption

- Compared with the developed world, the penetration of specialty chemicals within India's end-user markets is low. With increased focus on improving products, usage intensity of specialty chemicals within these end markets will rise in India over the next decade. For example, concrete admixtures improve the fluidity of concrete, provide a smoother, more even finish, and help avoid cracks. Consequently, concrete admixtures can help reduce maintenance and repair costs, and, therefore, the total cost of ownership of construction projects. India's current expenditure on admixtures is much lower compared with other developed and developing countries. This is primarily owing to the lack of awareness of admixtures in the Indian construction industry. With increasing demand for higher quality construction and increasing awareness of concrete admixture benefits, the industry could double the intensity of admixture consumption in India

2. End-use demand

- With rising GDP, the Indian middle-class could grow to 148 million households by 2030, with consumption quadrupling. Furthermore, India's urban population is expected to increase by 275 million people by 2030. This will result in high consumption-led growth in key end markets and an increased need for better products and services

- The specialty chemical industry's growth typically follows growth of key end markets. For example, an increasingly urbanised India (cities are likely to comprise 40% of the population by 2030) will double the requirement for clean municipal water by 2020, and, therefore, significantly increase municipalities' usage of water treatment chemicals to treat/ recycle waste water. Similarly, increased infrastructure spending by the government accompanied by growth in the real-estate industry could result in high growth in the construction chemicals and coatings segment

- The performance of end-user industries such as automobiles, textiles, real estate and construction, consumer durables, packaged foods, paints, plastic, cosmetics, oil well drilling, etc will drive industry's demand

3. Improved consumption standards

- Consumption standards are policies implemented by the government to promote the safe use of products. These standards are necessary for improving society's standard of living and enhancing consumer safety. Most developed countries have implemented stringent consumption standards across various end-use markets. As the economy develops, India will need to regulate products more stringently, and strengthen consumption standards, which will promote increased usage of specialty chemicals

4. Government initiatives

- The Government of India has released a Draft National Chemical Policy, aimed at increasing the share of chemicals sector in the country's GDP and increasing competitiveness in the sector. The draft document mentions increased focus on the specialty chemicals segment through implementation of a host of measures:
    - One of the measures provides for permitting companies to set up capacities in petroleum, chemicals, and petroleum investment regions (PCPIR) by demarcating special zones to aggregate feedstock demand
    - The draft document also includes a suggestion on setting up of Specialty Chemicals Forum to frame relevant consumer standards. This forum envisages to have representation from industry, customer and government and would recommend consumer standards, incentives to drive innovation, and product safety standards
- The central government has imposed anti-dumping duty to protect the local industry; this duty varies as per the country and product
- Industrial licensing has been done away in most sectors, except for a small list of hazardous chemicals
- Approval has been granted for foreign direct investment (FDI) of up to 100% in the sector
- The government is also continuously reducing the list of reserved chemical items for production in the
- small scale sector, thereby assisting greater investments in technology upgradation and modernisation
- Policies have been initiated to set up integrated PCPIRs. The PCPIRs are expected to boost chemicals manufacturing to the extent that it is sufficient enough to meet domestic as well as the export markets.

5. Favourable global factors

- China, which is a major player in commodity chemicals, has seen lower focus on specialty chemicals because of low volume and high value nature of the segment. Additionally, stricter environmental regulations introduced in 2015 have impacted the output of its chemical manufacturing industry in China. Going forward, these factors are expected to play out in favour of India's specialty chemicals industry as exports will see an uptrend over the next few years

Key risks for Indian specialty chemicals industry

1. Fragmentation and lack of scale

- The industry is dominated by global players. Only a few Indian players have the scale and capability to compete with global players on innovation and product development

2. Commoditisation

- Many products in the sector are commoditised, and more run the same risk. This compels players to focus on niche applications and product innovation to sustain their margins

3. Regulations

- Developed markets are tightening import regulations, such as EU's Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH), owing to environmental concerns and protectionism. Small players are expected to be more affected, owing to high cost of compliance, which will make their operations increasingly unviable

4. Raw material cost and availability

- Many of the raw materials consumed in manufacturing various specialty chemicals are petrochemicals, derived from crude oil. Hence, their prices are vulnerable to volatility in global crude oil prices. In addition, some raw materials in some segments of specialty chemicals are imported. These further exposes players to the risk of foreign exchange fluctuation. Also, in the case of some chemicals, raw materials are supplied only by a few players, thereby decreasing the bargaining power with buyers. A case in point is phenol, consumed in personal care ingredients. Some specialty chemicals, which use agricultural or bio-based natural raw materials, have associated seasonality risks. For example, in the flavours and fragrances segment, products based on natural ingredients are exposed to seasonal variation of raw material yields, and, hence, procurement.

5. Use of outdated technology

- Several units are using outdated technology, which impairs quality of the products and lowers realisations, thereby affecting growth prospects

6. Research and development

- As most products offered by specialty chemical companies are meant for meeting specific requirements of the customers, focus on R&D is essential for the success in this industry, even for small-scale companies

Export-import trend for specialty organic and inorganic chemicals to/from India

Note: The following section refers to the import-export trends in organic and inorganic chemicals to/from India. CRISIL Research has taken into consideration chapter 28 and 29 for the same. The Directorate General of Foreign Trade (DGFT) defines Chapter 28 as – 'Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, or radi. Elements or of isotopes'. Chapter 29 is described as – 'organic chemicals' by the DGFT.

Organic chemicals exports from India grew at a CGAR of ~6.9% during Fiscal 2014 and Fiscal 2018

Exports of organic chemicals from India have grown by a CAGR of ~6.9% during the period Fiscal 2014 to Fiscal 2018 in value terms. Exports of organic chemicals grew from ₹ 953 Billion in Fiscal 2018 from ₹ 784 Billion in Fiscal 2017 depicting a growth of 22% y-o-y. China (₹ 135.79 billion) was the largest export market for Indian organic chemicals in Fiscal 2018 in value terms followed by USA (₹ 101.93 billion) and Saudi Arabia (₹ 38.82 billion). Share of the top five countries in total exports of organic chemicals in Fiscal 2018, in value terms, stood at 36%.

Imports from China alone constitutes of 37% of total imports (in value terms) of organic chemicals

Imports of organic chemicals in India have grown by a CAGR of 4.7% from Fiscal 2014 to Fiscal 2018 in value terms. Fiscal 2018 also saw a sharp spike in imports of organic chemicals by 19% y-o-y. Top 3 countries from which organic chemicals were imported in Fiscal 2018 (in value terms) were China (₹ 56.92 billion), Saudi Arab (₹ 99.13 billion) and Singapore (₹ 96.73 billion). Top 3 countries from which India imported organic chemicals in Fiscal 2018 in value terms constitute ~53% of the total imports of organic chemicals by India.

Inorganic Chemicals Exports from India grew at a CGAR of ~7.9% during Fiscal 2014 and Fiscal 2018

Exports of inorganic chemicals from India in value terms, during the period from Fiscal 2014 to Fiscal 2018, has grown at a CAGR of ~7.9%. Fiscal 2018 portrayed a massive growth of 22% y-o-y in exports of organic chemicals.

UAE (₹ 19.57 billion) was the largest buyer of inorganic chemicals from India in Fiscal 2018, in value terms, followed by China (₹ 7.65 billion) and USA (₹ 7.05 billion). Share of top five countries in total exports of inorganic chemicals in Fiscal 2018 in value terms stood at ~41%.

Inorganic chemical imports by India grew at a CGAR of ~7.6% during Fiscal 2014 and Fiscal 2018

Imports of inorganic chemicals by India have grown by a CAGR of 7.6% in the period Fiscal 2014- Fiscal 2018 in value terms. Fiscal 2018 saw a big jump in imports of inorganic chemicals by 23%. Largest imports of inorganic chemicals in Fiscal 2018 in value terms were from China (₹ 42.99 billion), Australia (₹ 41.36 billion) and Morocco (₹ 33.29 billion). Top five countries from which India imported organic chemicals in Fiscal 2018 in value terms constitute ~45% of the total organic chemical imports by India.

Overview of key end-user industries for specialty chemicals in India

Pharmaceutical intermediates

Global pharmaceutical market

Region-wise pharmaceutical intermediates' market size ($ million) – 2013 to 2018

Market Size	2013	2014	2015	2016	2017	2018
North America	7,804	8,090	8,396	8,720	9,064	9,429
Europe	7,675	7,947	8,238	8,545	8,871	9,215
Asia	4,129	4,280	4,442	4,613	4,796	4,989
South America	752	777	804	832	862	894
Other Regions	1,625	1,677	1,732	1,788	1,847	1,908
Total	**21,985**	**22,771**	**23,612**	**24,498**	**25,440**	**26,435**

Source: Zion Market Research Analysis 2018

Region-wise pharmaceutical intermediates' market size ($ million) – 2018 to 2024

Market Size	2018	2019	2020	2021	2022	2023	2024
North America	9,429	9,812	10,216	10,647	11,100	11,580	12,084
Europe	9,215	9,576	9,956	10,360	10,785	11,233	11,703
Asia	4,989	5,191	5,405	5,632	5,872	6,125	6,392
South America	894	927	961	998	1,036	1,076	1,118
Other Regions	1,908	1,970	2,034	2,101	2,170	2,240	2,311
Total	**26,435**	**27,476**	**28,573**	**29,739**	**30,964**	**32,254**	**33,608**

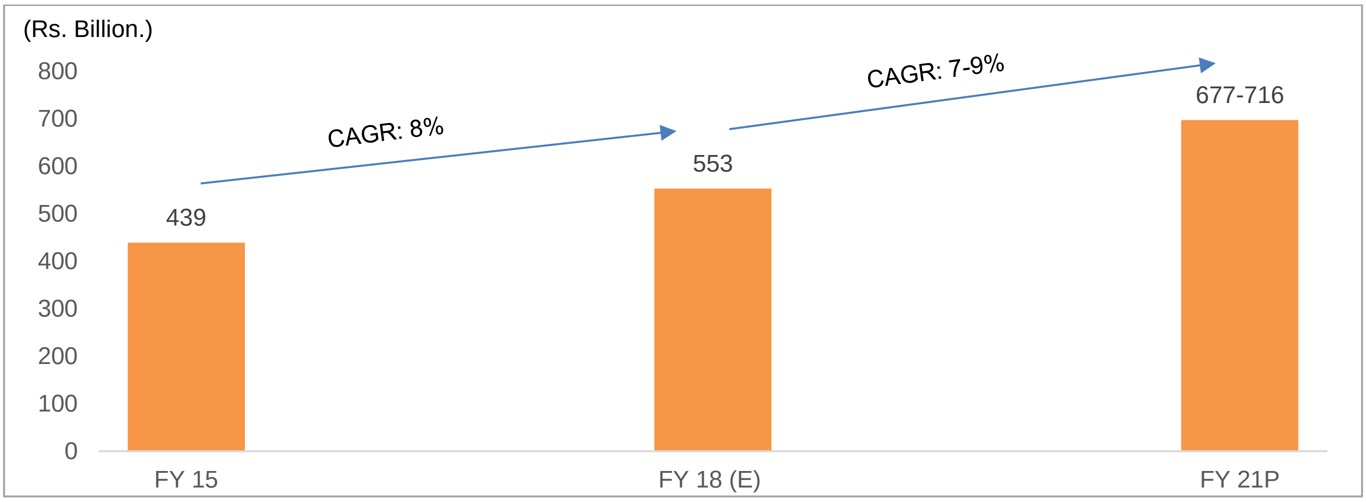
Source: Zion Market Research Analysis 2018

Intermediates market expected to grow at 7-9% CAGR during Fiscal 2018 to 2021

CRISIL Research estimates the pharmaceutical intermediates market (comprising domestic consumption and exports) to have risen at ~8% CAGR between fiscals 2015 and 2018. Growth in domestic demand was slower as compared with exports as domestic consumption of intermediates remained heavily dependent on imports. Besides import of traditional drugs intermediates, Indian players rely on higher expertise in process chemistry skills for exports, and thus exports are led by complex intermediates for key chronic therapeutic categories.

Till Fiscal 2021, CRISIL Research expects the intermediates market to grow at 7-9% CAGR, led by strong growth in domestic consumption. The share of imports in domestic consumption is also expected to drop marginally in the next three years, owing to environmental concerns in China as well as growing competencies of Indian intermediates manufacturers.

Overall intermediates market size in India



E: Estimated; P: Projected
Source: DGFT, CRISIL Research

Growth in bulk drugs market to support domestic demand for intermediates

The Indian pharmaceutical intermediates industry is expected to post healthy growth, supported by a surge in bulk drugs manufacturing and expected rebound in exports of bulk drugs after a downtrend in the past five years. Bulk drugs exports declined during Fiscal 2013 and 2018 owing to competition from China and other Asian counterparts.

Between fiscals 2018 and 2021, bulk drugs exports are expected to grow at 3-4% CAGR, owing to transition to specialty segment and strong capabilities in high-value active pharmaceutical ingredient (API). Growth will be supported by increasing focus of Indian players in the specialty products segment, where competition is comparatively low. However, in the traditional segment, competition from China will continue to exert pressure on pricing for Indian players.

On the domestic front, bulk drug production for captive consumption is likely to continue to record strong growth. Domestic bulk drug manufacturers are expected to register double-digit growth, supported by strong domestic sales.

Another reason for growth is the expected price surge of key chemicals required for synthesis of intermediates/APIs, which are imported from China. With the shutdown of several chemical units around Hangzhou in China in June 2016 on government orders to reduce pollution before the G20 summit, there was a short-term supply shortage in India.

Although supply has resumed, we expect prices of chemical intermediates to continue rising as domestic demand for chemicals in China from local bulk drugs and pharmaceuticals players is also increasing, thereby continuing to create a shortage.

Besides these, a number of conducive measures will act as positives for pharmaceutical intermediates sector:

- Proximity of greenfield/brownfield bulk drugs (and intermediates) units to petrochemical complexes to ensure integrated solvent supply, storage and recovery, which will aid in curtailing in logistics cost

- Backward and forward integration by larger players, through strategic alliances with intermediate producers, will help in a better visibility through the supply chain

- Efficient service mix by pharmaceutical players incorporating contract manufacturing, traditional molecules (as paracetamols, etc) with in-house molecules (new chemical entities and drug discovery)

- Consolidation in chemicals sector (e.g., combined entity under Fairfax through ADI Finechem and Privi Organics), which supply pharmaceutical intermediates to bulk drug manufacturers. Consolidation will result in capability upgradation for the entire sector

Among long term initiatives, proposed API/intermediates parks to build economies of scale in the sector, which will curtail the issues of pollution as well as increase cost advantage for players, and price incentives to API manufacturers to promote the domestic API industry will also benefit the bulk drug players, particularly small and medium enterprises. Protection against dumping through upgrading domestic capabilities as well as duties and incentivisation of domestic R&D in pharmaceutical sector as Indian companies despite proven export capabilities lack on R&D spending vis-à-vis counterparts in advanced economies can be other positives for the sector.

Key growth drivers for pharmaceutical intermediates

Bulk drugs industry is the major end-user for pharmaceutical intermediates and, thus, the growth drivers for bulk drugs industry will also drive the pharmaceutical intermediates sector.

Domestic demand

1. Growth in pharmaceuticals

A surge in healthcare spending and growth in the pharmaceuticals sector are drivers for the pharmaceutical intermediates sector. With these factors, companies invest heavily in R&D, which in turn accentuates the demand for pharmaceutical intermediates.

2. Custom synthesis for innovators

Bulk drugs/intermediates players who conduct custom synthesis and supply bulk drugs for manufacturing on-patent drugs earn relatively higher margins than those who operate in the generics segment. This is a niche area where protection of intellectual property (IP) assumes the highest significance, in addition to advanced chemistry skills.

As India scores higher than China and its Eastern European counterparts in IP protection and quality consistency, it enjoys more confidence from global innovators; hence, it is well-placed to garner outsourcing opportunities for supplying APIs/intermediates.

3. Low penetration of health insurance in India

As per World Health Organization data, India's per capita expenditure on health - close to $75 in 2014 - was among the lowest among developing countries and, therefore, represents significant potential. This can be attributed to the large domestic population and lower share of health expenditure in total government expenditure. In India, ~85% of medical spends are out-of-pocket, where the consumer directly pays for medicines. Unlike the US, India lacks a strong health insurance sector that can share healthcare costs with patients. In the US, government organisations and managed care organisations reimburse majority of drug costs to patients.

4. Setting up of bulk drug parks

Key recommendation in Katoch committee report was setting up of bulk drugs parks, where the basic amenities required by bulk drugs manufacturers, as land, water, electricity and common facilities as effluent treatment plants, steam, testing facilities, captive power units, IPR management services, etc should be provided by government at concessional rates. This will aid in economising the production of bulk drugs and will also promote intermediates segment. (*More details provided in Overview of API Industry chapter*.)

Exports

5. New drugs and patent expiries

Drug approvals in the US, EU etc. are showing an upward trend. For instance, In US, Abbreviated New Drug Application (ANDA) filings increased from 125 in calendar 2013 to 240 in calendar 2017. This is a positive for the pharmaceutical intermediates industry as it will result in increased demand for new building blocks and chemicals. Besides new drugs, patent cliffs will also contribute to increased demand for intermediates.

6. Lower manufacturing costs

A player's strength in further penetrating regulated markets will largely depend on its ability to supply bulk drugs and intermediates at a low cost, while adhering to the highest standards of quality and safety.

7. Low capital intensity and gestation periods

Unlike commodities, capacity expansions in the domestic pharmaceutical industry do not bunch up due to a low capital-intensity and gestation period. Hence, companies expand capacities in line with demand patterns. Setting up a United States Food and Drug Administration (US-FDA) approved formulations manufacturing plant costs more than that required for an unapproved facility. Units compliant only to the good manufacturing practices (GMP) have a shorter gestation period. The average gestation period for a US-FDA approved manufacturing facility is 18-24 months compared with 6-12 months for other facilities.

Key challenges for the pharmaceutical intermediates industry are:

1. Regulatory compliance

The pharmaceuticals industry is mandated to operate within the regulatory framework laid down by the countries' regulatory authorities. There are strict protocols for the quality of drugs, in view of their effects on human health. Players are constantly under the supervision of their drug regulators to ensure adherence to appropriate systems, processes, etc.

2. Exchange rate risks

The Indian bulk drugs industry derives ~44% of its revenue from exports. On the other hand, raw material imports constitute 38-40% of total raw material cost, exposing companies to currency fluctuation risks.

3. ***Environmental risks***

Manufacturing bulk drugs/intermediates involves several complex reactions and consequent generation of hazardous chemical residue, which, if left untreated, will have an impact on the environment. Emissions or chemical discharges exceeding regulatory limits could cause legal troubles and hamper a manufacturer's brand value.

Bulk drugs (APIs)

Bulk drugs serve as raw materials for manufacturing finished dosage forms or formulations. The US Food & Drug Administration defines a bulk drug as any substance that is an active ingredient in a finished dosage. However, the term does not include intermediates used in the synthesis of the bulk drug itself.

Pharmaceutical value chain

Source: CRISIL Research

A major part of bulk drugs are sold in the domestic market and also used for captive consumption with many large formulation players performing backward integration. Some of the key Indian bulk drug manufacturers - Aurobindo Pharmaceuticals Ltd, Orchid Chemicals and Pharmaceuticals Ltd, and Divi's Laboratories - mainly export, while smaller players such as Samrat Pharmachem Ltd predominantly operate in the domestic market.

Bulk drugs export market to grow by 3.18% CAGR from Fiscal 2018 to Fiscal 2021

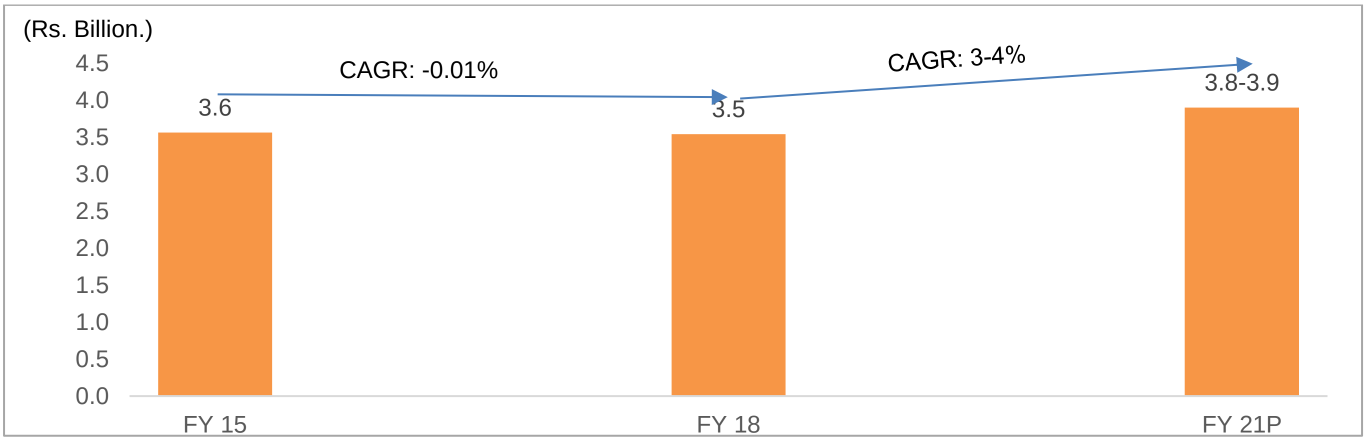
After recording ~7% CAGR during fiscals 2008 to 2013, bulk drugs exports declined substantially during fiscals 2013 to 2018 owing to competition from China and other Asian counterparts. Exports during the past three years, fiscals 2015 to 2018, were flat accounting to a de-growth of 0.6% over Fiscal 2015 base in value terms.

Further, on account of patent cliff during 2012-2014, many players who used to manufacture key patent molecules for innovators, recorded substantial decline in revenue. Therefore, overall bulk drug exports clocked a much lower 3.8% CAGR during fiscals 2013 to 2018. However, players climbed up the value chain and started manufacturing formulations. Therefore, they were able to offset the overall loss in revenue. As a result, the share of bulk drugs in overall pharmaceutical exports dropped from 30% in Fiscal 2013 to 20% in Fiscal 2018.

Going forward, the pricing pressure on formulation players will continue to impact growth for bulk drug players. However, transition towards specialty segment and higher capabilities of Indian players vis-à-vis Chinese players in high-value APIs will aid growth. Further, growth is expected to pick up from countries such as Japan and China, where traditionally Indian players had minimal presence. Consequently, growth is expected to recover to 3-4% CAGR over the next three years, as players focus on niche molecules and specialty segments.

On the domestic front, bulk drugs production for captive consumption is likely to continue to record strong growth. Domestic bulk drug manufacturers are expected to continue to register double-digit growth, supported by strong domestic sales.

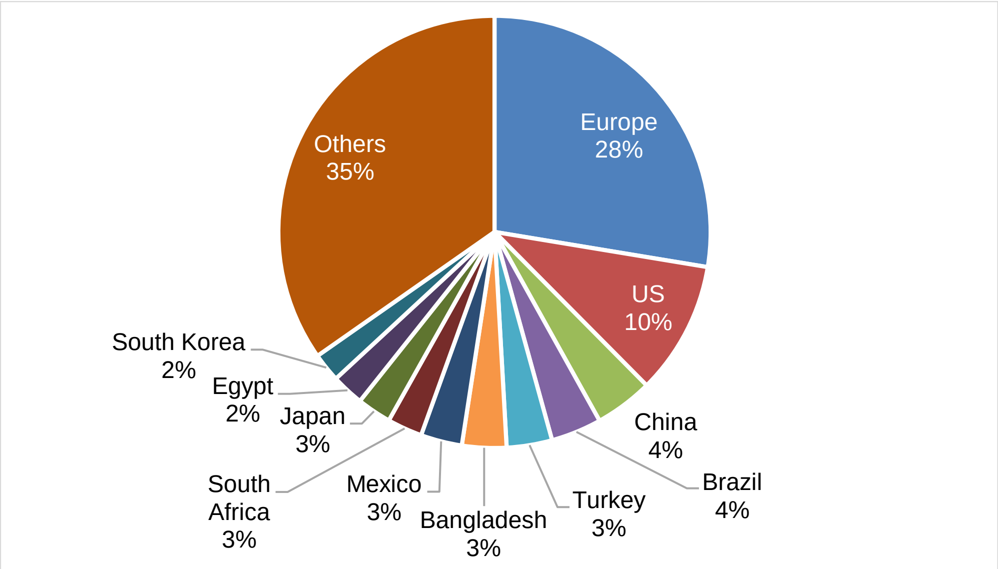
Trend in bulk drugs export from Fiscal 2015 to Fiscal 2021P in value terms



P: Projected
Source: DGFT, CRISIL Research

Bulk drug exports will continue to lose market share in overall pharmaceutical exports over the next three years, as formulation exports are expected to grow at a faster pace of 6.5-7% CAGR. The geographic mix for bulk drug exports varies substantially compared with formulations. The US accounted for ~10% of the bulk drug exports in Fiscal 2018, compared with ~36% share in formulation exports. This is mainly on account of China's large share in global bulk drugs and intermediates trade compared with India. Further, Japan, which constitutes negligible share in formulation exports, holds ~3% share in bulk drug exports.

Share of different geographies in bulk drug exports in Fiscal 2018 in value terms



Source: DGFT, CRISIL Research

Key growth drivers

1. India enjoys cost advantage over regulated markets

Bulk drug manufacturing costs are significantly lower in India than in regulated markets of the US and Europe. China is a major exporter of bulk drug intermediates globally as it enjoys competitive advantage due to government support, coupled with low power and labour costs. On the other hand, India is one of the preferred destinations for procurement of APIs, especially in regulated markets, compared with China, on account of its advanced process chemistry skills, which aid manufacture of bulk drugs and complex intermediaries.

Cost of manufacturing drugs in India, China, Europe and US

	Units
US	100
Europe	85-90
India	
-USFDA approved	45-50
-Others	35-40
China	35-40

Source: Industry, CRISIL Research

2. India has highest number of USFDA approved facilities outside US, leads in US drug master filings

India has the highest number of USFDA approved facilities outside the US. The country also has skilled manpower and advanced process chemistry skills. Some bulk drug manufacturers have forward-integrated into pre-formulations (pelletisation / granularisation of bulk drugs before they are converted into finished dosages) as well. Though China is a major destination for bulk drugs manufacturing, it has a major share primarily in manufacturing of bulk drug intermediates. India has consistently maintained its leadership in drug master filings (DMFs). This proves the capability of Indian players to meet required export quality standards for regulated markets.

A DMF is an indicator of the bulk drug manufacturing capabilities of players (in terms of quality standards maintained at their facilities for processing, packaging, storage of drugs, etc.), which is used by global pharmaceutical companies that are outsourcing production activities (innovators).

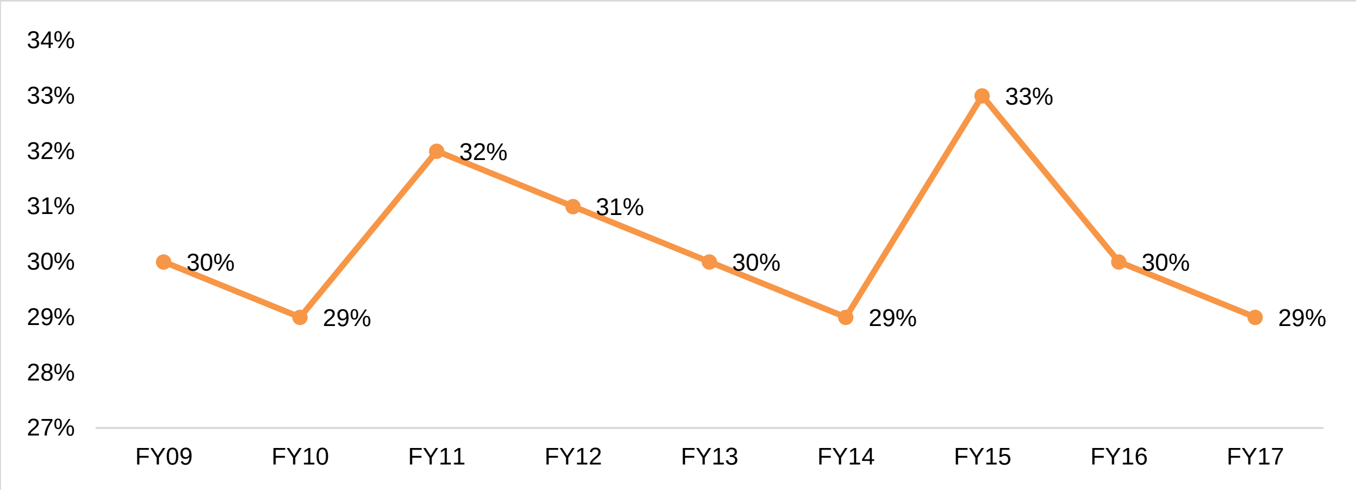
3. Pricing pressure to normalise in medium term

With generic opportunity narrowing due to lower patent cliffs, competition in the existing portfolio of drugs has increased in regulated markets. Intensifying competition has resulted in sharp erosion in prices of generic drugs, especially in case of large molecules and blockbuster drugs (whose sales exceed $1 billion). Pricing pressure on formulation players will continue to impact growth of bulk drug players. However, focus on specialty products and niche molecules would aid growth of bulk drug players. Pricing pressure is expected to normalise in regulated markets in coming years.

4. Outsourcing of bulk drugs to continue with margins under pressure for MNCs

In the absence of blockbuster molecule discoveries and high operating expenses, CRISIL Research believes multinational corporations (MNCs) will likely look at bulk drug outsourcing to control cost and improve profitability. Operating margins of global innovator players dipped substantially from fiscals 2015 to 2017.

Operating margin trend of MNCs



MNCs: Multinational corporations; NME: New molecular entities; Cogs: Cost of goods sold
Note: MNCs considered are Abbott Labs, Merck, Pfizer, Novartis, AstraZeneca, BMS, GSK, Roche, Sanofi Aventis, Bayer Healthcare, Eli Lilly, Gilead, Novo Nordisk, Otsuka and Takeda.
Source: Company reports, CRISIL Research

Challenges faced by Indian players in manufacturing APIs

1. Inadequate government support

On average, intermediate plants require 9-12 months for approval from the Central Pollution Control Board (CPCB), post which 18-24 months are required to set up the plant. Prolonged time to obtain approvals for manufacturing units is the primary reason to hinder growth for the industry.

On the other hand, the Government of China aggressively supports the units in China by providing funding, infrastructure and quicker approvals. The establishment of special economic zones (SEZs), lower than market prices for land acquisition, access to common waste processing units, etc., aided Chinese players in manufacturing at a significantly lower cost compared with other global peers. However, over the last two years, Chinese government has become wary of the increasing pollution due to effluents released and has shut down several polluting factories. While this has led to increase in costs due to rise in logistics expenses for Chinese players, due to other incentives, the price differential between Indian and Chinese manufacturers will still remain at 15-20%.

2. Lack of common utilities

India lacks common utilities like those in China, which leads to higher operating costs. Most of the manufacturing plants in China have common utilities for manufacturing of bulk drugs and intermediates. Five major units are common steam supply, cooling water, chilled water, nitrogen gas and compressed air. A common supply of these utilities reduces the cost of manufacturing significantly and increases margin, making it attractive to players in China. In India, the margins for manufacturing of intermediates are too low as each player has to install these facilities in its plant, thus leading to increased cost, and thereby making it difficult for Indian players to compete with prices of Chinese drugs. Setting up of bulk drug parks by the government will help India to compete with China in this regard by lowering the costs.

3. Cost competition

In contrast to the manufacturing units in India, China operates at large economies of scale. The manufacturing plants in China have huge capacities, especially for fermentation products, due to which they are able to manufacture intermediates for antibiotics and vitamins at a lower cost. The capacity of tanks is 5-10 times more than that of average Indian plants, which significantly reduces cost for China. India, thus, mainly imports intermediates after fermentation and then processes it further to manufacture the APIs.

4. Increasing power cost

Stable power supply is highly important for processes that require fermentation such as manufacturing of intermediates for antibiotics and vitamins. Power costs are lower for manufacturing plants in China compared with India, mainly because there is captive consumption of power as most produce power using coal within their plants as common utilities. This also reduces instability in power supply for plants that require fermentation. Power costs in India for industrials (HT) have increased at ~8% CAGR over the last five years.

5. Effluent treatment

Manufacturing of intermediates is a toxic process that releases a good quantity of effluents, which require treatment. For a small plant with low effluent load (₹ 200 – 300 million capex plant), approximately ₹ 50 – 70 million investment is required for a normal ETP. Zero discharge effluent systems use incinerators, which require ₹ 80 – 100 million of investment. In addition, recurring cost for effluent treatment is ~5% of the operating cost for a plant with good effluent treatment process.

Common effluent treatment plant (CETP) - wherein solids remains after evaporation of the solvent are treated collectively for many plants - is a good option for small and medium bulk drugs manufacturing plants. Costs could range at ₹ 30 – 50 million for a 1,000 tonne plant (~ ₹ 600 million capex) depending upon the type of product manufactured. CETPs are used widely by Chinese bulk drug and intermediate manufacturers, which helps improve their operating margins. However, the same is not used in the scale by Indian counterparts.

Construction of bulk drug parks in India, with common utilities and CETPs, would therefore aid in substantially reducing manufacturing costs for Indian bulk drugs and intermediate players.

Pesticides

Crop protection can be broadly defined as the science and practice of managing pests, plant diseases, weeds, and other pests that damage agricultural crops and forests. Pesticides, which are chemical or biological agents that deter, incapacitate, kill, or otherwise discourage these pests, play a critical role in protecting crops. Pesticides range from viruses and bacteria to antimicrobials and disinfectants.

Pesticides can be classified on the basis of the target pest, i.e. insecticides (targeting insects), herbicides (targeting weeds), fungicides (targeting fungal pests), and others (including rodenticides, nematicides, etc.). Globally, herbicides, insecticides, and fungicides constitute the lion's share of pesticide usage. Pesticides can also be classified as generic products (non-patented) and specialty products (patented).

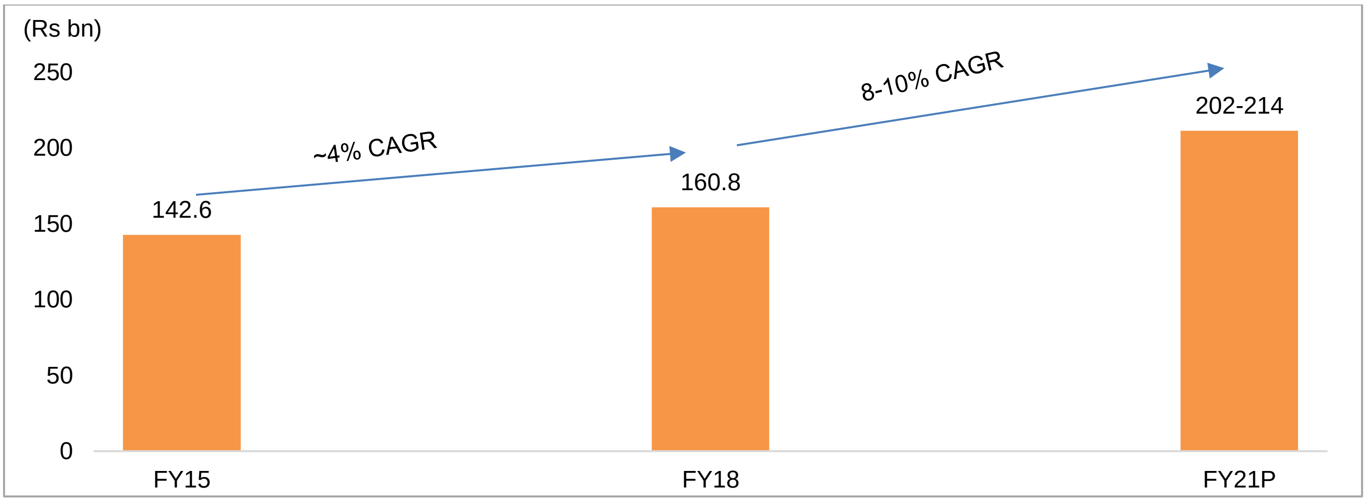
Domestic pesticides industry to grow at 8-10% CAGR, driven by herbicides and fungicides

The domestic crop-protection industry is estimated to have witnessed ~6% growth in Fiscal 2018 and stood at around ₹ 160.7 billion. Slow growth was on account of high inventory levels due to erratic rainfall and GST implementation during the fiscal. Though rainfall was normal, uneven distribution across states impacted agrochemical volume. Depressed farm prices also impacted farmers' buying power. Kharif sowings were down by 2% and rabi sowing by ~1% on-year. Also, crop health during the year was relatively better than last year, with lower pest attacks in paddy in many states. However, there was significant outbreak of pink bull worm on cotton in many states. Hence, herbicide and fungicide segments grew by a moderate ~8.8% and ~6.6%, respectively, during the year.

The industry witnessed a slow 4-5% CAGR between fiscals 2015 and 2018, because of deficient monsoons in Fiscal 2016, which impacted farm output and commodity prices, and moderate growth in Fiscal 2018.

CRISIL Research *projects the* industry to register 8-10% CAGR over the next three fiscals (fiscals 2018 to 2021) and stand at ₹ 211 billion, driven by growth in herbicide and fungicide segments. Also, low per hectare consumption in the country (0.6 kg) compared with countries like China (~11 kg), Brazil (~5 kg) and US (~2.5 kg), indicates long-term growth potential. Also, compared with the global level, herbicide consumption in the country is much lower - only ~20% of the total pesticide consumption. Higher usage of herbicides is likely to drive per capita consumption of pesticides in India.

Domestic crop protection market to grow at a healthy pace



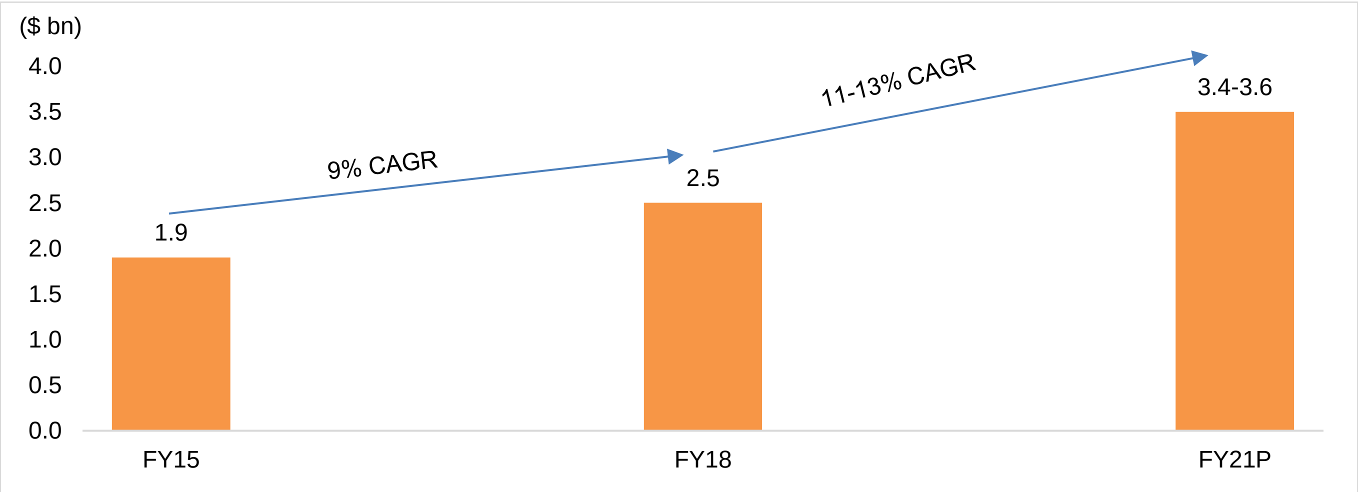
P: Projected
Source: CRISIL Research

Exports to grow at 11-13% over next 3 years

India's major export destinations include Brazil, US, Japan and France among others, which accounted for about ~45% of the total pesticide exports in Fiscal 2018. Indian pesticide exports grew at a robust ~17% on-year in Fiscal 2018 driven by significant growth in insecticide and herbicide exports. Over the next three years, exports are expected to grow at 11-13% CAGR, driven by exports to the US and Brazil. Global commodity prices are seeing some improvement. Also, channel inventory liquidation has been witnessed globally, especially in Brazil, which was reeling under high channel inventory in the first half of Fiscal 2018, has seen channel inventory liquidation towards the end of the year. Improvement in outlook for Brazil augurs well for Indian pesticides exports. Further, global business environment is positive owing to favourable weather forecasts for key agricultural regions for Fiscal 2019.

Low-cost manufacturing, strong presence in generic pesticides manufacturing, availability of technically trained manpower, seasonal domestic demand and overcapacity will drive exports growth. China is expected to remain the most preferred destination for insecticide exports. Strong growth in herbicides is expected to be driven by the US and European region.

Pesticides exports to grow at a healthy pace



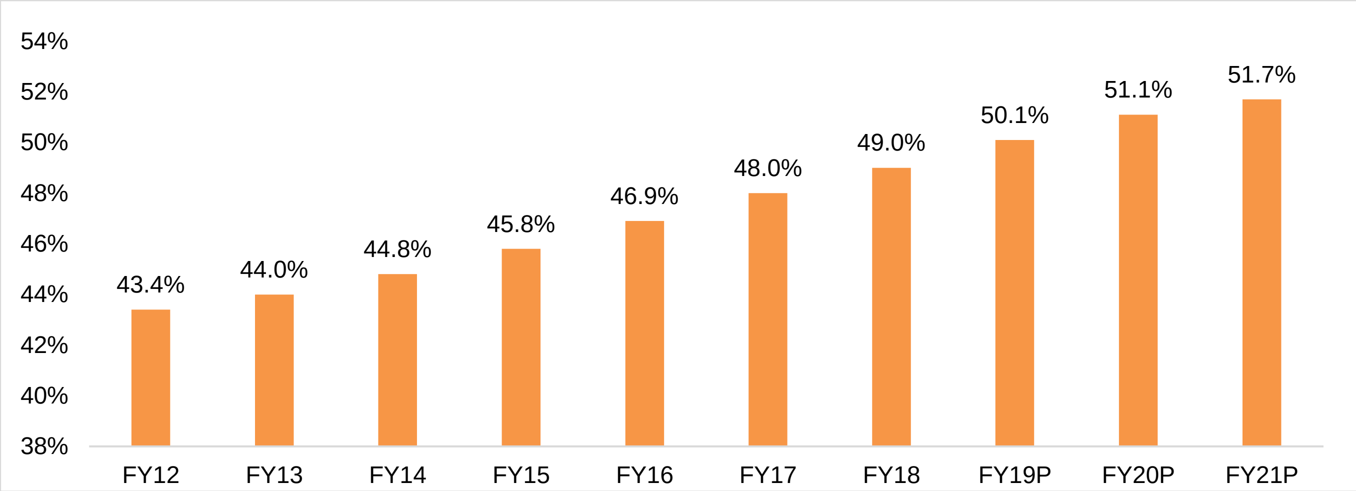
P: Projected
Source: CRISIL Research, DGFT

***Key* growth drivers for the pesticides industry**

1. I*ncrease in pesticides penetration among small and small-medium farmers to support growth*

Penetration of pesticides is estimated to have increased from ~43.4% in Fiscal 2012 to 49% in Fiscal 2018, aided by an increase in pesticides penetration for the small (1-2 hectares) and small-to-medium (2- 4 hectares) players.

Increase in overall penetration of pesticides



Source: Ministry of Agriculture, IARI, CRISIL Research

The penetration is expected to increase 300 bps to ~51.7% in the next three years, assuming normal monsoon. Growth will be led by an increase in penetration of paddy crops, as farmers look to improve yields and reduce crop losses due to pest attacks. Pesticide consumption for cotton is unlikely to see further downside, as new insect attacks will continue to lead to sustained demand for insecticides. Furthermore, pesticide consumption for jowar is expected to remain strong. Therefore, with increasing awareness, the penetration of pesticides will substantially increase over the next three years.

2. Increasing adoption of modern agricultural practices

Penetration of pesticides is highest in the case of land where both irrigation and high yielding variety (HYV) of seeds are used. The primary strategy used to boost yields across crops is the implementation of modern agricultural methods. Pesticides, in conjunction with fertilisers, mechanised farm equipment and irrigation, are the basic components of modern agricultural practices the world over. Adoption of modern practices has led to increase in the use of pesticides in recent years.

3. Pesticides act as an insurance against crop loss

While considering farm economics, it becomes important to assess the importance of pesticides in the context of the opportunity cost of not applying them. Adoption of advanced technologies and the emergence of a plethora of new products in crop protection over the past several decades have rendered crop losses (due to pest attack) almost completely avoidable. Furthermore, pesticides, if applied in the requisite quantity, will typically constitute 8-10% of farm operating expenses, including labour. The outgo for manual labour and inputs, such as fertilisers, is typically far higher. The implication of this fact is that, if, by application of pesticides, crop losses can be avoided altogether, the decision makes economic sense.

4. Higher cropping intensity and irrigated area to spur higher use of pesticides

Cropping intensity is defined as the ratio between the net sown area and gross cropped area. It, thus, refers to the number of crops obtained from the same field during one agricultural year. The higher the ratio, the more is the number of times the land sown during the year. All else equal, this implies a larger potential market for agricultural input companies. Since the fragmentation of landholdings continues, overall cropping intensity is expected to increase further to 1.46 by Fiscal 2019 from 1.41 in Fiscal 2012.
Usage of high-value agricultural inputs is more likely in case of irrigated plots. With lower risk of water shortage, farmers are generally more comfortable, making slightly larger investments targeting higher yields upfront.

Furthermore, the propensity of a farmer to use chemical pest-control methods is higher when the upfront investment is greater.
Irrigation penetration has been rising and is estimated to be ~51% as of Fiscal 2018, which is a major positive for the sector. It will lay the foundation for higher use of agricultural inputs, and, hence, attract greater investment towards crop protection.

5. Higher usage of HYV seeds to boost pesticide demand

In most instances, quality seeds provide a direct, observable economic benefit to farmers, and more often justify the upfront investment. With an expected increase in the sown area of hybrid cotton and technological advancement in the vegetable hybrid-seed space, CRISIL Research expects the domestic seeds market to grow at 8-10% CAGR over the next three years, crossing ₹ 250 billion by Fiscal 2021. The seed replacement rate, or the area penetration of market-purchased seeds (as opposed to seeds saved from the harvest), is also expected to nearly cross 60% by Fiscal 2021.

6. Higher farm income fuelling investments in plant protection

Moderately increasing income of farmers is a crucial factor playing out in favour of the pesticides industry. Investments to boost yields at the farm level are linked directly to farmer incomes.

7. India's pesticide consumption far lower than global level

Despite rapid growth in recent years, India's pesticide usage is well below the global norms. Though overall pesticide penetration has been rising in recent years, driven by increase in per hectare penetration and usage, India's pesticide usage is very low at 0.6 kg/ha against 5-6 kg/ha in the UK and around 21 times at 13 kg/ha in China. The relatively low level of pesticide consumption is a further indicator of potential growth in crop protection chemicals.

8. Patent expiries to benefit Indian manufactures; ample opportunity for generic pesticides

Generic pesticides account for 55-60% of the global pesticides market, while proprietary generics account for 20-25%, and patented pesticides for the rest. With farm prices being under pressure in the recent past, farmers in countries, such as Latin America, have been shifting to cheaper generic products. Latin America is one of the largest export markets for India. With multiple products going off patent, the shift towards generics provides ample opportunity for Indian generic players. Agrochemicals worth $2.9 billion are expected to go off patent between fiscals 2017 and 2020. Indian players are expected to reap the benefits of the move, as it would provide them with opportunities to launch new products. Patent expiries would also present pesticide exporters with the prowess in the generic segment with significant opportunities, as most exports are of off-patent products.

Key challenges for the pesticides industry

1. Pesticide demand is sensitive to rainfall patterns

Application of most categories of pesticides usually takes place during the latter stages of the normal crop cycle. As a result, in the event of deficient rainfall, farmers are likely to either invest in lower value generic pesticides, apply smaller quantities of pesticides or in some instances, forgo application altogether. Sensitivity of pesticides to rainfall is significantly higher than inputs used in earlier stages of the crop cycle, such as seeds and fertilisers. In the event of weak or delayed monsoons, the slowdown also affects the ability of players to pass on the increase in cost through price increases. Therefore, profitability is directly impacted, if input costs rise during the same period.

2. ***Low R&D spending by domestic manufacturers***

Pesticide manufacturers in India spend (as percentage of sales) very less compared with their global peers. This leads to slow innovation and domestic players focusing more on generic versions.

3. ***Original innovators continue to remain leaders in generic manufacturing***

Similar to the pharmaceuticals industry, the global crop protection market consists of on- and off-patent (generic) molecules. However, unlike in pharmaceuticals, the manufacture of generics is still dominated by the original innovators. Therefore, France, Germany and the US continue to be leaders in world exports.

4. ***Increasing use of genetically modified crops to have a bearing on pesticide application***

Genetically modified (GM) crops can be defined as crops whose DNA has been altered to provide them with certain desirable characteristics. The characteristics are usually targeted at higher yields, lower sensitivity to weather conditions, and resistance to common pests. The spread of GM crops, therefore, has major implications for pesticide manufacturers.

5. ***Stringent regulations to register and manufacture pesticides***

Crop protection involves the use of highly toxic chemical pesticides. Given the fact that these are intended to be handled by farmers directly, and that crops are intended for human consumption, the regulatory framework for registration and manufacturing of pesticides is stringent. The Central Insecticide Board and Registration Committee (CIBRC) is the apex body for the crop protection industry in India, under the Ministry of Agriculture. All pesticides (including foreign trade) come under the purview of the CIBRC.

- **No manufacturing without registration – Section 9(3) registrations**

  The crop protection industry is governed by the Insecticides Act, 1968, which is supplemented by the Insecticide Rules, 1971. Insecticides Act, 1968, mandates that no pesticide (including all categories) can be manufactured unless it has been registered. New registrations are granted as per stipulations of Section 9(3) of the Act, and require the manufacturer to submit the results of detailed tests with specifications regarding efficacy, dosage and potential environmental impact.

- **"Me too" registrations have led to the presence of numerous formulators**

  Under Section 9(4) of the Insecticides Act, 1968, a molecule already registered under Section 9(3) can get Section 9(4) registration within 6-8 months, as long as it can be proved that the molecule being manufactured performs essentially the same function and has no unforeseen environmental impact. Documentation required for Section 9(4) registration is substantially lower than fresh Section 9(3) registration; the existence of this option for registration has resulted in the presence of a multitude of standalone formulators.

- **Labelling mandate: Red-category pesticides remain at risk of being banned**

  The registration committee mandates proper labelling for pesticides. These labels indicate the nature of pesticides, composition, active ingredient, target pest(s), recommended dosage, caution signs and safety precautions. The red-category pesticides remain at high risk of being banned by various states, based on the respective state government decisions.

- **Policy on GM seeds a key factor to be monitored**

  GM seeds, which may offer resistance to certain key pests, have the potential to significantly impact demand for pesticides. GM crops acquire insect-resistant trait through genetic modification. Introduction of Bt cotton, and subsequent decline in insecticide use in cotton crop have also been responsible for narrowing insecticides' share in the overall pesticide mix. Similar parallels between decline in insecticide consumption and introduction of GM crops can be drawn from the global markets. For instance, insecticide use in the US has declined by more than half since 1980, mostly due to the near phase-out of organophosphates. In corn fields, the decline has been steeper, due to switchover to transgenic Bt corn.

6. ***Currency fluctuations, a concern for some players***

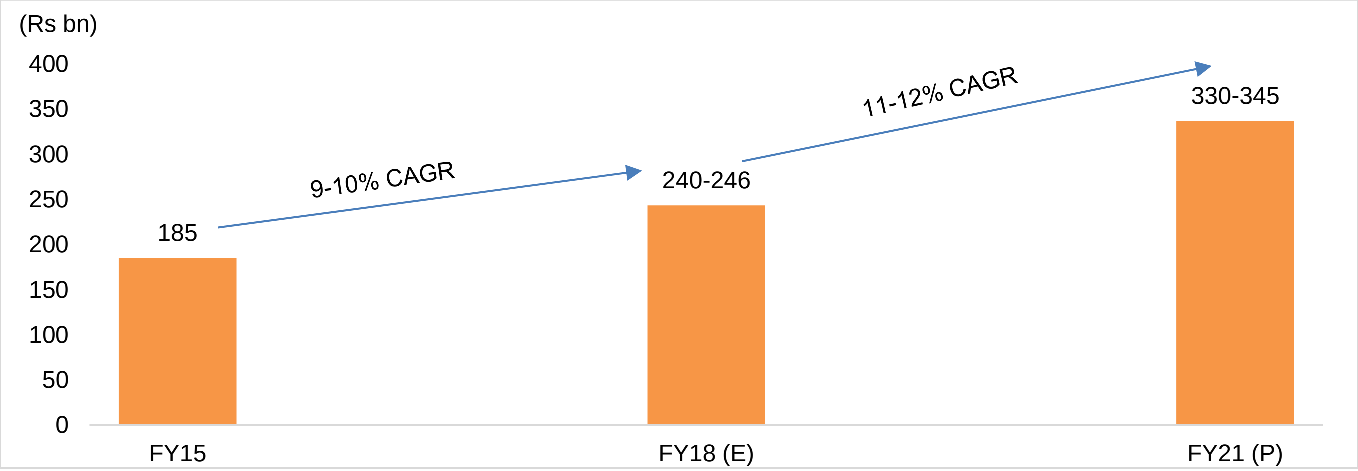
At an industry level, 20-30% of inputs (by value) such as basic hydrocarbons and intermediates are imported. While some players do have a natural hedge as they also export, most players who are selling solely in the domestic market witness pressure on profitability in a depreciating rupee environment. Conversely, in this scenario, players with net exposure to export markets stand to benefit from increased price competitiveness.

Heating, ventilation and air conditioning (HVAC)

Domestic HVAC market to grow at 11%-12% CAGR during Fiscal 2019 and Fiscal 2021

The domestic HVAC market stood at estimated ₹ 240-246 billion in Fiscal 2018. The industry is estimated to have grown at 9-10% CAGR during the last three fiscals, from ₹ 185 billion during Fiscal 2015 to ₹ 240-246 billion in Fiscal 2018. CRISIL Research expects the Indian HVAC industry to grow further at 11-12% CAGR in the next three fiscals to reach ₹ 330-345 billion in Fiscal 2021. Growth is expected to be supported by growing demand for commercial spaces, development of smart cities, on-going and upcoming airport and metro infrastructure, increasing disposable income, rural electrification and rise in penetration of RACs.

Domestic HVAC market size



E: Estimated; P: Projected
Source: CRISIL Research

Key growth drivers for HVAC industry

1. Building construction sector to grow 6-7% over next five fiscals

Infrastructure development in India is on an upward trajectory. Government's increasing focus on affordable housing through various programmes like Pradhan Mantri Awas Yojana and Smart Cities Mission is expected to boost infrastructure growth. Government initiatives have prompted developers to explore affordable housing as a new area. Additionally, formalisation of the industry is likely to bring in more transparency, leading to an increase in consumer demand. Easy availability of financing options for retail customers is also expected to provide a boost to the housing segment. CRISIL Research expects the overall residential, commercial and retail real estate construction to grow at 6-7% CAGR during fiscals 2019 to 2023. Growth of the building construction sector shall further boost the vapour absorption chilling and room AC demand in India.

- **Growing demand for commercial space in India**

  The commercial office space market has undergone a major transition during the past 15-20 years, in line with the liberalisation of the Indian economy and changing global business environment. The market has also witnessed a geographical shift due to rising lease rentals and paucity of large spaces, with commercial properties now coming up in suburbs and peripheral areas of cities as against their earlier concentration around central city areas. The concept of co-working space has started gaining traction in India with entrepreneurs, freelancers, start-ups, artists, small businesses as well as divisions of large corporations increasingly opting for it. Also, with real estate investment trusts (REITs) taking shape in India, developers have been aligning their portfolio in the commercial segment. The advent of REITs is expected to improve liquidity in the sector by providing developers with completed and rent-generating properties the opportunity to raise capital from investors. This, in turn, is expected to have a cascading effect, especially on Grade A commercial stock in the country.

- **Development of smart cities**

  In June 2015, the Ministry of Urban Development laid down operational guidelines for formulation, approval and execution of projects under the Smart Cities Mission. The purpose of the mission is to drive economic growth and improve the quality of life by enabling local area development and harnessing technology. Core infrastructure elements in a smart city would include adequate water supply, assured electricity, sanitation, efficient public transport, affordable housing, robust IT connectivity and digitalisation, etc. The mission will cover 100 cities (distributed among states and UTs) over fiscals 2016 to 2020. This mission is expected to act as a growth driver for the HVAC industry owing to increase in supply of housing units, commercial spaces, etc. in cities.

- **Investments in airport infrastructure to gather speed from Fiscal 2019**

  Airport investments are a positive for construction players, as around 60% of the funds are channelised into the construction activity. CRISIL Research projects sizeable investments in airport infrastructure to pick up from Fiscal 2019, with focus on greenfield airport projects at Navi Mumbai and Goa.

- **Metro rail projects to be implemented rapidly**

  CRISIL Research estimates that construction spends on metros in India will increase 1.9 times to approximately ₹ 1.1 trillion over the next five years, making it the second-largest contributor to urban infrastructure investments. In Union Budget 2017-18, allocation to metro rail projects rose by 80% over budget estimates for Fiscal 2017. The revised estimates for Fiscal 2017 were 57% higher than the budget estimates. Also, a new metro rail policy was announced in the budget, targeted at developing private interest in the segment. We believe majority of the total investment in the MRTS between fiscals 2019 and 2023 will be in the following key projects: Delhi Metro Rail Project Phase III and IV, Colaba-Bandra-Seepz Project, Dahisar-Charkop-Bandra-Mankhurd Metro, Chennai Metro Phase II, Nagpur Metro and Pune Metro.

2. Construction investments in industrial segments to drive industrial cooling as well

Industrial investment between fiscals 2018 and 2022 is likely to remain flat at previous five-year levels, as a result of low capacity utilisation and low-to-moderate growth prospects in certain sectors. Key sectors such as metals, petrochemicals and cement, have substantial capacity overhang and are likely to witness a decline in investment in the medium term. However, oil and gas, which continues to dominate industrial construction expenditure, will buck the trend. Investment in the automobile sector is expected to increase ~1.3 times in the next five years from the previous five-year level. Strong domestic demand, an impetus to exports on account of improving global conditions, and standardisation on account of adopting BS-VI standards, will drive demand for cars and utility vehicles segments. Going forward, a slight increase in investments is expected in segments such as automobiles and oil & gas. However, a simultaneous fall in investments in other sectors such as metals, textiles and petrochemicals is expected to keep aggregate construction investments in the industrial segment flattish at ₹ 1.9 trillion. Growth in construction investments shall also boost vapour absorption chilling demand in India.

Construction spends across sectors

Sector	Construction spends in Fiscal 2014- Fiscal 2018	Construction spends expected in Fiscal 2019-Fiscal 2023	Increase/decrease (times)
Automobiles	234.0	361.2	1.5
Metals	393.9	251.4	0.6
Textiles	58.6	35.2	0.6
Paper	63.2	73.6	1.2
Fertilisers	33.0	21.8	0.7
Petrochemicals	101.0	64.0	0.6
Oil & Gas	872.5	1040.9	1.2
Cement	151.6	165.7	1.1

Source: CRISIL Research

3. Higher affordability led by increasing disposable income

The per capita NNI for Fiscal 2018 is estimated to be ₹ 112,764, showing a rise of 8.6%, compared with ₹ 103,870 for Fiscal 2017. The buoyant trend in India's per capita income growth (taken as an indicator of disposable income), is expected to continue at a healthy rate. A higher disposable income would aid increase in domestic consumption demand, thus acting as an important demand driver for the Indian HVAC industry.

4. Room air conditioner (RAC) penetration to rise to ~17-18% by Fiscal 2021

RAC penetration in India stood at 12-13% in Fiscal 2018. Sales drivers in the past 3 years were: falling product prices, improving affordability, rising household incomes, growing real estate sector, low interest rates, salary hikes from the Seventh Pay Commission recommendations, etc. CRISIL Research expects RAC penetration in the urban markets to rise to ~35-40% and in rural areas to ~6-7% by Fiscal 2021, as compared with ~27% and

~4%, respectively, in Fiscal 2017. CRISIL Research believes that demand will continue to be driven by urban (tier 1, 2, and 3 cities), as consumers in rural areas will be reluctant to buy RACs.

5. Government initiatives towards electrification

The government has introduced various schemes with specific objectives targeted at different sections of the country. Initiatives such as Saubhagya and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) could spur growth for household electrical products as well as for rural infrastructure. Thus, a strong growth potential exists in rural areas, which would be achieved under the DDUGJY between fiscals 2018 and 2022.

6. Extreme summers to drive the AC segment

Summers in India are getting hotter by the year, with temperatures scorching at 45-50 degrees Celsius, mainly in the western parts of the country. Other regions have also witnessed temperatures higher than their historical figures. The main application of the HVAC segment is comfort to users. In the industrial segment, the HVAC system is used for temperature control in manufacturing, for e.g. the pharmaceutical industries. As the HVAC industry has application in both industrial and household segments, rising summer temperatures act as a key growth driver for the industry.

Challenges for the HVAC industry

1. High operating cost of power

The operating cost of HVAC systems mainly includes cost of power. Challenges faced by RACs are also the same; power cost (power bill) over the life of the AC is huge against the upfront AC unit cost.

2. Availability of skilled manpower

Availability of skilled manpower is another challenge. A sizable gap exists between the skills acquired from the college campus and the requirement of the industry. Hence, players instil cost to impart to match up to their requirements which ultimately shoots up cost of manpower to the company. The Institute of Excellence within the Indian Society of Heating, Refrigerating and Air Conditioning Engineers takes on the role of imparting knowledge and skills to practising engineers and new entrants (such as fresh graduates) in the HVAC & refrigeration industry. This helps assure those employing the services of these professionals that they are dealing with persons of verified capability.

Key government regulations impacting the chemicals industry in India

Institutional framework

The Government of India has taken many measures to improve competitiveness of the chemicals sector. For instance, it released a draft national chemical policy, aimed at increasing the share of chemicals sector in the country's GDP. Industrial licensing has been done away with in most sectors, except for a small list of hazardous chemicals. Approval has been granted for FDI of up to 100% in the sector. The government is also continuously reducing the list of reserved chemical items for production in the small-scale sector, thereby assisting greater investments in technology upgradation and modernisation. Policies have been initiated to set up integrated PCPIR. The government's Make in India initiative is also expected to facilitate common infrastructure.

Implementation of the GST is also expected to aid the industry. The chemical industry catering to the export market, especially the European markets, is governed by strict regulations such as REACH, restriction of hazardous substances directives, and classification, labelling, and packaging (CLP) regulations, benefiting larger players, but affecting smaller ones, as the latter have to incur additional costs for testing and registration.

Under Ministry of Chemicals and Fertilizers, the Department of Chemicals and Petrochemicals aims to formulate and implement policies and programmes for achieving growth and development of the chemicals and the petrochemicals sectors in the country. It also aims to foster the spirit of public private partnership for overall development of the above mentioned sectors.

CPCB serves as a field formation and also provides technical services to the Ministry of Environment and Forests to comply with the provisions of Environment (Protection) Act, 1986. Principal functions of the CPCB, as spelt out in the Water (Prevention and Control of Pollution) Act, 1974, and the Air (Prevention and Control of Pollution) Act, 1981 are: (i) to promote cleanliness of streams and wells in different areas of the states by prevention, control, and abatement of water pollution, and (ii) to improve the quality of air and to prevent, control, or lessen air pollution in the country.

Each state also has its own pollution control board, which has powers to implement various pollution control policies at the state level. State level ministries and authorities are responsible for infrastructure clearance of any chemical manufacturing unit within the state through a single window clearance. If the clearance is not provided within 3 months of application, the issue will be raised to a central level committee, which will review the matter.

Key regulations and policies

FDI regulations

The government allows 100% FDI in the chemicals sector. Between April 2000 and March 2018, cumulative FDI inflows in the chemicals industry (other than fertilisers) stood at ₹ 774 billion.

Make in India

The 'Make in India' initiative was launched in September 2014, devised to transform India into a global design and manufacturing hub. The government identified 25 key sectors, including chemicals, considering the likelihood of receiving FDI.

Some chemicals such as wax candles, safety matches, and incense sticks have been reserved for the MSME sector, where the government has allowed FDI of over 24% via the government route. However, the list of chemicals restricted to the MSME sector has been shrinking.

Setting up of the PCPIR has been taken up with the purpose of establishing manufacturing plants for domestic and export-led production, along with associated services and infrastructure.

Petroleum, chemicals and petrochemicals industry in India

The PCPIRs were introduced in 2007 in order to set up manufacturing hubs that would service the domestic as well as the export markets. It would be a delineated region of about 250 sq. km, which would also house associated services and infrastructure. It would be a combination of production units, public utilities, logistics, environment protection mechanisms, residential areas, as well as administrative services.

The entire region would be distributed into two broad areas: processing and non-processing. The processing areas would house the manufacturing plants along with the associated utilities and services, whereas the non-processing areas would house the residential, commercial and other social structures.

The fundamental responsibility of identifying a location, preparing the proposals, and seeking approvals for the same would lie with the state government. The central government will be tasked with providing external infrastructure facilities such as road and rail connectivity to the region.

So far, the Centre has approved four PCPIRs: Gujarat (Dahej), Andhra Pradesh (Vishakhapatnam), Tamil Nadu (Cuddalore and Nagapattinam), and Odisha (Paradeep). The total proposed investments in the four regions is approximately ₹ 9 trillion, of which investments worth approximately ₹ 1.8 trillion have either been made or committed as of March 2017.

Environmental regulations

The chemical sector manufacturers in India have to abide by the rules and regulations laid out by the Ministry of Environment, Forest, and Climate Change under the purview of CPCB. Individual states also have their own pollution control boards, which implement various environmental legislations. Environmental regulations which chemical manufacturers have to follow are:

- Environment (Protection) Act, 1986
- Water (Prevention and Control of Pollution) Act, 1974
- Air (Prevention and Control of Pollution) Act, 1981
- Hazardous Waste (Management & Handling) Rules, 2000
- Ozone Depleting Substances (Regulations and Control) Rules, 2000

Besides, there are rules spelt out by various state pollution control boards, relating to solid waste management.

Impact of GST

The GST is an indirect tax, which came into effect in India from July 1, 2017. It replaced a plethora of multiple indirect taxes with a single tax.

Inter-state purchases are significant for most of the large chemical manufacturing clusters, i.e. Mumbai, Ahmedabad, Hyderabad, and Chennai. With GST, raw material prices declined marginally. Also, since the proportion of inter-state product purchases is significant, and these purchases became smooth and less costly, the final purchase prices declined, boosting demand. However, the cost of GST on entities having a turnover of less than ₹ 100 million has been more pronounced, on account of increased compliance expenses.

Peer profile

Aarti Industries Limited (Aarti Industries)

Aarti Industries is an Indian manufacturer of Specialty Chemicals and Pharmaceuticals incorporated in the year 1984. Chemicals manufactured by Aarti are used in the downstream manufacture of pharmaceuticals, agrochemicals, polymers, additives, surfactants, pigments, dyes, etc. The company has 17 manufacturing units, mostly located in close proximity to the ports of western India. Aarti Industries' head office is located in Mumbai. The company is partnered with over 150 global customers among industries such as agrochem, pharmaceuticals, polymers, home & personal care products, pigments, etc. They operate through 3 segments – specialty chemicals, pharmaceuticals and home & personal care (H&PC). The company has a wide range of customer base globally as it has footprint in North America, Europe, China & Japan. In June 2017, the company signed ₹ 40 billion multi-year deal with a Global Agriculture Company for supply of a high value agrochemical intermediary, for use in herbicides, over a 10-year period. Also in December 2017, Aarti industries limited signed ₹ 100 billion multi-year, exclusive supply contract with a leading global chemical conglomerate over a 20-year period. The company plans to invest approximately ₹ 750 million in setting up the 4th R&D & scale-up unit at Navi Mumbai and has 12 new APIs under development. It has also set up its Greenfield ethylation unit in Fiscal 2017 by adopting Swiss technology at the Dahej SEZ, marking an entry into ethylene-based chemistry, entailing an investment of around ₹ 1,100 million.

Aarti Industries Ltd	
Year of incorporation	1984
Key regions served	North America, Europe, China and Japan
Key segments	Benzene derivatives
Plant locations	Valsad, Bharuch, Kutch in Gujarat; Tarapur and Dombivali in Maharashtra; Silvassa; Dhar in Madhya Pradesh
Installed capacity	NA
Revenue contribution (Fiscal 2017)	Manufacturing of chemical products: ~50-55% Exports: ~40-45%

NA: Not available

Consolidated financials

(₹ million)	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Operating income	29,082	30,098	31,637	38,064
Revenue growth (%, on-year)	10%	3%	5%	20%
OPBDIT	4,665	5,770	6,549	7,011
Operating profit margin	16%	19%	21%	18%
PAT	2,075	2,681	3,275	3,462
Net profit margin	7%	9%	10%	9%

Note: OPBDIT – Operating profit before depreciation, interest, and taxes; PAT – Profit after tax
Source: Company annual report, CRISIL Research

Atul Limited

Incorporated in 1947, Atul Limited manufactures about 900 products which serve diverse industries like agriculture, composite, construction, cosmetics, electrical and electronics, fragrance, home and personal care, paints and coatings, paper, textile, etc. Key products manufactured by the company are epoxy resins and hardeners, herbicides and textile dyes. Their production plants are located in Ankleshwar and Kharod in Bharuch district in Gujarat; Atul in Valsad district, Gujarat and Tarapur in Palghar district of Maharashtra. The company owns around

114 retail brands. Atul Limited has business across India as well as 6 international locations carried through subsidiary companies.

Atul Limited	
Year of incorporation	1947
Key regions served	Europe, China, Middle east, Brasil, USA,
Key segments	Epoxy resins and hardeners, herbicides and textile dyes
Plant locations	Ankleshwar and Kharod in Bharuch district, Atul in Valsad district, Gujarat; Tarapur in Palghar district of Maharashtra
Installed capacity	NA
Revenue contribution (Fiscal 2017)	Sale of products: ~98%

NA: Not available

Consolidated financials

(₹ million)	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Operating income	26,596	26,090	28,359	33,046
Revenue growth (%, on-year)	8%	-2%	9%	17%
OPBDIT	4,044	4,829	5,134	5,158
Operating profit margin	15%	19%	18%	16%
PAT	2,316	2,743	3,234	2,812
Net profit margin	9%	11%	11%	9%

Note: OPBDIT – Operating profit before depreciation, interest, and taxes; PAT – Profit after tax
Source: Company annual report, CRISIL Research

Mody Chemi Pharma Pvt. Ltd

Incorporated in 2002, Mody Chemi Pharma Pvt. Ltd is involved in the manufacture and export of a wide range of bromine and brominated compounds. The company's manufacturing plant is located in Taloja, Raigad district, Maharashtra. Some of the key products offered by the company are: catalysts, lithium salts, inorganic bromo compounds, hydantoin, bromide salts, aliphatic and acid bromides, bromates, dibromo alkane, and organic bromo compounds. They supply their products to different industry sectors such as bulk drugs and intermediates, aromatics and perfumery, pesticides, dyes and dyes intermediates, paints and plastics, acrylic sheets and acrylic resins, and fine chemicals.

The company is certified with ISO 9001:2008. It caters to both domestic as well as international markets, with key markets being Eastern Europe, Africa, Oceania, Middle East, and Eastern Asia.

Mody Chemi Pharma Pvt Ltd	
Year of incorporation	2002
Key regions served	Eastern Europe, Africa, Oceania, Middle East, Eastern Asia
Key segments	Bromine and brominated compounds
Plant locations	Taloja, Raigad district, Maharashtra
Installed capacity	NA
Revenue contribution (Fiscal 2017)	NA

NA: Not available

Their product portfolio includes 2,2 azobisIsobutyronitrile, 1,3- dibromo- 5,5 - dinethylhydantoin, 1.3- dichloro- 5.5- dimethylhydantoin, diphenylacetonitrile, zinc bromide, lithium bromide, n-bromo succinimide, cuprous bromide and its salts.

Consolidated financials

(₹ million)	Fiscal 2015	Fiscal 2016	Fiscal 2017
Operating income	250.30	277.65	288.49
Revenue growth (%, on-year)	-	11%	4%
OPBDIT	14.95	15.87	24.63

Operating profit margin	6%	6%	9%
PAT	3.95	4.36	10.12
Net profit margin	2%	2%	4%

Note: OPBDIT – Operating profit before depreciation, interest, and taxes; PAT – Profit after tax
Source: Company annual report, CRISIL Research

Navin Flourine International Limited (NFIL)

Established in 1967, NFIL is into manufacturing of specialty fluorochemicals. NFIL's specialty chemicals business is engaged in manufacturing niche fluorine-based molecules for downstream use in the pharmaceuticals, agrochemicals and chemicals industries. NFIL's inorganic portfolio caters to several key sectors such as steel, glass, oil & gas, abrasives, electronic products, pharmaceutical drugs and agrochemical intermediates among others. The company is part of Padmanabh Mafatlal Group. The company's manufacturing locations are situated at Surat and Dahej in western India and Dewas in central India. The company's facility at Surat specializes in manufacture of refrigerants, various organic and inorganic fluorides. Some of the key products produced at Surat include anhydrous hydrofluoric acid (AHF), R-22 and boron trifluoride with its adducts. During the current year, the Company approved a capital expenditure of ₹ 1,150 million towards creating additional CRAMS (contract research and manufacturing services) capacity and associated infrastructure. The new capacity is expected to come on stream by June 2019.

Navin Flourine International Limited	
Year of incorporation	1967
Key regions served	North America, Europe, Middle-east and Asia Pacific regions
Key segments	Specialty fluorochemicals, inorganic flourides, refrigerant gases and contract research and manufacturing services
Plant locations	Surat, Dahej and Dewas
Installed capacity	NA
Revenue contribution (Fiscal 2017)	Domestic: 45% Exports: 46%

NA: Not available

Consolidated financials

(₹ million)	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Operating income	5,911	6,799	7,422	9,172
Revenue growth (%, on-year)	21%	15%	9%	24%
OPBDIT	725	1,189	1,609	2,233
Operating profit margin	12%	17%	22%	24%
PAT	566	835	1,366	1,798
Net profit margin	10%	12%	18%	20%

Note: OPBDIT – Operating profit before depreciation, interest, and taxes; PAT – Profit after tax
Source: Company annual report, CRISIL Research

Neogen Chemicals Limited

Neogen Chemicals Limited was founded in 1991 and is one of the leading players in the manufacturing of specialty bromine and lithium compounds in India. The company is one of the oldest manufacturers of bromine derivatives and lithium compounds in India. The company is engaged in the manufacture of specialty bromine compounds, lithium compounds, Grignard reagents and advance intermediates. The company has also initiated custom and contract manufacturing activities. These products are used as intermediates in various applications such as pharmaceuticals, agrochemicals, aroma chemicals, specialty polymer manufacturing, electronic chemicals, construction chemicals, and industrial cooling and refrigeration. The company has a well-equipped R&D facility which includes 4-5 pilot plant glass assemblies. Apart from catering to the domestic market, the company has, so far, exported to 27 countries in the world including USA, UK, France, Germany, Spain, Italy, Japan, Mexico, Canada, South Korea, Netherlands, Belgium, Switzerland, Sweden, Denmark, Greece, Poland, Czech Republic, UAE, Saudi Arabia, Israel, Egypt, Taiwan, Australia, Ireland, and China. Among these, Europe (UK, Spain, France, Germany and Italy), USA, and Japan remain the largest markets outside of India. The company is certified with ISO 9001:2015, ISO 14001:2015 & BS OHSAS 18001:2007 by Bureau Veritas Certification Holding SAS-UK branch for research, development, manufacturing and marketing of brominated specialty chemicals.

Neogen Chemicals Limited	
Year of incorporation	1991
Key regions served	India Exports: Europe, America, Asia and Australia
Key segments	Bromine and lithium compounds
Plant locations	TTC Industrial Area in Navi Mumbai, Karakhadi, Vadodara
Installed capacity	1,30,400 liters of reactor capacity for organic products and 12,00,000 Kg/annum for inorganic products
Revenue contribution (as of Fiscal 2017)	Manufacturing of chemical products – 100%

The company currently has two active manufacturing sites; one in Mahape, Navi Mumbai admeasuring 2,000 sq. mtrs. leased by Maharashtra Industrial Development Corporation (MIDC) and the other at Karakhadi, Vadodara admeasuring 160,000 sq. mtrs., which is freehold land. The company has also invested in a 50,000 sq. mtrs. plot in Dahej SEZ, leased from Dahej SEZ Ltd, on which it plans further investment in machinery to set up in first phase capacity to produce Lithium Inorganic Chemicals of about 12,00,000 MT per annum. The same is expected to be operational by Fiscal 2020. The company is planning to invest an additional 126,000 lit glass lined reactor capacity in Vadodara, which is expected to be operational by Fiscal 2020.

Neogen's current and planned manufacturing units

Manufacturing plant	Type of manufacturing	Unit of capacity	Capacity/annum
Mahape	Organic Compounds	Litres of Glass lined reactors	45,000
Karakhadi, Vadodara	Organic Compounds	Litres of Glass lined reactors	85,400
Mahape	Inorganic Compounds	Kg/annum	1,200,000
Dahej SEZ	Under planning stage	Kg/annum	1,200,000
Vadodara	Under planning stage	Litres of Glass lined reactors	126,000

Note: Organic compounds capacity is measured as total available reactor volumes (1 m3 = 1000 lit), as being a multi-product capacity, and large difference in processing times between products, the exact output quantity will depend on the product mix in a given year.
Source: Company

Consolidated financials

(₹ million)	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Operating income	846.08	1008.25	1106.77	1629.41
Revenue growth (%, on-year)		19%	10%	47%
OPBDIT	133.39	149.78	192.17	292.50
Operating profit margin	16%	15%	17%	18%
PAT	49.61	56.52	80.32	122.22
Net profit margin	6%	6%	7%	8%

Source: Company annual report, CRISIL Research

Pacific Organics Pvt. Ltd.

Pacific Organics Pvt. Ltd. was established in 1995 at Badlapur, Thane district, Maharashtra, to manufacture bromine and brominated compounds, with an installed capacity of up to 120 tonne/month. Later, in 2008, the company set up another plant at Ambernath MIDC near Thane District, spread over 7,025 sq. mtrs., to manufacture brominated and lithium compounds, phase transfer catalysts, and intermediates. Its product range includes: phase transfer catalysts, intermediates, lithium compounds, specialty chemicals, and brominated compounds. The company is ISO 9001:2008 certified.

Pacific Organics Pvt. Ltd.	
Year of incorporation	1995
Key regions served	N.A
Key segments	Brominated compounds, lithium compounds, phase transfer catalysts, intermediates, specialty chemicals
Plant locations	Badlapur, Thane district Ambernath, Thane district
Installed capacity	120 tonne/month - Badlapur plant

Revenue contribution (as of Fiscal 2017)	Manufacturing of chemical products – 100%

N.A: Not applicable

Consolidated financials

(₹ million)	Fiscal 2015	Fiscal 2016	Fiscal 2017
Market Size	2013	2014	2015
North America	7,804	8,090	8,396
Europe	7,675	7,947	8,238
Asia	4,129	4,280	4,442
South America	752	777	804
Other Regions	1,625	1,677	1,732

Source: Company annual report, CRISIL Research

Paushak Limited

Paushak Limited is engaged in the manufacturing of phosgene based specialty intermediates. The company manufactures organic intermediates like Isocyanates, Chloroformates, Carbonyl Chlorides, Acid Chlorides, Carbonates and Carbamates. The company's manufacturing plant is located in Panelav in Panchmahal district of Gujarat.

Paushak Limited	
Year of incorporation	1972
Key regions served	NA
Key segments	Isocyanates, Chloroformates, Carbonyl Chlorides, Acid Chlorides, Carbonates and Carbamates
Plant locations	PO Tajpura, Panelav, Tal. Halol, Dist. Panchmahal, Gujarat.
Installed capacity	NA
Revenue contribution (Fiscal 2017)	NA

NA: Not available

Consolidated financials

(₹ million)	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Operating income	689	779	669	1,035
Revenue growth (%, on-year)	22%	13%	-14%	55%
OPBDIT	175	168	125	295
Operating profit margin	25%	22%	19%	29%
PAT	129	124	109	215
Net profit margin	19%	16%	16%	21%

Note: OPBDIT – Operating profit before depreciation, interest, and taxes; PAT – Profit after tax
Source: Company annual report, CRISIL Research

Vinati Organics Limited

Vinati Organics Pvt Ltd was established in 1989 in Maharashtra, to manufacture organic & inorganic chemical compounds. The company is a specialty chemical company, focusing on manufacturing specialty chemicals and organic intermediaries. The company's products cater to industries such as water treatment, emulsions and paints, construction, pharmaceutical, agrochemical, mining, paper, leather, oil drilling and personal care. The company is undertaking capital expenditure of around ₹ 3,000 million towards Butyl Phenols Project (Isobutylene Based Downstream Products).

Vinati Organics Limited	
Year of incorporation	1989
Key regions served	US, Europe and Asia
Key segments	Organic and inorganic compounds; Isobutyl Benzene (IBB) and 2-Acrylamido 2 Methylpropane Sulfonic Acid (ATBS)
Plant locations	Mahad and Lote in Maharashtra

Installed capacity	26,000 TPA
Revenue contribution (as of Fiscal 2017)	Manufacturing of organic and inorganic chemical compounds – 100%

N.A: Not available

Consolidated financials

(₹ million)	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Operating income	7,692	6,250	6,621	7,466
Revenue growth (%, on-year)	10%	-19%	6%	16%
OPBDIT	1,950	2,073	2,194	2,237
Operating profit margin	25%	33%	33%	30%
PAT	1,152	1,316	1,393	1,439
Net profit margin	15%	21%	21%	19%

Source: Company annual report, CRISIL Research

OUR BUSINESS

In this Section, unless otherwise specified, all financial information has been incorporated from our Restated Consolidated Financial Statements. The information pertaining to the industry in which our Company operates has been sourced from the CRISIL Report which was commissioned by our Company.

Overview

We are one of India's leading manufacturers of bromine-based, and lithium-based, specialty chemicals. Specialty chemicals are those chemicals that impart different properties to a variety of products (i.e. the effect that specialty chemicals have varies based on the product) and have a high degree of value addition. Specialty chemicals are, also generally, in the Indian context, manufactured in smaller volumes when compared to non-specialty chemicals. Specialty chemicals, including bromine and lithium-based compounds, comprise pharmaceutical intermediates, agrochemical intermediates, engineering fluids, electronic chemicals, polymers additives, water treatment chemicals, construction chemicals and flavours and fragrances.

Specialty chemicals are widely used for specialised applications to meet industry-specific requirements and can be classified based on application industries. Additionally, certain specialty chemicals find application in multiple industries.

We manufacture specialty organic bromine-based chemical compounds (**Bromine Compounds**) and other specialty organic chemical compounds as well as specialty inorganic lithium-based chemicals compounds (**Lithium Compounds** and together with the Bromine Compounds the **Products**). We commenced our business operations in 1991, at our Mahape, Navi Mumbai manufacturing facility with a few Bromine Compounds and Lithium Compounds. Over the years we have expanded our range of products and, presently, manufacture an extensive range of specialty chemicals which find application across various industries in India and globally. As on February 28, 2019, we have manufactured an aggregate of 198 products comprising 181 organic chemicals and 17 inorganic chemicals.

Our specialty chemicals product offerings comprise:

1. **Organic chemicals** – these are chemicals containing carbon in combination with hydrogen, and, or, other elements with a covalent bond (i.e. a chemical bond between atoms sharing at least one pair of electrons between them). Our product offering in this segment comprises Bromine Compounds and other organic compounds containing chlorine, fluorine and iodine-based and combinations thereof. In addition, we also manufacture niche products such as Grignard reagents. Our specialty organic chemical compounds find use in application industries such as pharmaceutical, agrochemical, flavor and fragrance and electronic-chemical. We market and sell our Products in India and export our Products primarily to Europe, USA and Japan.

2. **Inorganic chemicals** – these are chemicals with an ionic bond (i.e. a chemical bond between a non-metal and a metal ion involving transfer of electron from one element to another, creating positively and negatively charged ions which together form the compound). Our product offering in this segment primarily comprises Lithium Compounds. The Lithium Compounds manufactured by us are used in eco-friendly Vapor Absorption Machines (**VAM**) for cooling air/water/process equipment and find application in industries such as heating ventilation and air-conditioning (**HVAC**) and refrigeration, construction chemicals, pharmaceutical and specialty polymer. We market and sell the Lithium Compounds in India and export our Products, in particular, to the USA, Europe and Japan.

In addition to manufacturing our standard products, we also undertake custom synthesis and contract manufacturing. In custom synthesis the product is developed and customized primarily for a specific customer, but process know-how and technical specifications are developed in-house by us. Further, we have, more recently, also commenced contract manufacturing where, the product is developed under confidentiality for a single customer using the process know-how and the technical specifications provided by the customer. Contract manufacturing has enabled us to increase our bouquet of product offering. We differentiate ourselves in the contract manufacturing space by additionally offering process innovation, which, generally, reduces the overall operating costs for our customers.

We operate out of our manufacturing facilities located in Mahape, Navi Mumbai in Maharashtra (**Mahape Facility**) and Karakhadi, Vadodara in Gujarat (**Vadodara Facility**). Our corporate office is located in Thane, Maharashtra. We are, presently, developing a green-field manufacturing unit in Dahej SEZ, in Gujarat (**Proposed**

Dahej Facility) and are also proposing to expand our operations in Karakhadi, Vadodara (**Proposed Vadodara Facility**). Our manufacturing facilities in aggregate are spread across approximately 40 acres with an additional 12 acres of leased property in Dahej SEZ. Our manufacturing units at Vadodara and Mahape also contain our research and development (**R&D**) units comprising a dedicated 20 member in-house team.

Our aggregate manufacturing capacity, and a break-up of our capacity, across our manufacturing units is set out below:

3. Aggregate manufacturing capacity of organic chemicals – approximately 1,30,400 litres (reactor volume); and

4. Aggregate manufacturing capacity of inorganic chemicals – 1,200,000 Kg. per annum of products.

Manufacturing Plant	Product	Unit of Capacity Measurement	Capacity
Mahape, Navi Mumbai*	Organic chemicals	Reactor volume in litres	45,000
Karakhadi, Vadodara**	Organic chemicals	Reactor volume in litres	85,400
Mahape, Navi Mumbai*	Inorganic chemicals	Kg. production per annum	1,200,000

** As per certificate dated September 4, 2018 issued by M/s Anukul Associates, Consultants and Engineers.*

*** As per certificate dated September 19, 2018 issued by Mukund M. Patki, Chartered Chemical Engineer.*

Our capacity utilization at each of our manufacturing units for the immediately preceding 3 Fiscals is set out below.

Facility	Nature of the product	Unit for capacity measurement	Capacity utilisation (%)			
			9 month period ended December 31, 2018	Fiscal 2018	Fiscal 2017	Fiscal 2016
Mahape	Organic chemicals	Reactor volume in Litres	85.10	78.66	79.64	94.01
Vadodara	Organic chemicals	Reactor volume in Litres	67.51	56.01	28.85	-
Mahape	Inorganic chemicals	Kg. production per annum	74.10	93.85	91.19	81.39

As on February 28, 2019, we employed 152 full time, 45 fixed term contract employees (generally a 5-year contract) and 4 retainers.

Our restated total income on standalone basis for 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, was ₹ 1,598.81 million, ₹1,648.17 million, ₹1,218.79 million and ₹1,090.46 million, respectively. Our restated profit for the year on a standalone basis for 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, was ₹122.88 million, ₹106.00 million, ₹77.49 million and ₹51.80 million, respectively. Our restated total income and restated profit for the year on a standalone basis, grew at a CAGR of 19.66% and 30.61%, respectively, between the Fiscals 2014 and 2018.

Our restated total income on consolidated basis for 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, was ₹ 1,596.87 million, ₹1,646.75 million, ₹1,217.75 million and ₹1,090.46 million, respectively. Our restated profit for the year on a consolidated basis for the 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, was ₹122.21 million, ₹104.97 million, ₹76.83 million and ₹51.80 million, respectively. Our restated total income and restated profit for the year on a consolidated basis, grew at a CAGR of 19.69% and 30.29%, respectively, between the Fiscals 2014 and 2018.

Competitive Strengths

Set out below are our primary competitive strengths.

Experienced promoters with domain knowledge

Our promoters, Haridas Thakarshi Kanani and Harin Haridas Kanani, have a cumulative experience of more than 6 decades. Both are chemical engineers and alumni of the Indian Institute of Technology, Bombay. Harin Haridas Kanani also completed his Ph.D. in chemical engineering from the University of Maryland, College Park, USA.

Haridas Thakarshi Kanani has over the years worked as a consultant with chemical manufacturing companies in India before setting up our Company in 1989. Prior to joining our Company, Harin Haridas Kanani worked with Asian Paints Limited. He also worked with a research company viz., Pioneer Hi-Bred International – DuPont Company, USA. He initially worked for our Company between 2000-2002 before leaving for his post-graduation and Doctorate studies. He re-joined our Company in 2008 and has been instrumental in raising the profile of our Company. He focusses on business development, marketing, purchase and quality control.

Large and diverse array of products

We set up our Company in 1989 and started operations in 1991 manufacturing 4 products viz., lithium bromide, n-propyl bromide, potassium bromide and meta-phenoxy benzaldehyde. As of February 28, 2019, we have manufactured an aggregate of 198 Products comprising 181 organic chemicals and 17 inorganic chemicals. Of these, our Product bouquet comprises:

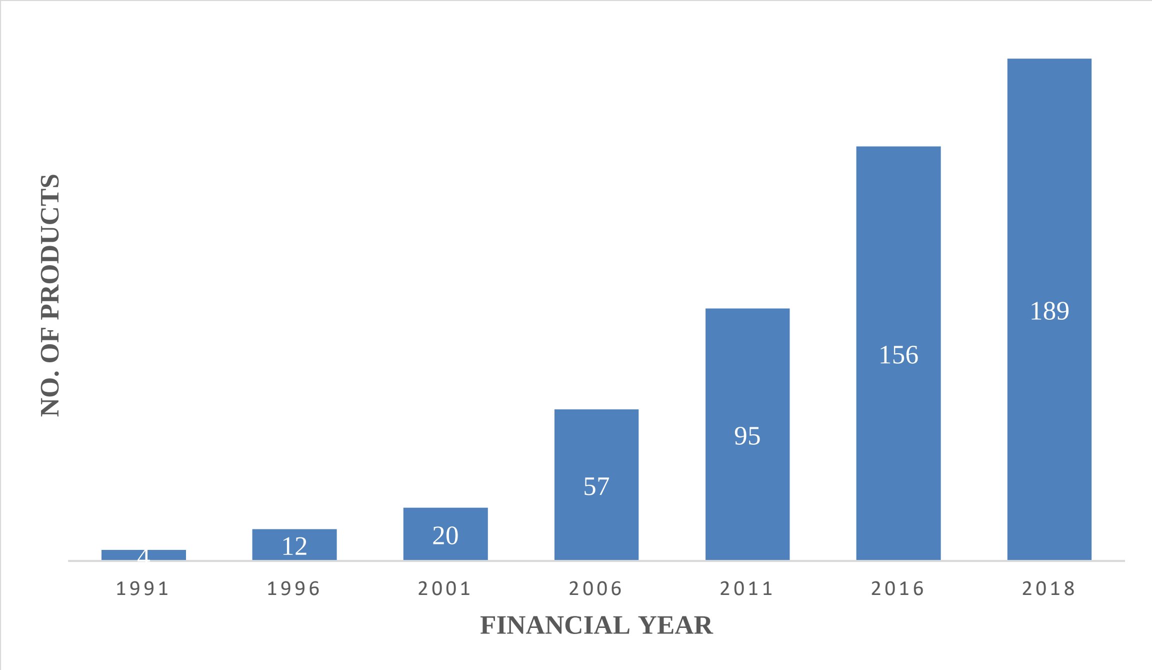
- 131 Bromine Compounds;
- 10 Lithium Compounds;
- 32 non-bromine specialty chemical compounds comprising 25 organic specialty chemical compounds; and
- 25 types of Grignard reagents.

Set out below is break-up of our Revenue from Operations from the sale of organic and inorganic chemicals for the 9 month period ended December 31, 2018, Fiscals 2018, 2017 and 2016 and, on consolidated basis:

(₹ in million)

Particulars	9 month period ended December 31, 2018		Fiscal 2018		Fiscal 2017		Fiscal 2016	
	Revenue from Operations	**%**	**Revenue from Operations**	**%**	**Revenue from Operation**	**%**	**Revenue from Operations**	**%**
Organic chemicals	1,259.35	78.65	1,056.23	64.82	634.20	57.30	732.18	72.62
Inorganic chemicals	341.86	21.35	573.18	35.18	472.57	42.70	276.07	27.38
Total	**1,601.21**	**100.00**	**1,629.41**	**100.00**	**1,106.77**	**100.00**	**1,008.25**	**100.00**

Set out below is a graphic representation of the growth in our Product portfolio since inception.



A large product base such as ours allows us to cater to the very niche requirements of customers from diverse industries and geographic locations. Our broad-based and diverse Product bouquet enables us to cater to disparate needs of customers thereby increasing our viability of becoming a preferred supplier.
In addition, the vast array of Products demonstrates technical quality as well as our ability to innovate and instils in our customers the confidence of entrusting us with the manufacture of newer products that we may not have manufactured thus far.

Diversified and stable customer base

Further, our diversified Product range enables us to cater to diverse customers across a wide array of user industries such as pharmaceutical, agrochemical, aroma chemical, electronic-chemical, construction chemicals, specialty polymer and VAM original equipment manufacturers. This helps us to mitigate risks emanating from customer, industry and geographic concentration.

The table below sets out our top 10 customers by percentage revenue for the 9 month period ended December 31, 2018 and the immediately preceding 3 Fiscals, on a consolidated basis.

Sr. No.	9 month period ended December 31, 2018	Fiscal 2018	Fiscal 2017	Fiscal 2016
1.	18.76%	8.44%	11.27%	14.18%
2.	12.24%	7.16%	5.97%	7.07%
3.	7.44%	6.66%	5.96%	6.29%
4.	4.30%	4.49%	4.95%	5.75%
5.	3.89%	3.87%	4.77%	4.66%
6.	3.61%	3.43%	4.63%	3.25%
7.	3.30%	3.11%	4.37%	3.25%
8.	2.86%	2.65%	2.70%	3.16%
9.	2.26%	2.56%	2.63%	2.64%
10.	1.54%	2.09%	2.18%	2.56%
Revenue from Operations	**60.19%**	**44.45%**	**49.43%**	**52.81%**

In addition, our diversified customer base would enable us to benefit from the expected growth in application industries such as the Pharmaceuticals, including advanced pharmaceutical intermediates, pesticides and the HVAC industry. *[Source of expected industry growth: CRISIL Report.]*

Growth led by continuous investment in R&D

Our Promoters, who are also our Managing Directors, have inculcated the culture of innovation and instilled a firm belief that R&D is a key element of our growth and, will continue to remain so. In line with this thinking, our Company has over the years made regular investments in R&D to expand our bouquet of Product offerings and to streamline manufacturing process.

We have 2 R&D facilities, one each in our Vadodara and Mahape manufacturing units. We have a dedicated 20-member R&D team constituting around 10% of our total workforce. The team comprises 6 senior personnel (including 1 retainer) with doctorates in science (Ph. D.) from reputed institutions. Our Chairman and Managing Director Haridas Thakarshi Kanani leads the R&D initiatives.

Further, since the commencement of our dedicated R&D department in December 2001, our Product portfolio has grown from around 20 products in 2001 to 198 products at present (excluding the products developed under contract manufacturing). We believe that product and process innovations will be key factors going forward and our R&D continued investment in R&D will better prepare us take advantage of any future opportunities.

Management expertise

We believe that we have a strong management team led by persons with significant experience in the specialty chemicals industry. In addition to our Promoters, our Board comprises Directors who have extensive experience in the chemical industries sector. We also have a management team of qualified professionals, who have expertise and experience in our business. Further, since use of bromine requires a specialised skill set and experience, we need a highly skilled technical work force which we have succeeded in retaining over a long period of time. Our management team comprises of skilled and capable professionals who assist the Board in identifying new opportunities and in implementing our business strategies. For further details please refer to the chapter '*Our Management*' on page 181.

Specialised business model with high entry barriers

The specialty chemicals industry is highly knowledge intensive. Our Products are used for specialty applications in the pharmaceutical, agrochemical, aroma chemical, construction chemical, speciality polymer and electronic-chemical industries where they are used to manufacture high value proprietary and specialised products. Given the nature of the application of our Products, our processes and products are subject to, and measured against, exacting quality standards and stringent impurity specifications. Further, where our Products are used, and such use has been formally recognised in filings with regulatory agencies, any change in the vendor of the product may require significant time and cost for the customer. These factors create significant entry barriers. We believe that we have, over the years, built strong relationships of more than a decade with customers who recognise our technical capabilities and timely deliveries and associate our brand with good and consistent quality products.

Moreover, some of the chemicals that we use such as bromine, fluorine and lithium are highly corrosive and toxic chemicals. Therefore, handling these chemicals requires a high degree of technical skill and expertise, and operations involving such hazardous chemicals ought to be undertaken only by personnel who are qualified and proficient. We believe that the level of technical skill and expertise that is essential for handling such chemicals can only be achieved over a period of time creating further barrier for new entrants.

Established and stable relationship with suppliers

Our consistent track record of business growth over the years and repeated business from existing customers has enabled us to develop long standing relationships with our suppliers. We have relationships of over a decade with large producers of Bromine Source and Lithium Source. Based on our relationships with our suppliers we are able to enter into annual contracts thereby offering stability in pricing to our customers. Also, during times of shortages, we are ensured of continuous supplies at competitive rates and hence our productivity and commitment to customers is not affected even under such difficult situations. Further, due to large volume of annual contracts we are also able to negotiate attractive pricing as compared to our local competitors which gives us a competitive advantage.

Business Strategy

We believe that following business strategies will enable us to continue on our growth path.

Expanding our production capacities

We have over the years increased our production capacities through organic and inorganic growth. Set out below is a table depicting the growth of our installed capacity for the production of organic chemicals at our Mahape Facility.

Year	Glass lined reactor capacity (in Ltrs.)*
1991	1,600
1994	6,000
2000	20,000
2007	30,000
2012	45,000

** As per certificate dated September 4, 2018 issued by M/s Anukul Associates, Consultants and Engineers*.

We also broadened our product range by setting up facilities for the manufacture of inorganic chemicals at Mahape. Further, in Fiscal 2016, we acquired the Vadodara Facility for augmenting our organic chemicals manufacturing capability.

Presently, we propose to further increase our manufacturing capacity at our Vadodara facility by an additional 126,000 litres (reactor volume in litres) which will nearly double our organic chemicals manufacturing capacity from 130,400 litres to 256,400 litres. Further, our Vadodara Facility is spread over approximately 39 acres and on completion of the Proposed Vadodara Facility we will still have over 32 acres of freehold land which we can use for further growth and expansion.

In addition, we also propose to set up the Proposed Dahej Facility, a green-field manufacturing facility for manufacturing inorganic chemical products. When completed the Proposed Dahej Facility will increase our inorganic chemicals manufacturing capacity by 1,200,000 kg per annum, which will double our total inorganic specialty chemical manufacturing capacity. The Proposed Dahej Facility is expected to cater to the anticipated increase in demand for Lithium Compounds. We expect that we will still have approximately 9 acres available for further expansion.

We believe that the Proposed Vadodara Facility and the Proposed Dahej facility will enable us to significantly increase our product offering and we also expect to benefit from the economies of scale.

Increasing our contract manufacturing portfolio

We believe that the contract manufacturing business will enable us to enter into long term contracts with assured margins and product off-take which will help us strengthen our repeat business as year on year repeatability is confirmed by these customers. At present, our Company has entered into contract manufacturing arrangements with a few international companies, engaged in the pharmaceutical, agrochemical, aroma and speciality polymer industries and we have already delivered products under some of these arrangements. During the 9 month period ended December 31, 2018, and during Fiscal 2018, Fiscal 2017 and Fiscal 2016, our revenue from contract manufacturing operations on a consolidated basis, was ₹ 150.63 million, ₹38.97 million, ₹24.16 million and ₹1.77 million, respectively.

We aim to increase the size and scale of our contract manufacturing business over the next few years. We are in discussions with various companies in Europe and Japan to develop their proprietary products for which we have already executed non-disclosure and secrecy agreements. Further, we also propose to increase our focus on our custom synthesis business by augmenting the share of our business with innovator companies.

Augmenting growth in domestic and global markets

Presently, our revenue from domestic and export business is almost 50% each, (including 16% deemed exports, where we supply our Product to customers who will eventually export their end product). In India, over the last 3 immediately preceding fiscal years, the pharmaceutical, agrochemical, refrigeration and specialty polymer, industries have, generally, contributed in excess of 90% of our Revenue from Operations. Going forward, our primary focus would be to continue our growth in export. We strongly believe that the demand for bromine-based and lithium-based products will grow, in India and overseas, owing to the growth in their final application industries such as pharmaceutical, agrochemical, refrigeration, polymer synthesis, flavour and fragrances, etc. We believe we are well positioned to exploit the opportunities offered by the expected growth in the final application industries due to our strong manufacturing capabilities, established customer relationships, strong R&D capabilities and robust Product portfolio. We intend to focus on leveraging such opportunities to increase sales and cross-sales of our Bromine Compounds and Lithium Compounds across various industries. Further, we also expect to derive the benefits of the general decline in manufacturing of specialty chemicals in China due to environmental concerns, which comprised a significant part of global specialty chemical market share.

Improving financial performance through focus on operational efficiencies and functional excellence

We believe that our focus on functional excellence and providing integrated solutions for a gamut of Bromine Compounds and Lithium Compounds has contributed to our financial strength and performance whilst also strengthening the trust and engagement that we share with our customers.

We believe that the various strategic initiatives that we have implemented, including the continued investment in our manufacturing facilities such as the use of bromine in 6,000 litre ISO storage tanks in our Vadodara Facility instead of in 1 litre glass bottles at Mahape which reduced manpower cost for transfer and addition of bromine, permits a much faster rate of addition of bromine, thereby increasing reactor productivity. In addition, developing and enhancing our in-house capabilities, and our supply-chain management protocols will continue to play a critical role in our future success. Accordingly, we intend to build on our existing strategic initiatives to achieve operational excellence that translates into financial strength and performance.

Focus on advanced specialty intermediates which offer higher value addition

Over the last few years our Company has been focusing not only on manufacturing Bromine Compounds but also combining bromination with other chemistries to make advance intermediates which otherwise would have been manufactured by our customers internally. Such forward integration allows customers to reduce processing at their end freeing up their specialized capacity for making final molecules such as APIs, specialty polymers, electronic chemicals etc. Such forward integration enables us to offer higher value addition and generate higher margin and increased profitability. We believe that with our proposed augmentation in capacity would be able to cater to the increasing demand for such advanced intermediates.

Business Operations

Raw materials

The primary raw materials used by us in the manufacturing process of organic and inorganic specialty chemicals are:

1. Bromine source;
2. Lithium source;
3. Organic raw materials; and
4. Inorganic acids.

Bromine Source – Bromine source i.e. any brominating agent (**Bromine Source**), is the primary raw material used in the manufacture of a vast majority of our organic and inorganic specialty chemical products. Bromine can be introduced into a molecule through multiple Bromine Sources, including, in particular, liquid bromine and hydrobromic acid. We procure our Bromine Source from domestic and international manufacturers of bromine and we have a long-established relationship with a number of such manufacturers. While we do not have long term contracts for the supply of Bromine Source - we procure the Bromine Source through purchase orders for durations of upto 1 year, our long-term relationship with multiple suppliers ensures stable supply without dependency on a single source.

Lithium Source – Lithium Source is the primary raw material used in the manufacture of inorganic specialty chemical products. Lithium Sources used by us include lithium carbonate and lithium hydroxide. We procure lithium only from the international market. We have a relationship of over a decade with the world's largest producer of Lithium. Being such a large consumer and having such a long-standing relationship we are able to enter into annual contracts at a substantially competitive price over our domestic competitors creating a significant entry barrier.

Organic raw materials – For manufacturing brominated organic specialty chemical products, the Bromine Source is combined with one or more other organic raw materials. The organic raw material used in combination with the Bromine Source is determined by the end product sought to be manufactured. Since we manufacture a large number of specialty organic products in turn, we require a large number of organic raw materials including various bulk petro chemicals, solvents and other specialty chemicals falling broadly into classes such as organic acids, alcohols and aromatic compounds. We procure raw organic materials from domestic and international markets and bulk purchases are procured directly from manufacturers of raw materials or their agents.

Inorganic acids – Inorganic acids are used for carrying out other organic reactions and for manufacturing of various different Lithium Compounds. Inorganic acids are produced in bulk by several suppliers in India and, we generally, purchase these raw materials from various dealers / distributors of Indian manufacturers.

Manufacturing facilities

We manufacture various organic and inorganic chemicals at our manufacturing facilities located at:

a. *Mahape, Maharashtra (**Mahape Facility**)*

The Mahape Facility was the first manufacturing facility set up by our Company and we commenced operations in Mahape in 1991. The Mahape Facility has been leased from the Maharashtra Industrial Development Corporation on a 95 year lease, valid till February 1, 2067. The Mahape Facility is spread across an area admeasuring 1,842 sq. metres and is located at Plot No. 43 in the Trans-Thane Creek Industrial Area, MIDC, Village Mahape, Navi Mumbai – 400710, Maharashtra, India.

We manufacture both organic as well as inorganic specialty chemicals at the Mahape Facility. The total capacity of the Mahape facility is 45,000 litres of glass line reactor capacity for manufacturing organic chemicals and 12,000 kg. per annum of inorganic chemicals.

b. *Vadodara, Gujarat (**Vadodara Facility**)*

We acquired the Vadodara Facility from Solaris Chemtech Industries Ltd. pursuant to a business transfer agreement dated October 21, 2016. The Vadodara Facility is spread over approximately 160,000 Sq. m., (approximately 39 acres) of free hold land and is located at Industrial Plot No. 526, Karakhadi, Taluka Padra, Vadodara 391450, Gujarat, India.

The total present glass lined reactor capacity of the Vadodara Facility is 85,400 litres. While the Vadodara Facility is, presently, dedicated to the manufacturing of organic specialty chemicals, we have sufficient land to expand our facilities. We are, accordingly, in the process of expanding our organic capacity at the Vadodara Facility from 85,400 litres to 211,400 litres.

Proposed manufacturing facilities

We are proposing to expand our manufacturing facilities by setting up the Proposed Vadodara Facility and the Proposed Dahej Facility.

The Proposed Vadodara Facility will be set up at our property in Karakhadi, Vadodara, adjacent to our Vadodara Facility. The Proposed Vadodara Facility will cater to the manufacture of organic chemicals. In addition, we propose to set up the Proposed Dahej Facility, a green-field manufacturing facility for manufacturing inorganic chemical products. Once completed these facilities will have add the following to our existing manufacturing capabilities.

Manufacturing plant	Product	Unit of capacity measurement	Projected capacity when commissioned
Proposed Dahej Facility	Inorganic chemicals	Kg. production per annum	1,200,000
Proposed Vadodara Facility	Organic chemicals	Reactor volume in litres	126,000

Manufacturing process

We manufacture a large number of products and each product has its own unique manufacturing process. We generally manufacture products in batches of an average size (volume) of 3,000 to 8,000 litres.

Organic chemicals

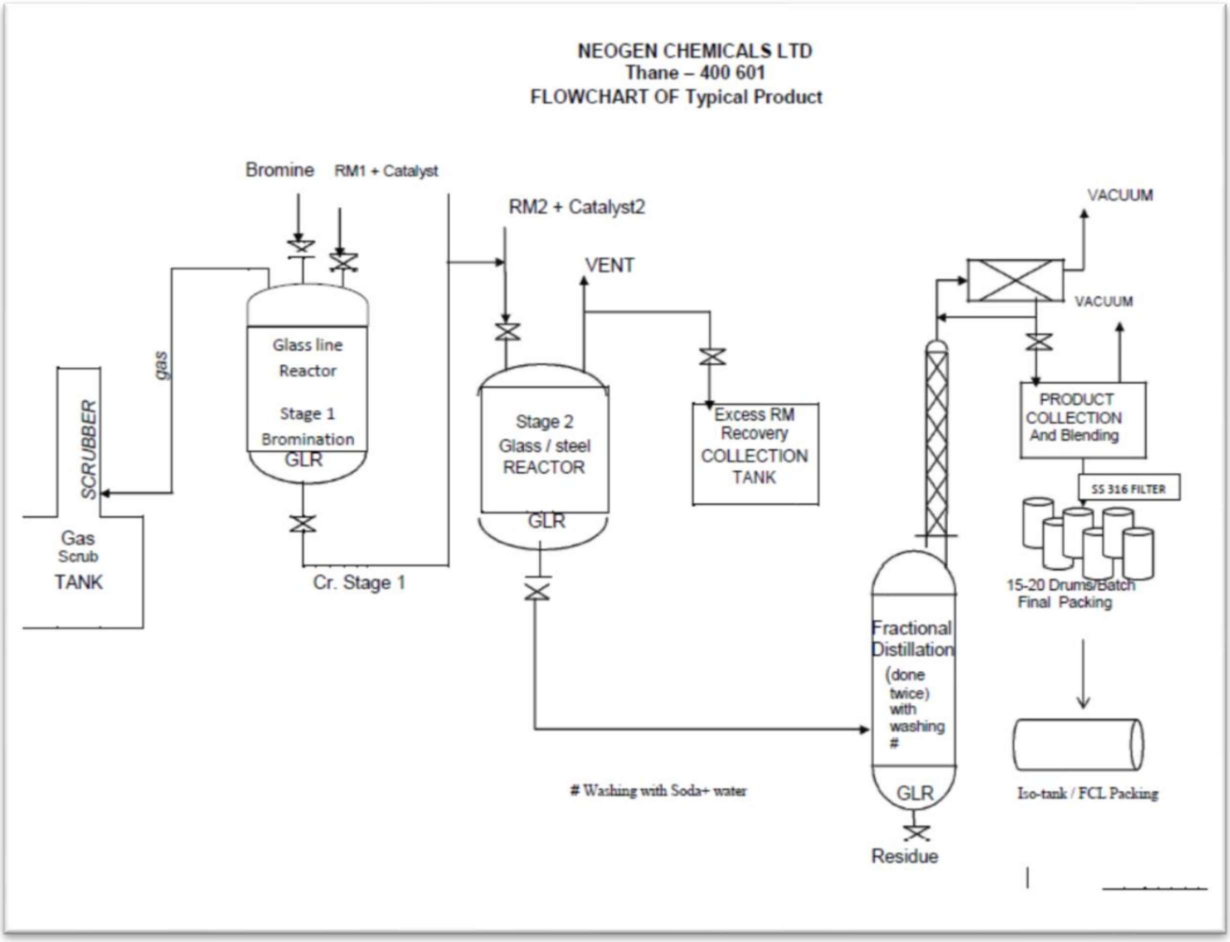
Broadly, though, the process of manufacture can be classified into 3 stages viz., reaction, purification and final blending and packing.

Reaction: This is the stage at which the Bromine Source or other elements are introduced into the molecule. This chemical reaction is known as halogenation. Bromine is a highly corrosive element and, accordingly, the process of halogenation takes place in a glass lined reactor. The size of reactors used in different manufacturing processes range from 250 litres to 8,000 litres depending on the desired batch volume.

Purification: The process of purification varies depending on the nature of the product. In case of liquid products, the purification process involves vacuum distillation, atmospheric distillation, water wash etc. whereas where the product is solid in nature, the process of purification involves crystallisation, filtration, centrifuge, drying etc.

Final blending and packing: The purified material is blended in glass lined or stainless steel reactor to make a uniform homogeneous batch and then packed into drums or IBCs suitable for storing final product.

A majority of the products manufactured by us are liquid in nature. Accordingly, a generic manufacturing process flow for the manufacture of a liquid product involving in a 2-stage reaction followed by purification of a product is graphically represented below.



Set out below is a brief write up on the manufacturing process of Bromine Compounds involving a 2-stage reaction followed by purification.

Reaction – Halogenation

In a glass lined reactor the necessary raw materials such as a Bromine Source and organic raw materials, along with a suitable catalyst (which accelerates the reaction), are charged for a reaction. The raw material and the catalyst are selected based on the Bromine Compound being manufactured. Illustratively, in the manufacture of bromo-acids, alkyl bromides and aromatic bromides the organic raw materials used are organic acids, alcohols or aromatic compounds, respectively, and the process utilises organic initiators as a catalyst.

The raw materials and the catalyst are heated to an appropriate temperature in the reactor. Thereafter, the appropriate Bromine Source is introduced into the reactor at a pre-determined speed (since each reaction requires the introduction of the Bromine Source at different speeds) and this process is known as bromination (**Bromination**).

The temperature is maintained in the reactor for a few hours to ensure completion of reaction. The resultant product of the reaction is a crude brominated organic product. (**Stage 2 product**) This product is then sent to a second reactor for an additional reaction with another appropriate organic raw material and a suitable catalyst. The excess raw material after stage 2 is removed to a recycling tank and may be reused.

Bromination also results in the generation of hydrogen bromide, a gas, which is absorbed in a scrubbed and treated with water to produce the resultant by-product viz., hydrobromic acid which may be reused as a Bromine Source or sold separately.

Purification

Once the halogenation and other reactions are complete, the Stage 2 product (with a purity of between 50% - 95%) it is transferred to a distillation chamber for purification. In case of liquid products, distillation entails heating the Stage 2 product till it gets converted to vapor. In certain instances, to reduce the temperature at which the crude product gets boiled, vacuum is applied to the process of distillation – this process is known as vacuum distillation.

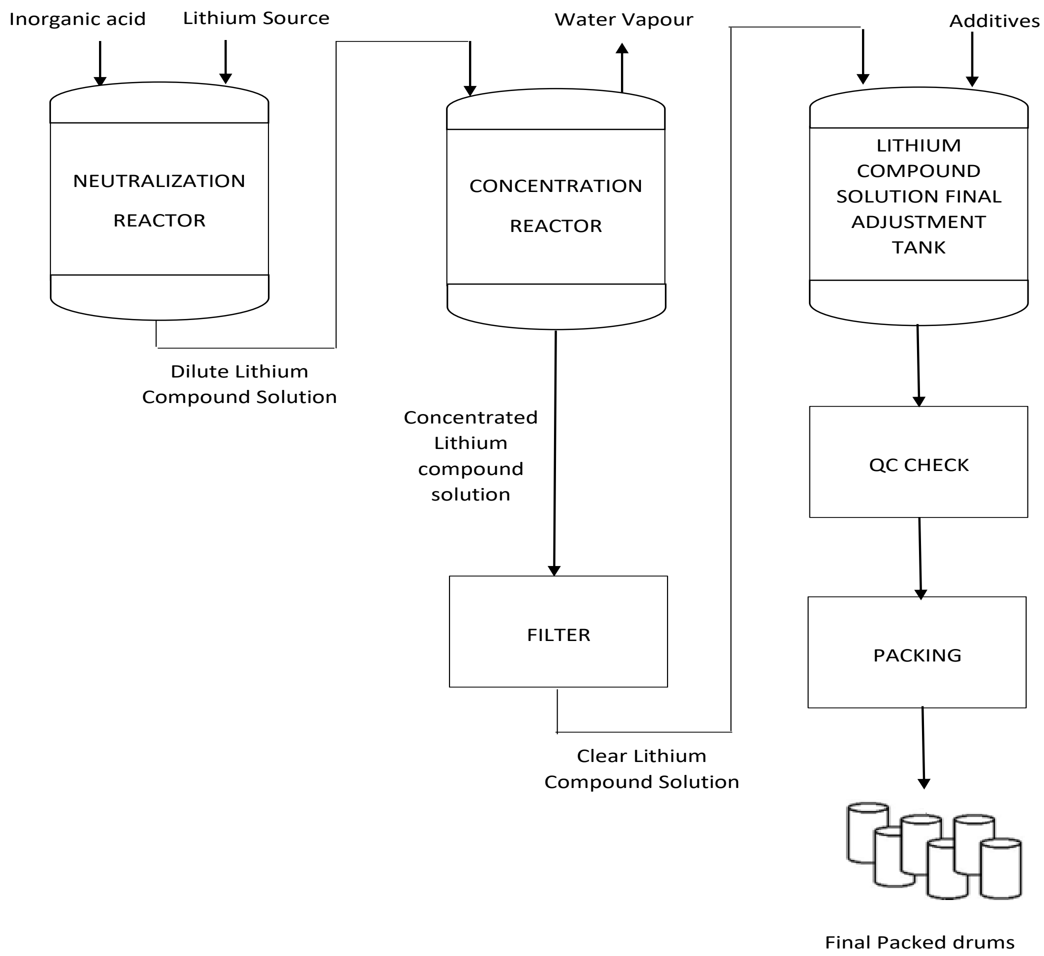
The vapours are passed through distillation columns (between 1-6 metres tall) which are filled with elements which enhance the surface area of liquid gas exchange. This improves the mass transfer between gas and liquid phases during the distillation process. While passing through the distillation columns, the gaseous portion of the product is separated and the remaining, purified liquid portion, is collected in drums / tanks. The product obtained is between 90% and 99.90% pure (**Purified product**). Any remaining residue is sent for incineration.

Final blending and packing

The Purified product that emerges after the distillation process is undergoes a quality control check to ensure that is meets standards. Thereafter, the Purified product is blended and, subsequently, washed in a tank to remove acidity, if any. The final product is then packed in a drum / ISO tank (i.e. a tank built to ISO specifications) in accordance with the customer’s requirement.

Inorganic chemicals

FLOW CHART OF INORGANIC LITHIUM COMPOUND SOLUTION



The inorganic chemicals manufactured through the aforementioned process include lithium bromide amd lithium chloride, and some Inorganic bromides such as potassium bromide.

A typical process followed for manufacturing a specialty inorganic compound comprises a 3 stage process:

Neutralisation – this is the initial reaction of a Lithium Source with an inorganic acid such as hydrobromic acid and hydrochloric acid.

Concentration - The neutralized product is transferred through a pump into the second reactor, where it is heated to remove water to achieve the desired and technically feasible concentration of the product.

On completion of concentration the product is filtered using a nutsch filter and transferred to parameter adjustment tank. Here the acidity / alakalanity of the product is adjusted to meet customer specification requirement. The product is then tested and in case any parameter is at variance with the prescribed specification, the material is purified to meet customer requirement and finally packed into drums. This product may also be dried to obtain a powder free from moisture per customer requirement.

Quality Control and Assurance

To ensure and maintain the quality of the final product, we have a dedicated team of 19 employees 5 of whom are dedicated to quality assurance and remaining for quality control. Our manufacturing facilities have the following accreditations and certifications:

- Mahape Facility - has ISO 9001:2008 from TuV SUD Management Service GmbH; and

- Vadodara Facility – has ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:2007 certification from Bureau Veritas Certification Holding SAS (**Bureau Veritas**).

In addition, we have also implemented, and are generally compliant with, current good manufacturing practice (**cGMP**) quality management system at both the manufacturing facilities. The cGMP prescribed by the US Food and Drug Administration provide for systems that assure proper design, monitoring, and control of manufacturing processes and facilities.

Our quality control and quality assurance team monitors the manufacturing process at all stages from initial testing stage for incoming raw material to the final product prior to packing. The final product is cleared for dispatch only after the team tests a sample of the batch against customer specification. The table below sets out our Company's average rejection / return rate of products for the periods indicated therein.

Period	Rejection %
Fiscal 2016	1.16
Fiscal 2017	0.56
Fiscal 2018	0.36
9 month period ended December 31, 2018	0.65
Total	**0.67**

Products

When we commenced our operations in 1991, we were approved to manufacture 4 Bromine Compounds. Over the years we have expanded our range of products and, presently, manufacture an extensive range of specialty chemicals which find application across various industries in India and globally. Some of the chemical reactions which we can carry out, in addition to bromination, which bolsters our product manufacturing capabilities includes alkylation, amination, dehalogenation, silylation and halex reaction.

As on February 28, 2019, we have manufactured an aggregate of 198 products comprising 181 organic chemicals and 17 inorganic chemicals. Set out below is a brief description of our Products.

Organic Chemicals Compounds

Bromine Compounds

We have expanded our range of Bromine Compounds to 131 Bromine Compounds. The Bromine Compounds manufactured by us have multiple uses and find application in diverse industries such as pharmaceutical, agrochemical, aroma chemical and electronic chemical industry as intermediates. Illustratively, in the pharmaceutical industry it is used as an intermediate for manufacturing active pharmaceutical ingredient (**API**); in the agrochemical industry it is used as intermediate for manufacturing of pesticides. While one of the major uses of bromine is in the manufacture of flame retardants, our Company does not focus on this industry since it requires bulk manufacturing of the product and, this industry is, generally catered to by bromine manufacturers themselves, whereas we are focussed on the more niche application of bromine i.e. specialty chemicals.

Non-bromine specialty chemical compounds

Over the years we have also added non-bromine specialty chemical compounds such as chlorine, iodine and fluorine-based compounds to our bouquet of product offerings. These products find applications in similar industries as that of Bromine Compounds described above.

Grignard reagents

We have also developed a niche business in Grignard reagents and we manufacture 25 types of Grignard reagents. Grignard reagents are formed by the reaction of magnesium with organic halides such as bromides and chlorides. Grignard reagents are generally used as intermediates in the synthesis of active ingredients of pharmaceuticals, agro chemicals and flavour industry.

During the 9 month period ended December 31, 2018 and during Fiscal 2018, Fiscal 2017 and Fiscal 2016, our revenue from organic chemicals was ₹ 1,259 million, ₹ 1,056.23 million, ₹634.20 million and ₹732.18 million, respectively, constituting 78.65%, 64.82%, 57.30% and 72.62%, respectively, of our Revenue from Operations on a consolidated basis.

Inorganic Chemical Compounds

Lithium Compounds

We manufacture 10 Lithium Compounds which find application, primarily as refrigeration agents for VAMs, and are sold to VAM original equipment manufacturers in India. We also manufacture Lithium Compounds that find application in construction chemicals, pharmaceuticals and specialty polymer industry. In addition, we sell our Products overseas with Europe, Japan, Middle East and USA being our leading markets.

During the 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, our income from inorganic chemicals was ₹341.86 million, ₹573.18 million, ₹472.57 million and ₹276.07 million, respectively, constituting 21.35%, 35.18%, 42.70% and 27.38%, respectively, of our Revenue from Operations on a consolidated basis.

Custom synthesis and contract manufacturing

In addition to manufacturing products custom synthesis and contract manufacturing. In custom synthesis the know-how and technical specifications are developed in-house, and the product is made exclusively for a specific customer, whereas in contract manufacturing the know-how and the technical specifications are provided by the customer. We undertake custom synthesizing and contract manufacturing of a few specialty chemicals for multinational companies based in Europe, Israel, China and Japan.

During the 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, our income from contract manufacturing and custom synthesis operations was ₹ 150.63 million, ₹38.97 million, ₹24.16 million and ₹1.77 million, respectively, constituting 9.32%, 2.39%, 2.18% and 0.18% of our Revenue from Operations, on a consolidated basis.

Geographical diversification

Our Company has a marked domestic and global footprint. In India, our customers are spread across the country with equal distribution in Northern, Southern and Western India. In the international market, we have sold our Products across 27 countries including USA, Mexico, Canada, Japan, UK, France, Germany, Spain, Italy, Sweden, Czech Republic, S. Korea, UAE, Saudi Arabia, Israel, Egypt, Taiwan, Australia, and China. Among these USA, Europe (UK, Spain, France, Germany and Italy), and Japan remain our largest markets outside India.

Set out below is a break-up of revenues generated from our dometic and international sales.

Particulars	**9 month period ended December 31, 2018**		**Fiscal 2018**		**Fiscal 2017**		**Fiscal 2016**	
	Revenue (in ₹ million)	**% of Revenue from Operations**	**Revenue (in ₹ million)**	**% of Revenue from Operations**	**Revenue (in ₹ million)**	**% of Revenue from Operations**	**Revenue (in ₹ million)**	**% of Revenue from Operations**
Domestic (A)	**741.207**	**46.29%**	**1,014.70**	**62.27**	**691.03**	**62.44**	**508.82**	**50.47**
Export (including deemed export)								
- *Deemed export*	268.99	16.80%	273.82	16.80	138.20	12.49	148.32	14.71
- *USA*	325.26	20.31%	144.23	8.85	94.57	8.54	11.28	1.12
- *Europe*	188.05	11.74%	135.52	8.32	96.44	8.71	178.96	17.75

- *Japan*	77.42	4.84%	39.64	2.43	52.29	4.72	64.06	6.35
- *Others*	0.29	0.02%	21.50	1.32	34.25	3.09	96.82	9.60
Sub-total (B)	**860.00**	**53.71%**	***614.71***	***37.73***	***415.74***	***37.56***	***499.43***	***49.53***
Total (A+B)	**1601.21**	**100.00%**	**1,629.41**	**100.00**	**1,106.77**	**100.00**	**1,008.25**	**100.00**

Customers

Over the last 25 years, we have established a customer base of about 1,363 customers of which about 1,237 are domestic customers and 126 customers are international customers. Our customers are spread across a wide array of application industries such as pharmaceutical, agrochemical, aroma chemical, electronic-chemical, specialty polymer, construction chemicals and VAM original equipment manufacturers and include Austin Chemical Company Inc., USA, CBC Co. Ltd., Japan, Divi's Laboratories Ltd., Laurus Labs Ltd., Solvay Specialties India Pvt. Ltd, Thermax Limited and Voltas Limited.

Set out below is a break-up of the sale of our Products across industry segments.

Industry	9 month period ended December 31, 2018		Fiscal 2018		Fiscal 2017		Fiscal 2016	
	Revenue from Operations (in ₹ million)	% of total Revenue from Operations	Revenue from Operations (in ₹ million)	% of total Revenue from Operations	Revenue from Operations (in ₹ million)	% of total Revenue from Operations	Revenue from Operations (in ₹ million)	% of total Revenue from Operations
Pharmaceutical	1,314.67	82.10%	1,061.95	65.17	580.71	52.47	528.64	52.43
Engineering	56.55	3.53%	234.75	14.41	204.39	18.47	204.78	20.31
Agrochemical	143.81	8.98%	158.37	9.72	192.88	17.43	199.12	19.75
Others (including specialty polymer, electronic, aromatics, construction chemicals and)	86.18	5.38%	174.34	10.70	128.79	11.64	75.71	7.51
Revenue from Operations	**1601.21**	**100.00**	**1,629.41**	**100.00**	**1,106.77**	**100.00**	**1,008.25**	**100.00**

Further, a significant proportion of our revenue continues to be generated from long standing customers that we have managed for over a decade. The table below sets out certain customer retention metrics.

Particulars	Fiscal ended March 31									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Aggregate no. of customers at the end of each Fiscal	662	729	790	864	946	1016	1073	1186	1284	1348
No. of customers transacted with	200	210	194	235	244	219	274	282	322	348

No. of new customers added	65	65	68	75	79	56	62	64	95	61
No. of past customers transacted with	135	145	126	160	165	163	212	218	227	287
% sale to new customer	4%	4%	11%	4%	9%	15%	7%	5%	7%	6%

As set out in the immediately preceding table, we have over the last 10 Fiscals undertaken business transactions with an average of:

- 252 past customers every Fiscal who contributed an average of 92.73% to our Revenue from Operations; and

- 69 new customers every Fiscal who contributed on an average of 7.27% to our Revenue from Operations.

Distribution and sales

We have an in-house team of 8 persons consisting of chemical engineers and MBAs to look after the marketing, distribution and sales of our Products, both in India and international markets including Europe and United States of America. We maintain direct contact with majority of our customers which allows us to not only better understand the technical needs of our customers but also their future requirements to guide our R&D to develop molecules. In addition, in markets such as Japan and the UK, we distribute our produts through distributors.

We also participate in various domestic and international industry specific exhibitions and advertise in industry magazines, weeklies and dailies in Japan, Europe and India. We actively participate in *CPhI Japan*, *CPhI Europe* and *CPhI India* and *Chemspec India*, every year and have been participating for more than a decade.

Employees

As on February 28, 2019, we employed 152 full time and 45 fixed term contract employees 4 retainers. We have, generally, had an employee attrition rate of less 1% in the immediately preceding 5 Fiscals.

The following table provides information about our full-time employees and contracted employees:

Particulars	Mahape Facility	Vadodara Facility	Registered Office and Corporate Office
Senior Management (AGM and above)	2	3	3
Middle Management (Officers to Sr. manager)	19	40	17
Staff and Workmen	31	30	7
Retainers	1	2	1
Fixed term contract employees	43	0	2
Total	**96**	**75**	**30**

In addition, we also engage workers under the Contract Labour (Regulation and Abolition) Act, 1970.

Environmental Regulations

We are generally in compliance with the environmental laws and regulations applicable to our business, other than such non-compliance that would not result in a material adverse effect to our business, financial condition and results of operations.

We are also a member of various integrated and, or, common hazardous waste management disposal facilities, effluent treatment plant and incineration facilities.

In addition to complying with applicable environmental norms, the Lithium Compounds manufactured by us are used in eco-friendly VAM, an alternate to gas based refrigeration systems.

For further details please refer to the chapters '*Regulations and Policies*' and '*Government and Other Approvals*' on pages 173 and 432 respectively.

Competition

While we are one of the leading manufacturers of bromine-based, and lithium-based, specialty chemicals we face competition from domestic and international operators. Our major competitors in India include Aarti Industries, Atul Limited, Mody Chemi Pharma Private Limited, NFIL and Pacific Organics Private Limited.

Intellectual Property Rights

Our intellectual property includes trademarks which are associated with our business. Our Company owns, and have applied for, several trademarks under various classes. Details of trademarks* registered in our Company's name and trademarks applied for, are as set out below:

Sr. No.	Application Number	Trademark	Class	Date of registration / application / renewal application	Status	Validity
1.	1034458	NEOGENCHEM	1	Registered on April 13, 2005	Registered	Valid till August 6, 2021
2.	1034459	NEOGENCHEM.COM	9	Registered on June 18, 2005	Registered	Valid till August 6, 2021
3.	1034460	NEOGEN.CO.IN	9	Registered on June 20, 2006	Registered	Valid till August 6, 2021
4.	1034461	NEOGEN	1	Registered on November 24, 2005	Registered	Valid till August 6, 2021
5.	1034462	NEOGEN CHEMICALS	1	Registered on November 24, 2005	Registered	Valid till August 6, 2021
6.	1051266	NeoGen	5	Registered on March 21, 2005	Registered	Valid till October 11, 2021
7.	1051267	NeoGen	29	Registered on May 14, 2005	Registered	Valid till October 11, 2021
8.	3939018	NEOGEN CHEMICALS LTD.	1,5,9 and 29	Application made on September 7, 2018	Pending	-

***Our Company is not in any manner associated with Neogen Corporation, a company registered in the USA. For further detail please refer to the chapter 'Outstanding Litigation and Material Developments' on page 427.*

Insurance

Our Company maintains insurance policies which are renewable every year. We maintain insurance cover for our assets to cover all normal risks associated with operations of our business, including fire, accidents and other natural disasters. We typically maintain standard fire and special perils, burglary policy for our offices and plants. In addition, our Company maintains Directors and Officer liability insurance, key man insurance for our Joint Managing Director and comprehensive general liability insurance. Our insurance policies are subject to customary exclusions and deductibles. For further details, please refer to the section '*Risk Factors*' on page 19.

Corporate Social Responsibility Initiatives

Our Company and its employees are conscious of their role in society and are keen to participate in social welfare measures. Our Company has constituted a Corporate Social Responsibility (**CSR**) Committee and also formulated a CSR policy to govern such initiatives. For further details please refer to the chapter '*Our Management - Committees of the Board*' on page 188.

In Fiscal 2018, our Company has contributed ₹ 1.97 million towards CSR activities constituting 2.53% of the restated standalone average net profit for the last three financial years of the Company. The CSR activities undertaken by our Company include areas such as financial assistance to educational and charitable trusts.

Land and property

Details of the property from which we operate as of February 28, 2019 are as follows:

Sr. No.	Location	Address	Owned / Leased / Rented	Tenure
1.	Thane, Maharashtra (Registered Office and Corporate Office)	1002, 10th Floor, Dev Corpora Building, Opp. Cadbury Company, Off Pokhran Road, No. 2, Khopat, Thane 400601, Maharashtra, India	Leased	May 1, 2018 to May 15, 2023
2.	Thane, Maharashtra (Storage Room)	Office No. 115, 1st Floor, Vardhaman Industrial Complex, Old Agra Road, Thane 400601, Maharashtra, India	Leased	April 1, 2018 to March 31, 2019
3.	Thane, Maharashtra (Office)	Office No. 113, Vardhaman Industrial Complex, Old Agra Road, Thane (West), Thane 400601, Maharashtra, India	Leased	June 1, 2017 to May 31, 2019
4.	Mahape Facility	Plot No. 43 in the Trans Thane Creek Industrial Area, MIDC, Village Mahape, Navi Mumbai 400710, Maharashtra, India	Leased (long term)	February 1, 2067
5.	Mahape, Maharashtra (Warehouse)	44, Mahape Village, Trans Thane Creek Industrial Area, Navi Mumbai 400710, Maharashtra, India	No agreement has been executed with respect to this property. We use the property by paying a monthly rental.	-
6.	Vadodara Facility	Industrial Plot No. 526, Karakhadi, Taluka Padhra, Vadodara 391450, Gujarat, India	Owned	-
7.	Vadodara, Gujarat (Warehouse)	Industrial Plot No. 526, Karakhadi, Taluka Padhra, Vadodra 391450, Gujarat, India	Leased	June 30, 2018 to June 30, 2019
8.	Vadodara, Gujarat (Transit house)	B-10, ground floor, Taksh Complex, Opp. Sarabhai Society, Gotri Road, Vadodara 390021, Gujarat, India	Licensed	July 1, 2018 to June 30, 2019
9.	Dahej SEZ, Gujarat (Industrial plot)	Z/109, Dahej SEZ, Lakhigam, Taluka Vagara, Dist Bharuch 392130, Gujarat, India	To be leased*	-

** We are in the process of executing a lease deed with Dahej SEZ. For further details please refer to the section "Risk Factors" on page 19.*

Plant and Machinery

Set out below is a list of the key plant and machinery that our Company owns.

List of major equipment

Equipment	Vadodara		Mahape	
	No.	Capacity	No.	Capacity
MS Glass lined reactors	14	8 KL, 5KL, 3KL, 1KL	16	6.3 KL, 3KL, 2KL
SS316 Reactors	2	6 KL	6	8.5 KL, 6 KL, 0.25 KL
MSGL Rotary cone Vacuum dryer (RCVD)	1	2 KL	1	0.75 KL
SS Storage tanks	8	15 KL, 10KL, 4KL, 2KL (SS306)	2	1 KL (SS316)
Distillation Columns with heat exchangers	14	Various capacities	7	Various capacities
4-stage Steam jet Graphite ejector	9	1-3 Torr Vacuum	8	1 Torr
HBr / HCl Scrubbing systems	1	100/150 Kg/hr	2	50/100 Kg/hr
Centrifuge	4	48" SS Halar coated	4	48" SS Halar coated
High vacuum distillation setup	9	10/12 Theoretical stage Glass	8	10/12 Theoretical stage Glass
SS Agitated Nutsch Filter	0		3	1 KL

Details of Utilities

Utilities	Vadodara		Mahape	
	No.	Capacity	No.	Capacity
Cooling Towers	2	700 TR and 800 TR	2	200 TR and 500 TR
Chilled Water	2	67 TR each. (+) 7 degree Celsius	2	60 TR each. (+) 10 degree Celsius
Brine	1	30 TR (-) 15 degree Celsius	1	25 TR (-) 20 degree Celsius
Steam	1	3 TPH	2	1 TPH
Hot Oil	1	200,000 Kcal	0	
Waste Water Treatment	1	3 stage 27 m3 / day	1	1 stage 9 m3/day

Infrastructure

Our Mahape Facility receives supply of electricity from the Maharashtra State Electricity Distribution Co. Ltd (**MSEDC**). We also maintain back up Diesel Generator sets which take over automatically whenever the MSEDC power is not available.

Our Company has executed a power purchase agreement with Madhya Gujarat Vij Company Limited (**MGVCL**) for the supply of electrical power for the Vadodara Facility. We also maintain back up DG set in case of any power disruption.

Water Supply:

The Mahape Facility receives water supply from the Maharashtra Industrial Development Corporation (**MIDC**) whereas the Vadodara Facility has bore wells on site.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies that are applicable to our business, as prescribed by the GoI and other regulatory bodies. The information detailed below has been obtained from the various legislations, including rules and regulations promulgated by regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations set below may not be exhaustive, are intended only to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. For details of government approvals obtained by us, please refer to the chapter 'Government and Other Approvals' on page 432.

The statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Set forth below are certain significant Indian legislations and regulations which are generally adhered to by the industry that we operate in.

Factories Act, 1948

The Factories Act, 1948 (**Factories Act**) and the rules issued under the Factories Act by various State governments, require registration of our production facilities and regulates their operations in relation to matters such as health and safety measures to be adopted and welfare measures for persons working in our production facilities. The penalties for contravention of the Factories Act include fine and imprisonment for the 'occupier' or 'manager' as defined under the Factories Act, and enhanced penalties for repeat offences and contravention of certain provisions relating to use of hazardous materials.

Shops and Establishment Legislations

The provisions of shops and establishments legislations, as may be applicable in a state in which establishments are set up, regulate the conditions of work and employment and generally prescribe obligations in respect of *inter alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work. Our Company has its registered office in the state of Maharashtra. Accordingly, the provisions of the Maharashtra Shops and Establishments Act, 1948 are applicable to our Company. The Maharashtra Shops and Establishments Act, 1948, as amended, regulates the conditions of work in shops, commercial establishments, restaurants, theatres and other establishments in Maharashtra and makes provisions for the opening and closing of shops, daily and weekly hours of work, employment of children and young persons, health and safety measures, wages etc.

Environmental Legislations

The Environment (Protection) Act, 1986 (**EPA**) is an umbrella legislation designed to provide a framework for the government to coordinate the activities of various central and state authorities established under various laws, such as the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, etc. The EPA vests with the Government the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, and examination of manufacturing processes and materials likely to cause pollution.

The Water (Prevention and Control of Pollution) Act, 1974 (**Water Act**) aims to prevent and control water pollution by factories and manufacturing units and to maintain and restore the quality and wholesomeness of water. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, using of any new or altered outlet for the discharge of sewage or causing new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with.

The Air (Prevention and Control of Pollution) Act, 1981 (**Air Act**) provides for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. The state pollution control board must decide on the application within a period of four months of receipt of such application. The consent may contain certain conditions relating to specifications of pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the state pollution control board.

Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (**Hazardous Waste Rules**) define the term 'hazardous waste' and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous waste is classified as an 'occupier'. In terms of the Hazardous Waste Rules, occupiers have been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain license / authorisation from the respective state pollution control board for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the like of the hazardous waste.

Labour laws

We are subject to various labour laws for the safety, protection, condition of working, employment terms and welfare of labourers and/or employees of our Company. The Industrial Disputes Act, 1947, as amended, provides for a statutory mechanism of settlement of all industrial disputes, a term which primarily refers to a dispute or difference between employers and workmen concerning employment or the terms of employment or with the conditions of labour of any person.

Our Company is subject to various labour laws for the safety, protection, condition of working, employment terms and welfare of our labourers and/or our employees. Accordingly, our Company is regulated by the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, as amended (**CLRA Act**), and the rules framed thereunder which requires our Company to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labour. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (**EPF Act**) applies to factories employing 20 or more employees and such other establishments and industrial undertakings as notified by the government from time to time. The EPF Act requires all such establishments to be registered with the Regional Provident Fund Commissioner and requires the employers and their employees to contribute in equal proportion to the employees' provident fund, the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State Provident Fund Commissioner.

The Employees' State Insurance Act, 1948 (**ESI Act**) provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is required to register such factory or establishment under the ESI Act and maintain prescribed records and registers. Every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages up to ₹ 15,000 per month is entitled to be insured under the ESI Act.

Under the Payment of Gratuity Act, 1972 (**Gratuity Act**), an employee in a factory is deemed to be in 'continuous service' for a period of at least 240 days in a period of 12 months or 120 days in a period of 6 months immediately preceding the date of reckoning, whether or not such service has been interrupted during such period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee. An employee who has been in continuous service for a period of five years may be eligible for gratuity upon his retirement, superannuation, death or disablement.

Other Laws

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed there under and other applicable statutes enacted by the Centre or relevant State Governments and authorities for our day-to-day business and operations. Our Company is also subject to various central and state tax laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as 'Neogen Chemicals Private Limited' on March 7, 1989, at 404 Prasad Edalji Road, Charai, Thane – 400601, Thane, Maharashtra as a private limited company under the Companies Act, 1956 and received a certificate of incorporation from the ROC. Subsequently, pursuant to a special resolution passed by the shareholders of our Company on May 2, 1998, our Company was converted to a public limited company and the name of our Company was changed to 'Neogen Chemicals Limited', and a fresh certificate of incorporation dated July 2, 1998 was issued to our Company by the ROC.

Our Company has 96 Equity Shareholders as of the date of this Red Herring Prospectus. For more details on the shareholding pattern, please refer to the chapter '*Capital Structure'* on page 104.

For information on our Company's profile, management, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, geographical segment etc. please refer to the chapters '*Industry Overview'*, '*Our Business'*, and '*Our Management'* on pages 122, 154, and 181, respectively.

Changes in Registered Office

The details of changes in the registered office are set forth below:

Date of Change	From	To
September 26, 1994	404 Prasad Edalji Road, Charai, Thane – 400601 Maharashtra, India	115, Vardhaman Industrial Complex, Old Agra Road, Next to Golden Palace, Thane 400601, Maharashtra, India,
January 1, 2015	115, Vardhaman Industrial Complex, Old Agra Road, Next to Golden Palace, Thane 400601, Maharashtra,	115, 1st Floor, Vardhaman Industrial Complex, Old Agra Road, Gokul Nagar, Thane 400601, Maharashtra, India
September 8, 2018	115, 1st Floor, Vardhaman Industrial Complex, Old Agra Road, Gokul Nagar, Thane 400601, Maharashtra, India	1002, 10th Floor, Dev Corpora Building, Opp. Cadbury Junction, Off. Pokhran Road No. 2, Khopat, Thane 400601, Maharashtra, India

The registered office of our Company was changed over time for greater administrative and operational efficiency.

Main Objects of our Company

The main objects contained in the Memorandum of Association include the following:

1. *To carry on the business as manufacturers. processors, formulators, converters. importers, exporters. factors. agents. buyers. sellers, distributions, concessioners, suppliers, stockiest of and dealers in chemicals like drugs intermediates dyes intermediates. precious metals salts and catalyst. Fine Chemicals and Industrial Chemicals.*

2. *To carry on the business as manufacturers. processors. formulators, converters, importers, exporters, factors, agents, buyers, sellers, distributors, concessioners, suppliers, stockiest of and dealers in Basic Chemicals like Chlorine. Brome lodine and its compounds. (sic)*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to our Memorandum of Association

Apart from the change in the name of the Company, described in this chapter above, the following are the amendments to our Memorandum of Association since the incorporation of our Company.

Sr. No.	Date of Shareholders' resolution	Particulars
1.	March 7, 1989	Incorporated with an authorised share capital of ₹ 1,000,000 divided into 10,000 Equity Shares of ₹ 100 each.
2.	August 24, 1994	Increase in the authorised share capital of our Company from ₹ 1,000,000 divided into 10,000 Equity Shares of ₹ 100 each to ₹ 5,000,000 divided into 50,000 Equity Shares of ₹ 100 each.
3.	May 2, 1998	Subdivision of each existing Equity Share of ₹ 100 each into 10 equity shares of ₹ 10 each.
4.	May 2, 1998	Increase in the authorised share capital from ₹ 5,000,000 divided into 50,000 equity shares of ₹ 100 each to ₹10,000,000 divided into 750,000 equity shares of ₹ 10 each and 250,000 redeemable cumulative preference shares of ₹ 10 each.
5.	March 12, 1999	Increase in the authorised share capital of our Company from ₹10,000,000 divided into 750,000 equity shares of ₹ 10 each and 250,000 redeemable cumulative preference shares of ₹ 10 each to ₹ 15,000,000 divided into 1,000,000 equity shares of ₹ 10 each and 500,000 redeemable preference shares of ₹ 10 each.
6.	January 9, 2002	Reclassification of the authorised share capital of our Company from ₹ 15,000,000 divided into 1,000,000 equity shares of ₹ 10 each and 5,00,000 redeemable preference shares of ₹ 10 each to ₹ 15,000,000 divided into 500,000 equity shares of ₹ 10 each, 500,000 14% preference shares of ₹ 10 each and 500,000 18% preference shares of ₹ 10 each.
7.	September 27, 2002	Reclassification of the authorised share capital of our Company from ₹ 15,000,000 divided into 500,000 equity shares of ₹ 10 each, 500,000 14% preference shares of ₹ 10 each and 500,000 18% preference shares of ₹ 10 each to ₹ 15,000,000 divided into 500,000 equity shares of ₹ 10 each, 500,000 14% non-convertible cumulative redeemable preference shares of ₹ 10 each and 500,000 18% non-convertible cumulative redeemable preference shares of ₹ 10 each.
8.	September 30, 2003	Increase in the authorised share capital of our Company from ₹ 15,000,000 divided into 500,000 equity shares of ₹ 10 each, 500,000 14% non-convertible cumulative redeemable preference shares of ₹ 10 each and 500,000 18% non-convertible cumulative redeemable preference shares of ₹ 10 each to ₹ 20,000,000 divided into 1,000,000 equity shares of ₹ 10 each, 500,000 18% non-convertible cumulative redeemable preference shares of ₹ 10 each and 500,000 14% non-convertible cumulative redeemable preference shares of ₹ 10 each.
9.	March 5, 2008	Reclassification of share capital from ₹ 2,00,00,000 divided into 10,00,000 equity shares of ₹ 10 each, 5,00,000 14% non-convertible cumulative redeemable preference shares of ₹ 10 each and 5,00,000 18% non-convertible cumulative redeemable preference shares of ₹ 10 each to ₹ 2,00,00,000 divided into 15,00,000 equity shares of ₹ 10 each and 500,000 14% non-convertible cumulative redeemable preference shares of ₹ 10 each.
10.	September 15, 2010	Increase in the authorised share capital of our Company from ₹ 20,000,000 divided into 1,500,000 equity shares of ₹ 10 each and 5,00,000 14% redeemable non-convertible cumulative preference shares of ₹ 10 each to ₹ 27,500,000 divided into 2,750,000 equity shares of ₹ 10 each.
11.	September 15, 2012	Increase in the authorised share capital of our Company from ₹ 27,500,000 divided into 2,750,000 equity shares of ₹ 10 each to ₹ 45,000,000 divided into 4,500,000 equity shares of ₹ 10 each.
12.	January 3, 2015	Increase in the authorised share capital of our Company from ₹ 45,000,000 divided into 4,500,000 equity shares of ₹ 10 each to ₹ 250,000,000 divided into 10,000,000 equity shares of ₹ 10 each and 1,500,000 10% OCPS of ₹ 100 each.
13.	March 10, 2016	Increase in the authorised share capital of our Company from ₹ 250,000,000 divided into 10,000,000 equity shares of ₹ 10 each and 1,500,000 10%

Sr. No.	Date of Shareholders' resolution	Particulars
		OCPS of ₹ 100 each to ₹ 500,000,000 divided into 25,000,000 equity shares of ₹ 10 each and 2,500,000 10% OCPS of ₹ 100 each.
14.	September 24, 2016	Reclassification of the authorised share capital of our Company from ₹ 500,000,000 divided into 25,000,000 equity shares of ₹ 10 each and 2,500,000 10% OCPS of ₹ 100 each to ₹ 500,000,000 divided into 25,000,000 equity shares of ₹ 10 each, 2,000,000 9.8% FRCPS of ₹ 100 each and 500,000 10% OCPS of ₹ 100 each.

Major events and milestones of our Company

Fiscal	Particulars
1989	Incorporation
1991	Started operations with Lithium salts and organobromide
1994	Increase in capacity
1998	Conversion of the Company from a private limited company to a public limited company
2000	Dedicated R&D Division was set up
2001	Company started manufacturing advanced bromine compounds for advanced intermediates
2001	Increased reactor capacity of our Mahape Facility from 6,000 litres to 20,000 litres
2007	Increased reactor capacity of our Mahape Facility from 20,000 litres to 30,000 litres
2012	Increased reactor capacity of our Mahape Facility from 30,000 litres to 45,000 litres
2015	Acquired land in Dahej SEZ
2016	Received certificate of recognition from the Directorate General of Foreign Trade as a 'One Star Export House'
2016	Achieved turnover of ₹100 Crores
2016	Acquired the manufacturing operations and some land from Solaris Chemtech Limited at Karakhadi, Vadodara, through a business transfer agreement
2016	Acquired a stake in a partnership firm viz. Dhara Fine Chem Industries
2017	Commenced manufacturing operations at the Vadodara Facility

Awards and Certifications

Our Company has received the following awards, recognitions and accreditations:

Fiscal	Particulars
2016	Our Company received a Certificate of Recognition from the Directorate General of Foreign Trade as a 'One Star Export House' for a period of 5 years with effect from March 15, 2016.
2016	Our Company received an ISO 9001:2008 certification for its manufacturing and supplying of API intermediates, specialty chemicals, agro chemicals and fine chemicals for our Mahape Facility from TuV SUD Management Service GmbH which is valid up to September 14, 2018
2016	Our Company has received an ISO 9001:2015, ISO 14001:2015 and BS OHSAS 18001:2007 certifications from Bureau Veritas Certification Holding SAS for research, development, manufacturing and marketing of brominated specialty chemicals for our Karakhadi, Vadodara Facility

Our holding company

As of the date of this Red Herring Prospectus, our Company does not have a holding company.

Our subsidiaries, associates and joint ventures

As on the date of this Red Herring Prospectus, our Company does not have any subsidiary or associate. M/s Dhara Fine Chem Industries (**Dhara Fine**) is a joint venture of our Company.

Corporate profile of our Company

For further details of our Company's business, services, products, technology and marketing, the description of its activities, growth, country wise analysis, the standing of our Company with reference to the prominent competitors with reference to its products, management, major suppliers and customers, environmental issues, geographical segment please refer to the chapters *'Our Business'* and '*Management's Discussion and Analysis of Financial Condition and Results of Operations'* on pages 154 and 398 respectively.

Capital raising activities through equity or debt

For further details regarding our capital raising activities through equity, please refer to the chapter '*Capital Structure'* on page 80. For further details on the debt facilities of our Company, please refer to the chapters '*Financial Statements'* and '*Financial Indebtedness'* on pages 208 and 417, respectively.

Injunctions or restraining order against our Company

As of the date of this Red Herring Prospectus, there are no injunctions or restraining orders against our Company.

Technology, market and managerial competence

For further details regarding our technology, market and managerial competence please refer to the chapter '*Our Business'* on page 154.

Strike and lock-outs

We have not experienced any strikes, lock-outs or labour unrest in the past.

Changes in activities of our Company during the last five years

There has been no change in the activities of our Company during the last five years.

Time/cost overrun

Except the delay in setting up of our Dahej SEZ facility, as disclosed in the chapter '*Risk Factors'* on page 29 and as disclosed in the chapter '*Our Business'* on page 154, there have been no time/cost overruns pertaining to our business operations since incorporation.

Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by the Company

As on date of this Red Herring Prospectus, there are no defaults or rescheduling of borrowings with financial institutions, banks or conversion of loans into equity in relation to our Company.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets

Except as disclosed below there are no acquisition of business/undertakings, mergers, amalgamation, revaluation of assets that our Company is involved in.

*Acquisition of organobromide business division of Solaris Chemtech Limited (**Solaris**) by way of slump sale*

Our Company, vide a business transfer agreement dated October 21, 2016 and a deed of conveyance dated December 27, 2016, purchased from Solaris its organobromide manufacturing unit along with land measuring 39.58 acres on which it is situated, and other assets located at Karakhadi, Vadodara, Gujarat. Our Company has paid a consideration of ₹ 331.59 million for the said acquisition. A sum of ₹ 20.00 million has been withheld subject to satisfaction of certain specified conditions. For further details please refer to the chapter '*Financial Statements'* on page 208.

Shareholders Agreements

Our Company has entered into a Share Subscription Agreement dated October 1, 2016 (**Agreement**) with Karvy Capital Limited and our Promoters, wherein Karvy Capital Limited (**Karvy**) subscribed to 1,070,000 9.8 % FRCPS of face value of ₹ 100 each at par, for an aggregate consideration of ₹ 107.00 million. Our Company entered into the Agreement to raise capital for doubling production capacity at our facilities in Karakhadi, Baroda, and for purchase and installation of an inorganic manufacturing plant at our Dahej SEZ, facility.

Material terms of the Agreement are:

1. 9.8% FRCPS issued pursuant to this Agreement are compulsorily redeemable 12 years from the closing date (**Redemption Date**).

2. Our Promoters may not sell any Equity Shares held by to any third party, if such sale results in their cumulative holding falling below 61% of the paid up Equity Share capital of our Company.

3. Our Promoters and their family would at all times hold at least 76% of the paid up equity share capital of our Company.

4. Our Company will pay Karvy a yield of 9.8% per annum on the face value of the 9.8% FRCPS semi-annually.

5. Further, an additional 10% yield at end of the 6^{th} year, 8^{th} year, 10^{th} year and 12th year from the closing date will be paid by our Company as dividend to Karvy.

6. Our Company has the right to redeem the 9.8% FRCPS prior to the Redemption Date, by way of a call option.

Karvy has vide letter dated October 1, 2018, waived their rights under the Agreement which requires our Promoters and the Promoter Family to maintain a minimum level of shareholding under Clause 11.1 and Clause 11.2 of the Agreement.

For further details on redemption of the 9.8% FRCPS please refer to the chapter '*Objects of the Offer' on page 107*.

Share purchase agreement between Beena Kanani and Anurag Surana

Pursuant to a share purchase agreement dated August 23, 2017 (**SPA**), entered into between Beena Kanani, a member of our Promoter Group and Anurag Surana, (presently a Director of our Company), Anurag Surana was granted the right to purchase up to 6,00,000 Equity Shares (**Purchase Shares**) of our Company, either directly or through his affiliate, Kagashin Global Network Private Limited (**Kagashin Global**) from Beena Kanani.

Pursuant to the SPA, Anurag Surana bought 300,000 Equity Shares and Kagashin Global purchased 300,000 Equity Shares from Beena Kanani, between September 2017 and September 2018, respectively. For further details, please refer to the chapter '*Capital Structure'* on page 80.

The SPA places certain restrictions and obligations on Anurag Surana and Kagashin Global, including (i) a right of first refusal in favour of Beena Kanani (or her nominees) for any transfer of the Purchase Shares to a third party; (ii) a drag along right on the Purchase Shares in case of a sale of Equity Shares by Beena Kanani and/or her relatives; and (iii) a call option in favour of Beena Kanani (or her nominees) with respect to the Purchase Shares, upon the demise of Anurag Surana or change of control in Kagashin Global or in the event of a transfer of shares of Kagashin Global to a competitor of our Company. The SPA also provides a tag along right to Anurag Surana in the event of a transfer of Equity Shares by Beena Kanani and/or her relatives, which results in change in control (as defined therein) of our Company.

The SPA is valid for a period from the date of its execution till the earlier of (i) Anurag Surana ceasing to hold any Purchase Shares; and (ii) completion of five years from execution date.

Financial and Strategic Partners

While our Company does not have any specific strategic partnerships our Company has a 90% share in Dhara Fine.

Other material agreements

Except for the acquisition of the organobromide business division of Solaris Chemtech Limited and land admeasuring 39.85 acres vide a business transfer agreement dated October 21, 2016 and a deed of conveyance dated December 27, 2016, respectively, our Company has not entered into any material agreements, not being an agreement entered into in the ordinary course of the business or an agreement entered into more than 2 years before the date of this Red Herring Prospectus.

OUR MANAGEMENT

Board of Directors

As per the Articles of Association, our Company may have not less than 3 Directors and not more than 15 Directors. As on the date of this Red Herring Prospectus, our Board comprises of 8 Directors, of which 3 are Executive Directors and 4 are Independent Directors (including a woman director) and 1 non-independent non-executive Director.

The following table sets forth the details of our Directors as on the date of this Red Herring Prospectus:

Sr. No.	Name, Designation, DIN, Address, Occupation, Nationality and Term	Age (in years)	Other Directorships
1.	***Haridas Thakarshi Kanani*** ***Designation***: Chairman and Managing Director ***DIN***: 00185487 ***Address*****:** B-802, Siddhi Tower, Bhakti Mandir Road, Panch Pakhodi, Damani Estate, Naupada, Thane – 400602, Maharasthra, India ***Occupation***: Industrialist ***Nationality***: Indian ***Term***: August 11, 2018 to August 10, 2023	73	Neogen Advance Sciences LLP
2.	***Harin Haridas Kanani*** ***Designation***: Joint Managing Director ***DIN****:* 05136947 ***Address****:* B-1004, Savoy Building, Raheja Garden, LBS Road, Wagle Estate, Thane - 400604, Maharashtra India. ***Occupation****:* Industrialist ***Nationality****:* Indian ***Term****:* Liable to retire by rotation	42	Neogen Advance Sciences LLP
3.	***Sanjay Natwarlal Mehta*** ***Designation***: Independent Director ***DIN***: 00002817 ***Address***: 6 Vatika, 14 Baptista Road, Vile Parle (West) Mumbai 400056, Maharashtra. ***Occupation***: Chartered Accountant ***Nationality***: Indian ***Term***: September 30, 2014 to September 29, 2019	68	***Companies*** • Span Divergent Limited • Span Finstock Private Limited • Athreyas Wellness Private Limited • Meera Industries Limited • Cognate Biolabs Private Limited ***LLPs*** • S N F & Associates LLP ***Partnerships*** • Akkad Mehta & Co.

Sr. No.	Name, Designation, DIN, Address, Occupation, Nationality and Term	Age (in years)	Other Directorships
			Trusteeships • Gajraben Manibhai Mehta Charitable Trust • Shree Anavil Samaj • Atmavisvas Vidyalaya • Shree Dwarkadhisji Temple Trust
4.	***Hitesh Bharatkumar Reshamwala*** ***Designation***: Independent Director ***DIN***: 00367482 ***Address***: 701-702-A, Sudarshan Solitaire, V.Desai Road, D-65, Azad Nagar, Nirmal, Andheri West, Mumbai - 400053, Maharashtra, India ***Occupation***: Chartered Accountant ***Nationality***: Indian ***Term***: September 30, 2014 to September 29, 2019	53	***Companies*** • OCS Energy Services India Private Limited • OCS Technical Solutions India Private Limited • OCS Integrated Solutions India Private Limited • Association for Nutrition and Development Action • Radhakrishna Food Services Private Limited • Planet Nextgen Technologies India Private Limited • Millennium Business Machines Private Limited • OCS Services (India) Private Limited • Radhakrishna Foodland Private Limited • Gift Holding Private Limited • Planet Support Services India Private Limited ***Partnerships*** • Hitesh Reshamwala & Associates. • Reshamwala Jain & Associates • Trivedi & Reshamwala Associates
5.	***Shyamsunder Radeshyam Upadhyay*** ***Designation***: Executive Director ***DIN***: 7274873 ***Address***: 103, Building No.11, Harmony, Highland Residency, Kolshet Road, Dhokali, Thane - 400607, Maharashtra, India ***Occupation***: Professional ***Nationality***: Indian ***Term***: Liable to retire by rotation	65	Nil
6.	***Anurag Surana*** ***Designation***: Non-Executive Director	54	***Companies*** • Kagashin Global Network Private Limited

Sr. No.	Name, Designation, DIN, Address, Occupation, Nationality and Term	Age (in years)	Other Directorships
	DIN: 00006665 ***Address***: 222-D, Block – H, Pushpa Bhawan, Sainik Farms, New Delhi 110062, India ***Occupation***: Business ***Nationality:*** Indian ***Term:*** Liable to retire by rotation		• Nichino Chemical India Private Limited • IFFCO-MC Crop Science Private Limited • Privi Organics India Private Limited • Nichino India Private Limited
7.	***Avi Kersi Sabavala*** ***Designation***: Independent Director ***DIN***: 08246256 ***Address***: 4, Asopalav Park, near Manjalpur Samsan, Manjalpur, Vadodara - 390011, Gujarat, India ***Occupation***: Professional ***Nationality:*** Indian ***Term:*** October 6, 2018 to October 5, 2023	61	Nil
8.	***Ranjan Kumar Malik*** ***Designation***: Independent Director ***DIN***: 08221989 ***Address***: B-201, Ascona, Raheja Garden LBS Marg, Opposite Hotel Tip-Top Plaza, Thane West, Thane - 4000604, Maharashtra India ***Occupation***: Professional ***Nationality:*** Indian ***Term:*** October 6, 2018 to October 5, 2023	69	Nil

Brief biographies of our Directors

Haridas Thakarshi Kanani is the Chairman and Managing Director of our Company. He oversees the manufacturing, research and development and general operation and management of our Company's manufacturing units. He holds a bachelor's degree in chemical engineering from the Indian Institute of Technology, Bombay. He has previously worked with Excel Industries Limited. He then founded Chem Ocean Industries which set up one of India's first Bromine plants using indigenous technology at Navalakhi, Gujarat. Due to a flood in the 1970s the Bromine Plant was destroyed, and he set up the firm Chem Ocean Consultant which provided consultancy, technology and engineering technologies to set up Bromine plants for other companies. In 1985 he set up Prachi Chemicals to manufacture organic and inorganic bromides. He then later established our Company in 1989 and has since served on the Board of our Company.

Harin Haridas Kanani is the Joint Managing Director of our Company. He heads various business divisions of our Company including research and development, business development, quality control, purchase, marketing and finance. He holds a bachelor's degree in chemical engineering from the Indian Institute of Technology, Bombay and a master's degree and a doctorate in chemical engineering from the University of Maryland. He has also served as a research fellow at the University of Maryland, where he has published 4 first author manuscripts in the field of chemical engineering, he has also presented various talks and presentations at national and international conferences. He has also participated in the Small and Medium Enterprises Programme from IIM Ahmedabad. He has previously worked with companies such as Asian Paints India Limited and as a senior research scientist at Pioneer Hi-Bred International Inc. in the United States. He joined our Company in 2008 as a general manager and has been on the Board of our Company as Joint Managing Director since the year 2017.

Sanjay Natwarlal Mehta is an Independent Director in our Company. He is a practicing Chartered Accountant. He is also a fellow member at the Institute of Chartered Accountants of India with 42 years of experience and a Graduate Member of the Institute of Cost and Works Accountants of India. He is a founding partner of the chartered accountancy firm M/s Akkad Mehta & Co. He has expertise in corporate audit and taxation, regulatory compliances, international taxation and corporate law.

Hitesh Bharatkumar Reshamwala is an Independent Director in our Company. He is a practicing Chartered Accountant with 29 years of practice. He has completed a 3 month course on 'Independent Director's Studies' conducted by the Bombay Chartered Accountants Society and S.P. Jain Institute of Management and Research. He has expertise in tax and statutory compliances.

Shyamsunder Upadhyay is an Executive Director in our Company. He oversees maintenance, projects, logistics, administration and engineering store in our Company. He has a master's degree in science from Vikram University, Ujjain. He has 41 years of work experience in the field of chemicals and has previously been associated with companies such as Savita Chemicals, Wimco, Gharda Chemicals, Clariant India, Tytan Organics Limited, Arch Pharmalabs Limited and Laxmi Organic Industries Limited.

Anurag Surana is a Non-Executive Director in our Company. He has a bachelor's degree in commerce with Honours from the University of Delhi. He founded a consulting company Kagashin Global Network Private Limited, specialising in consulting with companies in the chemical, agrochemical and fertilizers sector in India and abroad. He was previously an executive director on the board of PI Industries Limited an agrochemical and specialty chemicals manufacturer for 14 years.

Avi Kersi Sabavala is an Independent Director in our Company. She has a bachelors' degree in science (honours) from the University of Delhi, she also has a masters' degree in arts (social work) from the University of Delhi. She also has a bachelors' degree in law from the Maharaja Sayajirao University, Baroda, and a diploma in management from the Indira Gandhi National Open University. She is a former president of the Baroda Management Association, she is also a visiting faculty for the Gujarat Energy Training & Research Institute from 2008.

Ranjan Kumar Malik is an Independent Direct in our Company. He has a bachelor's degree in science (engineering and technology) with a gold medal from the University of Kanpur, he also has a masters' in chemical engineering from the Indian Institute of Technology, Kanpur, and a doctor in philosophy from the University of Wisconsin-Madison, USA. He was a former professor at the department of chemical engineering at the Indian Institute of Technology, Bombay for 30 years. He is currently an Emeritus Fellow at the Indian Institute of Technology, Bombay. He is also a member of the Indian Institute of Chemical Engineers.

Relationship between our Directors

None of our Directors are related to each other except as disclosed below:

Haridas Thakarshi Kanani is the father of Harin Haridas Kanani.

Arrangement or Understanding with major Shareholders, customers, suppliers or others

None of our Directors have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Confirmations

None of our Directors is or was a director of any listed company during the five years preceding the date of filing of this Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE. None of our Directors is or was a director of any listed company, which has been or was delisted from any recognized stock exchange in India.

None of our Directors have been categorized as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Our Company has not entered into any service contracts with our Directors which provide for benefits upon termination of employment of our Directors.

Shareholding of Directors

Shareholding of Directors in our Company

In terms of our Articles of Association, our Directors are not required to hold any qualification shares in our Company. Except as provided hereunder, no other Directors hold any shares of our Company, as on date of filing this Red Herring Prospectus:

Name of Director	Number of Equity Shares
Haridas Thakarshi Kanani	13,999,680
Harin Haridas Kanani	2,000,000
Hitesh Reshamwala	36
Sanjay N. Mehta	2,580*
Sanjay N. Mehta (HUF)	9,061
Shyamsunder Radheshyam Upadhyay	80
Anurag Surana	300,000
TOTAL	**16,311,437**

**Comprises shares held individually and jointly*.

Terms of Appointment of Executive Directors

Haridas Thakarshi Kanani

Our Company has appointed Haridas Thakarshi Kanani as Chairman and Managing Director (**Chairman**) pursuant to a Board resolution dated July 19, 2018 with effect from August 11, 2018 for a period of 5 years. The terms and conditions of his employment were approved by the members of the Company pursuant to the shareholder's resolution dated August 11, 2018. Key terms and conditions as listed out in the agreement dated August 11, 2018 (**Agreement**) between our Company and Haridas Thakarshi Kanani are as under:

1. The term of the Agreement is for 5 years effective from 11 August 2018.
2. Our Chairman draws a remuneration of ₹ 5,000,000 per annum.
3. The Agreement may be terminated by:

a. giving a prior written notice of 180 days by either party, if mutually agreed, or on the Chairman attaining the age of retirement per the policy laid down by the Company; and

b. our Company, in the event the Chairman is convicted of fraud, cheating, theft, or misappropriation of profits.

Harin Haridas Kanani

Our Company has re-appointed Harin Haridas Kanani as Joint Managing Director pursuant to a Board resolution dated October 16, 2018, and he is liable to retire by rotation. The terms and conditions of his employment were approved by the members of the Company pursuant to the shareholder's resolution dated October 16, 2018.

He draws a remuneration of ₹ 4,500,000 per annum. The Agreement may be terminated by our Company, in the event he is convicted of fraud, cheating, theft, or misappropriation of profits.

Payment or benefits to Directors

The details of payments and benefits made to our Directors, by our Company, in Fiscal 2018 are as follows:

1. *Executive Directors*

(₹ *in million*)

Sr. No.	Name of Director	Amount
1.	Haridas Thakarshi Kanani	2.65
2.	Harin Haridas Kanani	2.97
3.	Shyamsunder Radheshyam Upadhyay	3.42
Total		**9.04**

2. *Non-Executive Directors*

(₹ *in million*)

Sr. No.	Name of Director	Amount
1.	Anurag Surana	Nil
Total		

3. *Independent Directors*

The details of remuneration (including commission) paid/payable to our Independent Directors for Fiscal 2018 are as follows:

(₹ *in million*)

Sr. No.	Name of Director	Amount
1.	Sanjay Natwarlal Mehta	Nil
2.	Hitesh Bharatkumar Reshamwala	Nil

Further, none of the beneficiaries of loans and advances and sundry debtors are related to our Directors.

Borrowing Powers of the Board of Directors

As per the Articles of Association, the Board is authorised to exercise all the powers of the Company to borrow money, subject to the provisions of the Articles of Association and the Companies Act.

The shareholders, through a resolution passed at the AGM of the Company on August 4, 2016 authorised our Board to borrow money from time to time as it may consider fit for the business of our Company, up to such limit not exceeding ₹ 1,500 million notwithstanding that the monies to be borrowed together with the monies already borrowed by our Company by the way of loans (apart from temporary loans obtained by our Company in the ordinary course of business) will exceed the aggregate of the paid up capital of our Company and its free reserves.

Appointment of relatives of our Directors to any office or place of profit

None of the relatives of our Directors hold any office or place of profit in our Company as on the date of this Red Herring Prospectus.

Interest of Directors

All our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board of Directors or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. All our Directors may also be regarded as interested in our Company to the extent of Equity Shares, if any, held by them (directly or indirectly) or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees or promoters, pursuant to the Offer. Consequently, all of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Further:

1. Anurag Surana, is interested to the extent of the consultation fee paid to Kagashin Global pursuant to a consultancy agreement dated October 31, 2018, executed by our Company with Kagashin; and

2. Haridas Thakarshi Kanani is interested to the extent of the lease agreement executed with the Company in relation to the lease agreement for the property at 115, 1st Floor, Vardhaman Industrial Complex, Thane.

Interest of Directors in the promotion of our Company

Except as set out in the chapter *'Our Promoter and Promoter Group'* on page 199, none of our Directors are interested in the promotion of our Company other than in the ordinary course of our business. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested, by any person, either to induce him to become, or to qualify him as, as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Interest of Directors in the properties of our Company

Except as disclosed in the chapter '*Our Promoters and Promoter Group'* on page 199 our Directors have no interest in any property acquired in the preceding 2 years from the date of filing of this Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Loans taken by Directors

As on the date of filing of this Red Herring Prospectus none of our Directors have taken loans from our Company.

Changes in the Board of Directors during the last 3 years from the date of this Red Herring Prospectus

The following changes have been occurred in our Board of Directors in the last 3 years:

Sr. No.	Name of the Director	Date of appointment / change / cessation	Reason for change
1.	Anurag Surana	May 15, 2017	Appointment as Additional Director
2.	Anurag Surana	July 22, 2017	Appointment as Executive Director
3.	Harin Haridas Kanani	August 4, 2016	Re-appointment as Executive Director
4.	Harin Haridas Kanani	July 22, 2017	Appointment as Joint Managing Director
5.	Shyamsunder Radheshyam Upadhyay	August 11, 2018	Re-appointment as Director
6.	Haridas Thakarshi Kanani	August 11, 2018	Re-appointment as Chairperson and Managing Director
7.	Anurag Surana	September 8, 2018	Re-appointment as Non-Executive Director
8.	Ranjan Kumar Malik	October 6, 2018	Appointment as Additional Director
9.	Avi Kersi Sabavala	October 6, 2018	Appointment as Additional Director
10.	Ranjan Kumar Malik	October 16, 2018	Appointment as an Independent Director
11.	Avi Kersi Sabavala	October 16, 2018	Appointment as an Independent Director
12.	Harin Haridas Kanani	October 16, 2018	Re-appointment as the Joint Managing Director liable to retire by rotation

Corporate Governance

The provisions of SEBI Listing Regulations will be applicable to us immediately upon the listing of our Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations and the Companies Act, in respect of corporate governance including constitution of the Board and committees thereof. Our Board of Directors is constituted in compliance with the Companies Act, the SEBI Listing Regulations and Equity Listing Agreements to be executed with Stock Exchanges and.

As on the date of this Red Herring Prospectus, our Board comprises 8 Directors. In compliance with the requirements of the SEBI Listing Regulations, half of our Board comprises independent directors. We have 3 Executive Directors, 1 Non-Independent Non-Executive Director and 4 independent directors on our Board (one of whom is a woman director).

Committees of the Board

The Board has constituted the following committees in accordance with the requirements of the Companies Act and the SEBI Listing Regulations:

1. Audit Committee

The members of the Audit Committee are:

Sr. No.	Name	Designation	Designation in the Committee
1.	Sanjay Mehta	Independent Director	Chairman
2.	Hitesh Reshamwala	Independent Director	Member
3.	Harin H. Kanani	Joint Managing Director	Member

The Audit Committee of the Board was reconstituted in a meeting of our Board dated October 16, 2018.

The terms of reference of the Audit Committee are as follows:

1. Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Reviewing and recommending for approval to the Board:

    i. Proposals on borrowings from banks;

    ii. Business plan; and

    iii. Corporate annual budget and revised estimates.

3. Recommending to the Board the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the internal auditor, cost auditor and statutory auditors and the fixation of audit fees and remuneration;

4. Approval of payment to statutory, internal and cost auditors for any other services rendered by them, as applicable;

5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval with particular reference to:

    i. Matters required in the Director's responsibility statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013;

    ii. Changes, if any, in accounting policies and practices and reasons for the same;

    iii. Major accounting entries involving estimates based on the exercise of judgment by management;

    iv. Significant adjustments made in the financial statements arising out of audit findings;

    v. Compliance with listing and other legal requirements relating to financial statements;

    vi. Disclosure of any related party transactions;

    vii. Modified opinion(s) in the draft audit report.

    viii. Compliance with accounting standards;

    ix. Contingent liabilities; and

x. Claims against the Company and their effect on the financial statements; the term "financial statement" shall have the meaning ascribed to such term under Section 2(40) of the Companies Act, 2013.

6. Reviewing, with the management:

   i. the quarterly, half-yearly and annual financial statements and such other periodical statements before submission to the Board for approval;

   ii. the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.); and

   iii. the statement of funds utilized for purposes other than those stated in the issue document/ prospectus/notice.

7. Reviewing and monitoring the auditor's independence and performance along-with the effectiveness of audit process;

8. Examination of the financial statement and the auditor's report thereon;

9. Approval or any subsequent modification of transactions of the company with related parties, provided that the audit committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

10. Laying down the criteria for granting omnibus approval in line with the Company's policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;

11. Scrutinizing:

    i. the need for omnibus approval and ensuring that such approval is in the interest of the Company; and

    ii. Inter-corporate loans and investments.

12. Valuation of undertakings or assets of the company, wherever it is necessary;

13. Evaluation of internal financial controls and risk management systems;

14. Reviewing with the management- performance of statutory, cost and internal auditors and also the adequacy of the internal control systems;

15. 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;

16. Discussion with internal auditors of any significant findings and follow up there on;

17. 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;

18. Discussing with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

19. Scrutinizing the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

20. Formulating the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the internal auditor.

21. Approval of appointment of CFO (or the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

22. Reviewing the functioning of the whistle blower mechanism;

23. Making recommendations to the Board in relation to the establishment of a vigil mechanism;

24. Monitoring of a vigil mechanism for enabling adequate safeguards and protection of interest of the director(s) or employees or any other person who may avail the mechanism and to provide for direct access to the chairperson of the Audit Committee in exceptional cases where deemed necessary;

25. Discretion to invite the finance director or head of the finance functions, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee: Provided that occasionally the audit committee may meet without the presence of any executives of the listed entity; and

26. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee as per the Companies Act, 2013, Rules framed there under, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the SEBI Listing Regulations and other applicable Rules and Regulations.

2. Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

Sr. No.	Name	Designation	Designation in the Committee
1.	Hitesh Reshamwala	Independent Director	Chairman
2.	Sanjay Mehta	Independent Director	Member
3.	Anurag Surana	Non-Executive Director	Member

The Nomination and Remuneration Committee of the Board was reconstituted in a meeting of our Board dated October 16, 2018.

The terms of reference of the Nomination and Remuneration Committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. Reviewing the terms and conditions of services including remuneration in respect of technical director and managing director and submitting their recommendations to the Board;

3. Formulation of criteria for evaluation of independent directors and the Board;

4. Devising a policy on Board diversity;

5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board, their appointment and removal and shall carry out evaluation of every director’s performance;

6. Determination of extension or continuation of the term of appointment of the independent directors on the basis of the report of performance evaluation of independent directors.

7. Evaluating the current composition, organization and governance of the Board and its committees as well as determining future requirements and making recommendations to the Board for approval;

8. Determining on an annual basis, desired qualifications along with the expertise, characteristics and conduct searches for potential Board members with corresponding attributes. Thereafter, evaluation and proposal of nominees for election to the Board. In performing these tasks, the committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates;

9. Evaluation and recommendation of termination of membership of individual directors in accordance with the Board's governance principles for cause or for other appropriate reasons;

10. Making recommendations to the Board in relation to the appointment, promotion and removal of the senior management personnel at such level(s);

11. Reviewing, amending, modifying and approving all other human resources related policies of our Company from time to time;

12. Reviewing and recommending to the Board, manpower plan/ budget and sanction of new senior management positions from time to time in the future;

13. Reviewing and recommending to the Board, matters relating to revision of compensation/ salary and long term wage settlements;

14. Determination of compensation levels payable to the senior management personnel and other staff (as deemed necessary) which shall be market-related, usually consisting of a fixed and variable component;

15. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

16. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

17. Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

18. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
19. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

20. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

21. Consideration and approval of employee stock option schemes and to administer and supervise the same;

22. Decision on matters such as quantum of and milestones for grant, eligibility of employees who shall be entitled to grant of options, vesting period and conditions thereof, termination policies etc;

23. Reviewing, with the management, all human resource related issues from time to time so as to maintain harmonious employer-employee relations;

24. Periodically reviewing and re-examining the terms of reference and making recommendations to our Board for any proposed changes;

25. Authorization to obtain advice, reports or opinions from internal or external counsel and expert advisors;

26. Ensuring proper induction program for new directors, key managerial personnel and senior management and reviewing its effectiveness along-with ensuring that on appointment, they receive a formal letter of appointment in accordance with guidelines provided under the Companies Act, 2013;

27. Developing a succession plan for our Board and senior management and regularly reviewing the plan;

28. Consideration and determination of the nomination and remuneration policy based on performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate

members of the Board and such other factors as the Committee shall deem appropriate;

29. Ensuring that it proactively maintains a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company; and

30. Performing such other activities as may be delegated by the Board and / or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

3. Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

Sr. No.	Name	Designation	Designation in the Committee
1.	Ranjan Malik	Independent Director	Chairman
2.	Harin Kanani	Executive Director	Member
3.	Shyamsunder Radheshyam Upadhyay	Executive Director	Member

The Stakeholders' Relationship Committee was reconstituted in a meeting of the Board dated October 16, 2018.

The terms of reference of the Stakeholder's Relationship Committee include:

1. Collecting and analysing reports received periodically from the Registrar and the Share Transfer Agent on the following:

    i. Complaints regarding non-receipt of the shares, debentures, deposit receipt, declared dividend or interest;

    ii. Requests regarding non-receipt of the notice of the annual general meeting, balance sheet and profit and loss account statement;

    iii. Complaints of investors routed by the SEBI or stock exchanges and others;

    iv. Transfer, sub-division, consolidation, split, exchange, endorsement, transmission of share certificates and transposition of share certificates;

    v. Issue of share certificates, debenture certificates, duplicate share or debenture certificates in lieu of lost/ torn/ mutilated/ defaced certificates;

    vi. Requests relating to de-materialization and re-materialization of shares;

    vii. Requests relating to modes of paying the dividend i.e. through electronic clearing service, RTGS and issue of dividend warrant for dividend payment/ interest etc.; and

    viii. Complaints related to allotment of shares, transfer or transmission of shares, debentures or any other securities, non-receipt of annual report and non-receipt of declared dividends or any other document or information to be sent by our Company to its shareholders.

2. To redress other grievances of shareholders, debenture holders and other security holders;

3. Scrutinizing other matters related to or arising out of shareholders/ investors services including preparation and approval of periodical reports.

4. Corporate Social Responsibility Committee (CSR Committee)

The members of the CSR Committee are:

Sr. No.	Name	Designation	Designation in the Committee
1.	Haridas Thakarshi Kanani	Chairman and Managing Director	Chairman
2.	Avi Kersi Sabavala	Independent Director	Member
3.	Anurag Surana	Non-executive Director	Member

The CSR Committee was constituted in a meeting of our Board of Directors held on October 16, 2018. The scope and function of the CSR Committee is in accordance with the provisions of the Companies Act, 2013. Our Company Secretary is the secretary of the CSR Committee.

The terms of reference of the CSR Committee include:

1. Formulation and recommendation to the Board, a corporate social responsibility policy and subsequent amendments as required from time to time;

2. Ensuring that the corporate social responsibility policy shall include/ indicate the activities to be undertaken by the companies as specified in Schedule VII of the Companies Act, 2013 and the rules made there under, from time to time excluding the activities undertaken in pursuance of its normal course of business;

3. Monitoring the corporate social responsibility policy by instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company from time to time;

4. Recommendation of the annual budget for the corporate social responsibility activities of our Company in compliance with the relevant statutory provisions;

5. Assistance to the Board to ensure that our Company spends towards the corporate social responsibility activities in every Fiscal, such percentage of average net profit/ amount as may be prescribed in the Companies Act, 2013 and/ or rules made thereunder;

6. Providing explanation to the Board if the Company fails to spend the prescribed amount within the financial year;

7. Providing updates to our Board at regular intervals of 6 months on the corporate social responsibility activities;

8. Regulation of its own proceedings subject to the terms of reference;

9. Reviewing and recommending the corporate social responsibility plan for the ensuing Fiscal to our Board;

10. Approval of any project that may come during the year and which is not covered in the corporate social responsibility plan up to such amount as may be prescribed by our Board from time to time; and

11. Performance of such other functions as the Corporate Social Responsibility Committee may deem appropriate after the approval of the Board, or as may be directed by the Board from time to time.

5. IPO Committee

An IPO committee was constituted in a meeting of our Board of Directors held on October 16, 2018. The members of the IPO committee are Haridas Thakarshi Kanani, Harin Kanani and Hitesh Reshamwala.

The terms of reference of the IPO Committee are:

1. To appoint and enter into arrangements with the book running lead manager for the Offer (Book Running Lead Managers), underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, registrars to the Offer, refund banks to the Offer, legal advisors and any other agencies or persons or intermediaries to the Offer and to negotiate and finalize the terms of their appointment, including but not limited to execution of the Book Running Lead Managers'

engagement/fee letter, negotiation, finalization and execution of the offer agreement with the Book Running Lead Managers and the underwriting agreement with the underwriters;

2. To seek, if required, any approval, consent or waiver from the Company's lenders, and/or other third parties with whom the Company has entered into various commercial and other agreements, and/or any/all concerned government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required in connection with the issue, offer and allotment of the Equity Shares in the Offer;

3. To decide on the actual size (including, without limitation, any reservation for employees of the Company, employees or members of promoting companies/ group companies and/or any other reservations or firm allotments as may be permitted), timing, pricing (including the discount for any reserved category) and all the terms and conditions of issue and offer of the Equity Shares pursuant to the Offer, including the price, and to accept any amendments, modifications, variations or alterations thereto;

4. To finalize, settle, approve and adopt the draft red herring prospectus, the red herring prospectus, the prospectus and the preliminary and final international wrap for the Offer together with any addenda, corrigenda or supplement thereto and take all such actions as may be necessary for filing of these documents including incorporating such alterations/corrections/ modifications as may be required by and to submit undertaking / certificates or provide clarifications to SEBI, stock exchanges or any other relevant governmental and statutory authorities;

5. To finalize, settle and to execute and deliver or arrange the delivery of the registrar agreement, syndicate agreement, underwriting agreement, cash escrow agreement, share escrow agreement and all other documents, deeds, agreements, memorandum of understanding and other instruments with the registrar to the Offer, legal advisors, auditors, stock exchanges, Book Running Lead Managers and any other agencies / intermediaries as may be required or desirable in relation to the Offer (including amending, varying or modifying the same, as may be considered desirable or expedient), with the power to authorize one or more officers of our Company to negotiate, execute and deliver all or any of the aforementioned documents;

6. To do all such acts, deeds and things as may be required to dematerialize the Equity Shares and to sign agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection with the power to authorize one or more officers of our Company to execute all or any of the aforementioned documents;

7. To make applications to, seek clarifications, obtain approvals and seek exemptions from, if necessary, the concerned ministries/departments for approval of foreign investment, the SEBI, the Reserve Bank of India, the RoC or any other statutory and governmental authorities in connection with the Offer, and wherever necessary, incorporate such modifications / amendments as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus;

8. To make applications for listing of the Equity Shares on the stock exchange(s) and to execute and to deliver or arrange the delivery of necessary documentation to the stock exchange(s), and to take all such other actions as may be necessary in connection with obtaining such listing;

9. To make arrangement for the submission of the red herring prospectus to the SEBI and the stock exchange(s) for receiving comments, the red herring prospectus and the prospectus to the RoC and/or SEBI, and any corrigendum, amendments or supplements thereto;

10. To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013 and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

11. To open and operate bank account(s) of the Company in terms of the cash escrow agreement for handling of refunds for the Offer and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

12. To determine and finalize the floor price/price band for the Offer, approve the basis for allocation and confirm allocation of the Equity Shares to various categories of persons (including Anchor Investors) as disclosed in the draft red herring prospectus, the red herring prospectus and the prospectus, in consultation with the Book Running Lead Managers and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to, the Offer;

13. To do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for the purpose of the Offer, including without limitation, finalize the basis of allocation and to allot the Equity Shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules;

14. To allot the Equity Shares, and other matters in connection with or incidental to the Offer, including determining the anchor investor (as defined in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (ICDR Regulations), hereinafter referred to as the Anchor Investor) portion and allocate such number of Equity Shares to Anchor Investors, in accordance with the ICDR Regulations and to constitute such other committees of the Board, as may be required under the applicable laws, including the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015;

15. To issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the Equity Shares with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on the Stock Exchange(s), with power to authorize one or more officers of the company to sign all or any of the aforementioned documents;

16. To settle all questions, difficulties or doubts that may arise in relation to such issues or offers or allotment as it may deem fit;

17. To authorize and approve the incurring of expenditure and payment of fees, commissions, remuneration and expenses in connection with the Offer;

18. To accept and appropriate the proceeds of the Offer;

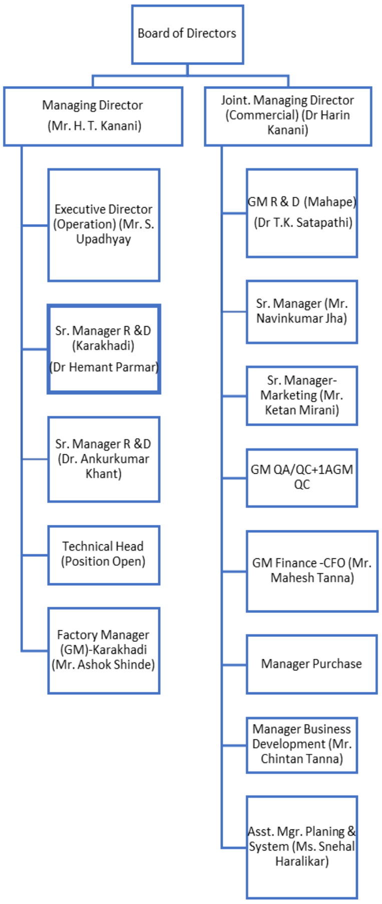
19. To approve code of conduct as may be considered necessary by the IPO Committee or as required under applicable laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;

20. To authorize any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Offer;

21. To affix the common seal of the Company on such documents in this connection as may be required in accordance with the provisions of the Articles of Association of the Company; and

22. To delegate any of the powers mentioned above to any of the Directors or officers of the Company, subject to the provisions of the Companies Act, 2013.

Management Organisation Structure



Key Managerial Personnel

Other than the Executive Directors, following are our Key Managerial Personnel:

Mahesh Mukundrai Tanna aged 46 is the Chief Financial Officer of our Company and was appointed on August 27, 2018. He holds a bachelor's degree in commerce form Saurashtra University, Gujarat. He also holds a master's degree in Financial Management from the University of Mumbai. He has passed the Intermediate (Integrated Professional Competence) Examination conducted by the Institute of Chartered Accountants of India, he is also a qualified Company Secretary. Prior to joining our Company, he was associated with Indo Count Industries Limited as a Senior General Manager and as Assistant General Manager, Finance of Gold Star Jewellery Limited and as Manager – Finance and Accounts of Overseas Infrastructure Alliance India Private Limited. He was not paid any remuneration last Fiscal, since he joined our Company only this Fiscal.

Lalit Ashok Karne aged 28 is the Company Secretary and Compliance of our Company and was appointed on July 19, 2018. He is a qualified Company Secretary. He oversees secretarial and legal compliance of our Company. Prior to joining us he was associated with Gupta Baul & Associates as an Assistant Company Secretary and Hazel Mercantile Limited as a Whole Time Company Secretary. He was not paid any remuneration last Fiscal, since he joined our Company only this Fiscal.

Ashok Shinde aged 58 is the factory manager of our Company and was appointed on December 23, 2016. He holds a bachelors' degree in arts (Industrial Psychology) from the University of Baroda. He also holds a post graduate diploma in labour law and a post graduate diploma in Industrial Relations and Personnel Management from the Maharaja Sayajirao University of Baroda. He oversees industrial relations, labour law, human resources, recruitment and plant operations at our Vadodara Facility. Further, he is also an executive member of the Baroda chapter of the National HRD Network, the Vadodara HR Forum, the Karakhadi Dudhwada Industries Association and a member of Gujarat Employer's Association, National HRD Network, Baroda Chapter. During the last fiscal year, he was paid a gross compensation of ₹ 1.92 million.

Ramchandra Govind Mestri aged 56 is the Assistant General Manager, at our Mahape Facility of our Company and was appointed on November 5, 1991. He holds a bachelor's degree in science (majors in chemistry) from the University of Mumbai. During the last fiscal year, he was paid a gross compensation of ₹ 1.56 million.

Chandramauli Gupta aged 46 is the Assistant General Manager, Environment, Health & Safety and was appointed on June 18, 2018. He holds a bachelors' degree in engineering (environment) from the University of Gujarat. He oversees regulatory compliance. Prior to joining our Company, he was associated with Concord Biotech Limited and UPL Environmental Engineers Limited. He was not paid any remuneration last Fiscal, since he joined our Company only this Fiscal.

Relationship between Key Management Personnel

Except for our CMD and Joint MD who are father and son, none of the Key Management Personnel is related to each other.

Shareholding of the Key Management Personnel

Except for the Directors, none of our KMPs hold any shares in the share capital of our Company, as on date of this Red Herring Prospectus:

Arrangement or understanding with major Shareholders

There are no arrangements or understanding with major Shareholders, customers, suppliers or others, pursuant to which any of the KMP was selected as a member of our senior management.

Changes in our KMPs in the last three years from the date of this Red Herring Prospectus

Other than changes with respect to the Executive Directors as set out in this chapter, the following changes have been occurred in our KMPs in the last three years:

Sr. No.	Name of the KMP	Designation	Date of change	Reason for change
1.	Madhavi Kulkarni	CFO	July 9, 2016	Appointment
2.	Madhavi Kulkarni	CFO	January 1, 2017	Resignation due to retirement
3.	Nimish Shah	CFO	January 1, 2017	Appointment
4.	Nimish Shah	CFO	December 31, 2017	Resignation
5.	Gaurav Kumar	Company Secretary	May 19, 2017	Appointment
6.	Gaurav Kumar	Company Secretary	March 24, 2018	Resignation
7.	Lalit Ashok Karne	Company Secretary	July 19, 2018	Appointment
8.	Mahesh Mukundrai Tanna	CFO	August 28, 2018	Appointment

All our Key Management Personnel are permanent employees of our Company.

Our Company has not entered into any service contracts with our Key Management Personnel which provide for benefits upon termination of employment of our Key Management Personnel.

Bonus or profit sharing plan of the Directors and Key Management Personnel

Except as disclosed in this section, none of our Directors or Key Management Personnel is party to any bonus or profit sharing plan of our Company.

Contingent and deferred compensation payable to Directors and Key Managerial Personnel

Other than performance linked incentive, there is no contingent or deferred compensation payable to Directors or Key Managerial Personnel, which does not form part of their remuneration.

Employee Stock Option Plan

Our Company has no employee stock option plan.

Payment or Benefit to Officers of our Company (non-salary related)

Except for:

1. Anurag Surana, who is interested to the extent of the consultation fee paid to Kagashin Global pursuant to a consultancy agreement dated October 31, 2018, executed by our Company with Kagashin; and

2. Haridas Thakarshi Kanani, who is interested to the extent of the lease agreement executed with the Company in relation to the lease agreement for the property at 115, 1st Floor, Vardhaman Industrial Complex, Thane,

   no non-salary amount or benefit has been paid or given to any of our Company's employees including the Key Management Personnel and our Directors within the 2 preceding years, for further details please refer to the chapter '*History and Certain Corporate Matters*' on page 175 and the chapter '*Our Promoters and Promoter Group*' on page 199. Further, nor is any non-salary amount or benefit intended to be paid or given to any of our Company's employees including the Key Management Personnel.

Loans and shareholding interest of KMPs

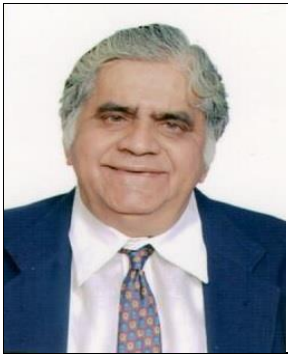
Except as disclosed in the chapter '*Related Party Transactions'* on page 205 none of our KMPs are interested in our Company.

OUR PROMOTERS AND PROMOTER GROUP

Haridas Thakarshi Kanani and Harin Haridas Kanani are the promoters of our Company. As on the date of this Red Herring Prospectus, the Promoters collectively hold 15,999,680 Equity Shares, representing 79.68% of the pre-Offer issued and paid-up capital of our Company.

Details of our Promoters

A. Haridas Thakarshi Kanani



Age	73
Permanent Account Number	ABEPK4211A
Passport Number	J0680846
Voters ID Number	RCT5226840
Driving License	Nil
Personal Address	802 B Siddhi Tower, Bhakthi Mandir Road, Damani Estate, Panch Pakhadi, Naupada, Thane - 400602, Maharashtra, India
Director Identification Number	00185487

For a brief profile of Haridas Thakarshi Kanani please refer to the chapter *'Our Management'* on page 181

B. Harin Haridas Kanani

Age	42
Permanent Account Number	ABEPK4212D
Passport Number	Z3270541
Voters ID Number	RCT5226873
Driving License	MH04/0057104/2018
Personal Address	B-1004, Savoy Building, Raheja Garden, LBS Road, Wagle Estate, Thane - 400604, Maharashtra India
Director Identification Number	05136947

For a brief profile of Harin Haridas Kanani please refer to the chapter *'Our Management'* on page 181.

Change in management and control of our Company

Our Promoters are the original promoters of our Company and there has not been any change in the management or control of our Company within 5 years immediately preceding the date of this Red Herring Prospectus.

Interest of our Promoters in our Company

Our Promoters are interested in our Company to the extent of their respective shareholdings in our Company and dividend or other distributions payable, if any, by our Company in relation thereto. For further details of our Promoters' shareholding please refer to the chapter '*Capital Structure' – 'Notes to Capital Structure'* on page 81. Additionally, Haridas Thakarshi Kanani is also interested in our Company as our Chairman and Managing Director and Harin Haridas Kanani is interested in our Company as a Joint Managing Director and any remuneration payable to them in such capacity, respectively.

Our Promoter, Haridas Thakarshi Kanani, as part of lease agreement entered into by our Company and him dated April 1, 2018 receives payments from the Company for use of premises at 115, 1st Floor, Vardhaman Industrial Complex, Old Agra Road, Thane (West) 400 601, Maharashtra, India, leased from him by our Company for its use previously as registered office of our Company. For further details please refer to the chapter '*Related Party Transactions'* on page 205.

Interest of Promoters in property of our Company

Our Promoters have no interest in any property acquired or proposed to be acquired by our Company within two years from the date of this Red Herring Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Business Interests of the Promoters

Except as set out in the chapter *'Related Party Transactions'* on page 205 and to the extent of their shareholding in our Company, our Promoters have no business interests in our Company.

Except as set out above, our Promoters have no interest in our Company's business.

Our Promoters are not interested as a member of a firm or a company and no sum has been paid or agreed to be paid to our Promoters and our directors, or to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoters and our directors or by such firm or Company in connection with the promotion or formation of our Company, except as disclosed in this Red Herring Prospectus.

Related Party Transactions

For further details of related party transactions entered into by our Promoters and our Company during the last 5 Fiscals, the nature of transactions and the cumulative value of transactions please refer to the chapter *'Related Party Transactions'* on page 205.

Interest of Promoters in Sales and Purchases

There are no sales/purchases between our Company and our Promoters.

Guarantees

Except as disclosed in the chapter '*Financial Indebtedness'* on page 417 our Promoters have not given any guarantees to any third parties in relation to our Company.

Payment of benefits to our Promoters or Promoter Group

Other than as disclosed in this chapter and the chapter '*Related Party Transactions'* on page 205 neither has there been any payment or benefits paid to our Promoters and Promoter Group during the two years preceding the filing of this Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters and Promoter Group in their capacity as such.

Contracts, agreements or arrangement in which our Promoters are interested

Other than as disclosed in this chapter and the chapter '*Related Party Transactions'* on page 205 and the chapter '*Our Management'* on page 181 our Promoters are not interested in any contracts, agreements or arrangements.

Common Pursuits of our Promoters

Other than as disclosed in the chapter '*Group Companies*' on page 202 as on the date of this Red Herring Prospectus, our Promoters are not involved with any ventures which are in the same line of activity or business as that of our Company.

Companies with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company or firm during the three years preceding this Red Herring Prospectus.

Other Confirmations

For further details of Promoters' contribution and lock-in please refer to the chapter *Capital Structure'* on page 95.

Our Company confirms that PAN, bank account numbers and passport number of our Individual Promoters have been submitted to the Stock Exchanges at the time of filing this Red Herring Prospectus with the Stock Exchanges.

Our Promoters have not been declared as wilful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by our Promoters in the past.

Our Promoters have not been prohibited from accessing or operating in capital markets under any order or directions passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 years preceding the date of the Offer against our Promoters, except as disclosed under the chapter *'Outstanding Litigations and Material Developments'* on page 430.

Our Promoters are not and have never been promoters or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not related to any sundry debtors of our Company.

Our Promoter Group

Individuals forming part of the Promoter Group of Haridas Thakarshi Kanani is as follows:

Sr. No.	Name of the Relative	Relationship
1.	Beena Kanani	Spouse
2.	Muktha Kawthankar	Sister
3.	Hargovind Kanani	Brother
4.	Amrut Kanani	Brother
5.	Harin Haridas Kanani	Son
6.	Pallika Kanani	Daughter
7.	Rashmikant Gandhi	Spouse's Brother
8.	Arun Gandhi	Spouse's Brother
9.	Charulatha Reshamwala	Spouse's Sister
10.	Asha Dalal	Spouse's Sister

Individuals forming part of the Promoter Group of Harin Haridas Kanani is as follows:

Sr. No.	Name of the Relative	Relationship
1.	Jesal Kanani	Spouse
2.	Haridas Thakarshi Kanani	Father
3.	Beena Kanani	Mother
4.	Pallika Kanani	Sister
5.	Mihika Kanani	Daughter
6.	Samika Kanani	Daughter
7.	Harshida Malia	Spouse's Mother
8.	Partik Malia	Spouse's Brother

Entities forming part of our Promoter Group

Neogen Advance Sciences LLP
Arun Gandhi HUF
R.K. Gandhi HUF
KC Gandhi & Company (Partnership firm)
Sustainable Products LLP

GROUP COMPANIES

In accordance with the SEBI ICDR Regulations, for the purpose of identification of 'group companies', our Company has pursuant to a Board resolution dated October 31, 2018, determined that only (a) such entities that are covered under the applicable accounting standard, i.e. Indian Accounting Standard 24 issued by the Institute of Chartered Accountants of India (**Ind AS 24**) as disclosed in the Restated Financial Statements, and (b) Neogen Advance Sciences LLP, an entity in which our Promoters hold 50% each shall be classified as a group company, in accordance with the materiality policy of our Company.

Neogen Advance Sciences LLP

Corporate Information

Neogen Advance Sciences LLP (**Neogen LLP**) was incorporated on December 16, 2011 under the Limited Liability Partnership Act, 2008. Its Limited Liability Partnership Identification Number (**LLPIN**) is AAA-7299 and its registered office is situated at Office No. 115, 1st floor, Vardhaman Industrial Complex, Old Agra Road, Gokul Nagar, Thane (W) – 400601, Maharashtra, India.

Neogen LLP was incorporated with the intent of engaging in the business of providing life sciences related products and services to companies in pharmaceutical, agrochemical, biotech and allied fields.

Interest of our Promoters

Our Promoters, Haridas Thakarshi Kanani and Harin Haridas Kanani are the designated partners of Neogen LLP and have an interest of 50% each in its total capital.

Financial Information

(₹ in million, except earnings per share)

Particulars	For the Fiscal		
	2018	2017	2016
Capital	3.37	1.43	1.01
Sales	26.23	Nil	Nil
Reserves	Nil	Nil	Nil
Profit (Loss) after tax	0.78	0.17	Nil
Earnings per share	N.A.	N.A.	N.A.
Net asset value	3.34	1.40	0.97

* *There are no significant notes to accounts.*

Dhara Fine Chem Industries

Corporate Information

Dhara Fine Chem Industries was formed on February 27, 1984 pursuant to a partnership deed by and between Kalpanaben Soni, Gopiben Parikh, Jayantilal Soni, Chandrakant Gandhi and Dharmendra Gandhi. Our Company joined as a partner of Dhara Fine Chem Industries on June 1, 2016 upon the retirement of Kumarpal K Soni from the firm, vide the reconstituted partnership deed dated May 23, 2016. The partnership was again reconstituted on October 1, 2016 when Chandrakant Mirani joined as a partner while Kalpanaben Soni and Kishorechand Soni retired from the partnership. Accordingly, presently, our Company and Chandrakant Mirani are the partners of the firm. Our Company holds 90% stake in Dhara Fine Chem Industries and is entitled to 90% of the profits and, or, loss of the firm. The partnership carries on its business from 23, G.I.D.C Estate, Dabhoi – 391110, Dist. Vadodara, Gujarat, India.

Dhara Fine Chem Industries is engaged in the business of manufacturing, sale and trading of inorganic and organic chemicals including fine chemicals, bulk drugs, photographic chemicals and related activities necessary for the main business activities of the firm. Dhara Fine Chem Industries, presently, does job work for our Company.

Interest in our Company

Dhara Fine Chem Industries does not have any interest in the properties acquired by our Company in the 2 years preceding the filing of this Red Herring Prospectus with SEBI or any property proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Interest of our Promoters

Our Promoters, Haridas Kanani and Harin Kanani do not have any interest in the business, profits or losses of Dhara Fine Chem Industries. For further details of our Promoter, please refer to the chapter '*Our Promoter and Promoter Group*' on page 199.

Financial Information

(₹ in million, except earnings per share)

Particulars	**For the Fiscal**		
	2018	**2017**	**2016***
Capital	5.82	5.80	Nil
Sales	17.89	4.86	Nil
Reserves	Nil	Nil	Nil
Profit (Loss) after tax	0.36	0.38	Nil
Earnings per share	N.A.	N.A.	N.A.
Net asset value	5.82	5.80	Nil

***** *Our Company joined as a partner of Dhara Fine Chem Industries only on June 1, 2016 and, therefore, the abovementioned figures for the Fiscal 2016 have not been added. There are no significant notes to Dhara Fine's accounts*.

Interest of Group Companies in our Company

1. *Business interests*

   Neogen LLP does not have any business interests in our Company.

2. *In the properties acquired or proposed to be acquired by our Company or in transactions for acquisition of land, construction of building and supply of machinery*

   Our Group Companies do not have any interest in the properties acquired by our Company in the 2 years preceding the date of the filing of this Red Herring Prospectus with SEBI or any property proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Common pursuits amongst the Group Companies with our Company

Dhara Fine, a joint venture in which our Company holds 90% stake, does job work for our Company and, is, generally, operates in the same line of business as our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situations as and when it arises. Further, we have not entered into any non-compete or similar arrangement with our Group Companies or otherwise with our Promoters. Accordingly, there can be no assurance that our Group Companies will not in future engage in any competing business activity or acquire interests in competing ventures.

Related business transactions within the Group Companies and significance on the financial performance of our Company

For further details, please refer to the chapter '*Related Party Transactions*' on page 205.

Sale/Purchase between Group Companies and our Company

Our Group Companies are not involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Defunct Group Companies

Our Group Companies are not defunct and no application has been made to the Registrar of Companies for striking off the name of our Group Companies during the 5 years preceding the date of filing of this Red Herring Prospectus with SEBI.

Sick Group Companies

Our Group Companies do not fall under the definition of a sick company under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1995 and are not under winding up or have a negative net worth.

There are no winding up or revocation proceedings or actions that have been initiated against our Group Companies as on the date of this Red Herring Prospectus.

Loss making Group Companies

None of our Group Companies is a loss making company.

Litigations

There are no pending legal proceedings against our Group Companies.

Other confirmations

Our Group Companies are not listed on any stock exchange or have made any public or rights issue of securities in the preceding 3 years.

Our Group Companies have not been prohibited from accessing the capital market for any reasons by the SEBI or any other authorities.

Our Group Companies have not been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

RELATED PARTY TRANSACTIONS

For further details of the related party transactions during the last five Fiscals as per the requirement under Indian Accounting Standard 24 '*Related Party Disclosures*' issued by ICAI, please refer to the chapter '*Financial Statements – Restated Consolidated Financial Statements*' and '*Financial Statements – Restated Standalone Financial Statements*' on pages 212 and 304, respectively.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act and will depend on a number of factors, including but not limited to the capital requirements, profit earned during the Financial Year, liquidity, and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please refer to the chapter '*Financial Indebtedness*' on page 417.

Dividend

Our Company does not have a formal dividend policy.

Except as stated below, our Company has not declared any dividends for the last 5 Fiscals and the 9 month period ended December 31, 2018.

Equity Shares

Particulars	9 month period ended December 31, 2018	Fiscal				
		2018	2017	2016	2015	2014
Number of Equity Shares	20,078,793	20,000,000	20,000,000	4,500,000	4,500,000	4,500,000
Face Value of Equity Share (per share) (₹)	10	10	10	10	10	10
Interim Dividend on each Equity Share	Nil	Nil	Nil	2	2	2
Final Dividend on each Equity Share (₹)	1	1	1	NIL	NIL	NIL
Dividend Rate for each Equity Share (%)	10%	10%	10%	20%	20%	20%

10% OCPS

Particulars	9 month period ended December 31, 2018	Fiscals				
		2018	2017	2016	2015	2014
Number of 10% OCPS	1,30,000	1,30,000	1,30,000	1,30,000	1,30,000	Nil
Face Value of 10% OCPS (per share) (₹)	100	100	100	100	100	Nil
Interim Dividend on each 10% OCPS (₹)	5	Nil	Nil	Nil	Nil	Nil
Final Dividend on each 10% OCPS (₹)	N.A.	10	10	10	Nil	Nil
Dividend Rate for each 10% OCPS (%)	10	10	10	10	Nil	Nil

9.8% FRCPS

Particulars	**Fiscals**				
	2018	**2017**	**2016**	**2015**	**2014**
Number of 9.8% FRCPS	10,70,000	10,70,000	Nil	Nil	Nil
Face Value of 9.8% FRCPS (₹)	100	100	Nil	Nil	Nil
Interim Dividend on each 9.8% FRCPS (c)	Nil	Nil	Nil	Nil	Nil
Final Dividend on each 9.8% FRCPS (₹)	9.8	2.36	Nil	Nil	Nil
Dividend Rate for each 9.8% FRCPS (%)	9.8%	2.36%	Nil	Nil	Nil

The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future. Please refer to the section '*Risk Factors'* on page 19.

SECTION VI: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

To,
The Board of Directors,
Neogen Chemicals Limited
1002, Dev Corpora, Cadbury Junction,
Eastern Express Highway, Thane (West),
Maharashtra - 400601

Dear Sir,

1. We have examined the attached Restated Consolidated Financial Information of Neogen Chemicals Ltd (The "Company") which comprises the Restated Consolidated Statement of Assets and Liabilities as at 31 December 2018, 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Consolidated Statement of Profit and Loss (including other Comprehensive Income), Restated Consolidated Statement of Changes on Equity and the Restated Consolidated Statement of Cash Flows for 9 months ended 31 December 2018 and each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and the Restated Consolidated Statement of Significant Accounting Policies as approved by the Board of Directors at their meeting held on 26th March 2019 for the purpose of Inclusion in the Red Herring Prospectus ("RHP") prepared by the company in connection with its proposed offer of Equity Shares of the Company, prepared in terms of the requirements of section 26 of Part I of Chapter III of the Companies Act, 2013, as amended ("the Act") read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 on Clarification regarding applicability of Indian Accounting Standards to disclosures in offer documents as issued by the Securities and Exchange Board of India ("SEBI").

   The Company has one Joint Venture investment holding 90% share in Dhara Fine Chem Industries, Partnership firm since September 2016. The financials of Dhara Fine are not audited during the year 2016-17, since audit was not applicable in said financial year, because the turnover threshold was below limits prescribed under Income Tax Act, 1961. We have examined the books of the Dhara Fine Chem Industries for said financial year and we have audited financial statement of Dhara Fine Chem Industries during the financial year 2017-18 and the 9 month ended 31st December 2018 and accordingly consolidated financial information drawn under equity method of accounting. Key indicators of the financial information of said Joint Venture is reproduced below:

(Rupees in Millions)

Particulars	For the 9 month ended 31st December 2018	For the year ended 31st March 2018	For the year ended 31st March 2017
Partners Capital	7.72	5.82	5.80
Sales	8.01	17.89	4.86
Reserves	N.A.	Nil	Nil
Profit (Loss)after tax	1.37	0.36	0.39
Earnings per share	N.A.	N.A	N.A
Net asset Value	7.72	5.82	5.80

2. The preparation of the Restated Consolidated Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 8 below. The management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The management is also responsible for identifying and ensuring that the Company complies with the Act, the Rules, ICDR Regulations and the Guidance Note.

   Our responsibility is to examine the Restated Consolidated Financial Information and confirm whether such Restated Consolidated Financial Information comply with the requirements of the Act, the Rules, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

   a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 16th October 2018 in connection with the proposed issue of equity shares of the company; and

   b. The Guidance Note on Reports in Company Prospectus (Revised 2019) ("The Guidance Note") issued by the Institute of Chartered Accountants of India.

   c. The requirements of Section 26(1) (b) of the Act read with applicable provisions within Rule 4 to 6 of the Rules and the ICDR Regulations and in accordance with the provisions of SEBI Circular.

4. The Restated Consolidated Financial Information expressed in Indian Rupees, in millions, has been prepared under Indian Accounting Standards ('Ind-AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 and have been compiled by the management from:

   a. The Audited Consolidated Financial Statements of the Company as at and for the 9 months ended 31 December 2018 and the year ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015, prepared in accordance with Accounting Standards prescribed under section 133 of the companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, and the other relevant provisions of the Act which has been approved by the Board of Directors at their Board Meeting held on 26th March 2019, 3rd May 2018, 5th June 2017, 24th June 2016 and 22nd June 2015 respectively. These Audited Consolidated Financial Statements have been adjusted for the differences in the Accounting Principles adopted by the Company on transition to Ind AS, which have also been audited by us; and

   b. The Audited Consolidated Financial Statements of the company as at and for the year ended 31 March 2014, prepared in accordance with Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956, which have been approved by the Board of Directors at their Board meetings held on 15 September 2014. These Audited Consolidated Financial Statements have been adjusted for the differences in the Accounting Principles adopted by the Company on transition to Ind AS, which have also been audited by us.

      The Restated Consolidated Financial Information as at and 9 month ended 31 December 2018 and for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 are referred to as "Proforma Ind AS Restated Consolidated Financial Information" as per the Guidance Note. The restated consolidated financial information is compiled by the management for making initial submission for RHP in line ICDR regulation, which have been further reviewed by us and referred as "Proforma Ind AS Restated Consolidated Financial Information".

5. In accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with ICDR Regulations and the Guidance Note, we report that:

a. The Restated Consolidated Statements of Assets and Liabilities of the Company as at 31 December 2018, 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regrouping /reclassifications as in our opinion were appropriate and more fully described in Note 45 of Annexure VI: Statements on Adjustments to Audited Consolidated Financial Statements.

b. The Restated Consolidated Statement of Profit and Loss (including other comprehensive income) of the Company, for the 9 months ended 31 December 2018 and for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined by us, as set out in Annexure II to this report, have been arrived at after making adjustments and regrouping /reclassifications as in our opinion were appropriate and more fully described in Note 45 of Annexure VI: Statements on Adjustments to Audited Consolidated Financial Statements.

c. The Restated Consolidated Statement of Cash Flows of the Company, for the 9 months ended 31 December 2018 and for the year ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined by us, as set out in Annexure III to this report, have been arrived at after making adjustments and regrouping /reclassifications as in our opinion were appropriate and more fully described in Note 45 of Annexure VI: Statements on Adjustments to Audited Consolidated Financial Statements.

d. The Restated Consolidated Statement of Changes in Equity of the Company, for the 9 months ended 31 December 2018 and for the ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined by us, as set out in Annexure IV to this report, have been arrived at after making adjustments and regrouping /reclassifications as in our opinion were appropriate and more fully described in Note 45 of Annexure VI: Statements on Adjustments to Audited Consolidated Financial Statements.

6. Based on the above and according to the information and explanations given to us, we further report that the Proforma Ind AS Restated Consolidated Financial Information:

a. Have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

b. Have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

c. Do not contain any extraordinary items that need to be disclosed separately in the Restated Consolidated Financial Information and don not contain any qualification requiring adjustments.

d. Do not contain any qualifications /Emphasis of Matter requiring adjustments

7. We have also examined the following Proforma Ind AS information of the Company set out in the Annexures prepared by the management and approved by the Board of Directors on 26th March 2019 for the 9 months ended 31 December 2018 and for the year ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014:

a. Annexure V: Restated Consolidated Statement of Significant Accounting Policies;
b. Annexure VI: Notes to Restated Consolidated Financial Information;
c. Annexure VII: Restated Consolidated Statement of Accounting Ratios;
d. Annexure VIII: Restated Consolidated Statement of Capitalization;
e. Annexure IX: Restated Consolidated Statement of Dividend; and
f. Annexure X: Restated Statement of Tax Shelter

According to the information and explanations given to us, in our opinion, the Restated Consolidated Financial Information and the above restated financial information contained in Annexure VI to X accompanying this report, read with Proforma Ind AS Restated Consolidated Statement of Significant Accounting Policies disclosed in Annexure V, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, ICDR Regulations and the Guidance Note.

8. This Report should not in any way be constructed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be constructed as a new opinion on any of the audited Consolidated financial statements referred to herein.

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. Our Report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, the stock Exchanges where the equity shares are proposed to be listed and Registrar of Companies, Mumbai in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **JMT & Associates**
Chartered Accountant
Firm Registration No. 0104167W

Sanjay Pichholia
Partner
Membership No. 122651

RESTATED CONSOLIDATED FINANCIAL STATEMENTS

NEOGEN CHEMICALS LTD.

Annexure I: Restated Consolidated Statement of Assets and Liabilities

(Currency: Indian Rupees in Millions, unless stated otherwise)

Particulars	**Notes**	**Proforma Ind AS**	**Proforma Ind AS**	**Proforma Ind AS**	**Proforma Ind AS**	**Proforma Ind AS**	**Proforma Ind AS**
		As at 31 Dec 2018	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
ASSETS							
(1) Non-current assets							
(a) Property, plant and equipment	1	810.43	666.41	563.19	174.22	131.77	136.24
(b) Capital work-in-progress	2	0.49	13.79	12.59	6.87	1.25	0.37
(c) Intangible assets	3	0.86	0.55	0.03	0.05	0.09	0.13
(d) Financial assets							
(i) Investments	4	5.50	4.23	4.88	-	-	-
(ii) Loans & advances	5	34.07	18.52	21.42	13.75	9.30	1.73
(iii) Other financial assets	6	25.23	23.09	22.59	-	-	-
(e) Other non-current assets	7	6.87	6.29	1.27	0.76	14.40	29.34
Total Non-current Assets		**883.45**	**732.88**	**625.97**	**195.65**	**156.81**	**167.81**
(2) Current Assets							
(a) Inventories	8	772.17	499.93	400.13	317.57	242.97	212.31
(b) Financial assets							
(i) Trade receivables	9	424.65	413.63	321.61	158.49	179.68	165.87
(ii) Cash and cash equivalents	10a	1.84	3.17	5.77	5.18	6.89	2.70
(iii) Bank balances other than (ii) above	10b	8.12	15.00	24.99	19.54	17.14	15.22
(iv) Loans & advances	11	2.84	0.81	4.03	-	2.90	6.39
(v) Other current financial assets	12	9.40	1.64	1.83	2.55	5.48	1.80
(c) Other current assets	13	271.59	133.47	138.82	105.84	75.69	57.23
Total Current Assets		**1490.61**	**1,067.65**	**897.18**	**609.17**	**530.75**	**461.52**
TOTAL ASSETS		**2374.06**	**1,800.53**	**1,523.15**	**804.82**	**687.56**	**629.33**
EQUITY AND LIABILITIES							
(1) Equity							
(a) Equity share capital	14	200.79	200.00	200.00	200.00	45.00	45.00
(b) Other equity	15	414.08	300.62	219.66	75.49	189.87	150.93
Total Equity		**614.87**	**500.62**	**419.66**	**275.49**	**234.87**	**195.93**
(2) Non-current liabilities							
(a) Financial liabilities							
- Borrowings	16	440.62	384.95	367.61	47.70	47.33	47.59
- Other Non-current Financial Liabilities	17	20.00	21.74	21.73	1.72	1.72	-
(b) Long Term Provisions	18	18.31	17.25	11.82	2.41	3.26	1.69
(c) Deferred tax liabilities (net)	24	45.41	40.30	36.50	21.73	20.37	16.64
Total Non-current Liabilities		**524.34**	**464.24**	**437.66**	**73.56**	**72.68**	**65.92**

(3) Current liabilities							
(a) Financial liabilities							
(i) Borrowings	19	677.02	412.23	301.49	200.60	183.36	189.96
(ii) Trade payables – Due to entities under Micro & Small enterprise	20	4.59	0.00	0.00	0.00	0.00	0.00
Due to other than Micro & Small enterprise	20	472.77	366.72	309.80	218.36	163.58	143.55
(iii) Other financial liabilities	21	61.82	34.38	36.30	24.88	12.52	23.14
(b) Other current liabilities	22	9.53	15.31	15.44	8.19	18.06	10.50
(c) Short-term provisions	23	9.12	7.03	2.80	3.74	2.49	0.33
Total Current liabilities		**1234.85**	**835.67**	**665.83**	**455.77**	**380.01**	**367.48**
Total Liabilities		**1759.19**	**1,299.91**	**1,103.49**	**529.33**	**452.69**	**433.40**
TOTAL EQUITY AND LIABILITIES		**2374.06**	**1,800.53**	**1,523.15**	**804.82**	**687.56**	**629.33**

The accompanying Restated Consolidated Statement of Significant Accounting Policies in Annexure V and Notes to Restated Financial Information in Annexure VI are integral part of this statement.
As per our report of even date attached

For JMT & Associates

Chartered Accountants
Firm Registration No.: 104167W

Sanjay Pichholia
Partner
Membership No.:122651

Place: Mumbai
Date: 26th March 2019

For & behalf of the Board of Directors

Haridas Kanani
Chairman & Managing Director
DIN:0000185487

Dr. Harin Kanani
Joint Managing Director
DIN:0005136947

Mahesh Tanna
CFO
Place: Mumbai
Date: 26th March 2019

Lalit Karne
Company Secretary
Place: Mumbai
Date: 26th March 2019

NEOGEN CHEMICALS LTD.

Annexure II: Restated Consolidated Statement of Profit and Loss

(Currency: Indian Rupees in Millions, unless stated otherwise)

Particulars	Notes	Proforma Ind AS For 9 months Ended 31 Dec 2018	Proforma Ind AS For the Year Ended 31 March 2018	Proforma Ind AS For the Year Ended 31 March 2017	Proforma Ind AS For the Year Ended 31 March 2016	Proforma Ind AS For the Year Ended 31 March 2015	Proforma Ind AS For the Year Ended 31 March 2014
Income							
I. Revenue from operations	25	1592.31	1,640.12	1,214.67	1,088.85	914.84	799.04
II. Other income	26	4.56	6.63	3.08	1.62	9.96	4.10
Total Income (I+II)		**1596.87**	**1,646.75**	**1,217.75**	**1,090.47**	**924.80**	**803.14**
III. Expenses							
Cost of materials consumed	27	1110.67	1,025.59	695.60	652.28	526.51	465.36
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	(171.37)	(77.27)	(55.29)	(41.41)	(29.14)	(17.19)
Employee benefits expense	29	81.16	87.01	54.47	45.37	47.61	34.38
Finance costs	30	85.57	104.17	75.16	47.91	46.54	47.75
Depreciation and Amortization Expenses	1	21.09	19.40	13.11	10.00	9.35	9.22
Other Expense	31	300.54	314.88	320.02	291.51	243.28	201.73
Total Expenses		**1427.66**	**1,473.78**	**1,103.07**	**1,005.66**	**844.15**	**741.25**
IV. Profit/(loss) before, share of profit of investment accounted for using equity method and taxes		**169.21**	**172.97**	**114.68**	**84.81**	**80.65**	**61.89**
Share of Profit/(Loss) of investments accounted for using equity method		1.28	0.38	0.38	-	-	-
Profit Before Tax		**170.49**	**173.35**	**115.06**	**84.81**	**80.65**	**61.89**
V. Income tax							
1. Current Tax		43.50	64.77	39.05	31.47	25.50	18.33
2. Deferred Tax		4.78	3.61	(0.82)	1.54	4.30	7.13
VI. Profit for the year/period		**122.21**	**104.97**	**76.83**	**51.80**	**50.85**	**36.43**
VII. Other comprehensive income							
Items that will not be reclassified to restated statement of profit or loss							
Statement of other comprehensive income	31a	1.16	0.54	(7.19)	(0.54)	(1.68)	0.36
Income tax related to items that will be reclassified to profit or loss	31a	(0.34)	(0.19)	2.49	0.19	0.57	(0.12)
Other comprehensive income, net of tax		**0.82**	**0.35**	**(4.70)**	**(0.35)**	**(1.11)**	**0.24**

VIII. Total comprehensive income for the year		**123.04**	**105.32**	**72.13**	**51.45**	**49.74**	**36.67**
IX. Earnings per equity share (In INR)	32						
- Basic		6.09*	5.25	3.84	2.59	11.30	8.10
- Diluted		6.09*	5.25	3.84	2.59	11.30	8.10

**Not Annualised*

The accompanying Restated Consolidated Statement of Significant Accounting Policies in Annexure V and Notes to Restated Financial Information in Annexure VI are integral part of this statement.
As per our report of even date attached.

For JMT & Associates

Chartered Accountants
Firm Registration No.: 104167W

Sanjay Pichholia
Partner
Membership No.:122651

Place: Mumbai
Date: 26th March 2019

For & behalf of the Board of Directors

Haridas Kanani
Chairman & Managing Director
DIN:0000185487

Dr. Harin Kanani
Joint Managing Director
DIN:0005136947

Mahesh Tanna
CFO
Place: Mumbai
Date: 26th March 2019

Lalit Karne
Company Secretary
Place: Mumbai
Date: 26th March 2019

NEOGEN CHEMICALS LTD.

Annexure III: Restated Consolidated Statement of Cashflow

(Currency: Indian Rupees in Millions, unless stated otherwise)

Particulars	**Proforma Ind AS**	**Proforma Ind AS**	**Proforma Ind AS**	**Proforma Ind AS**	**Proforma Ind AS**	**Proforma Ind AS**
	For 9 months Ended 31 Dec 2018	**For the Year Ended 31 March 2018**	**For the Year Ended 31 March 2017**	**For the Year Ended 31 March 2016**	**For the Year Ended 31 March 2015**	**For the Year Ended 31 March 2014**
CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit/(loss) before extra - ordinary Items & tax	170.49	173.35	115.06	84.81	80.65	61.89
Adjustments for:						
Depreciation and amortisation expense	21.09	19.43	13.12	9.98	9.34	9.22
Finance Costs	85.57	104.17	75.16	47.91	46.54	47.75
Interest & Other income	(0.85)	(2.54)	(2.24)	(1.62)	(1.68)	(1.34)
Fair Value Gain / Loss on Derivative Contracts	(0.14)	(4.47)	(1.04)	6.50	(3.34)	0.62
Loss/(Gain) on sale/write of fixed assets (net)	-	-	-	-	(0.17)	-
Employee Benefit Expenses	2.00	2.57	(9.55)	(1.88)	0.96	(0.61)
Operating profit before working capital changes	**278.15**	**292.51**	**190.51**	**145.70**	**132.30**	**117.53**
Movement in working capital						
(Increase)/decrease in current and non-current long-term loans & advances	(15.54)	5.69	(11.83)	(1.11)	(4.80)	2.53
(Increase)/decrease in inventories	(272.25)	(99.80)	(82.56)	(74.59)	(30.66)	(10.40)
(Increase)/decrease in current and non-current financial assets - Loans	0.22	(9.79)	(3.90)	(19.75)	15.24	(30.60)
(Increase)/decrease in other current and non-current financial assets	(8.04)	15.27	(29.07)	(4.28)	(8.56)	9.68
(Increase)/decrease in other current and non-current assets	(118.39)	1.07	1.66	(4.97)	3.58	(2.10)
(Increase)/decrease in trade receivables	(11.02)	(92.03)	(163.11)	21.14	(13.81)	(44.70)
Increase/(decrease) in other current and non-current financial liabilities	25.70	3.49	4.31	4.51	(8.18)	(2.47)
Increase/(decrease) in non-current provisions	1.06	0.89	32.05	0.38	1.09	(0.10)
Increase/(decrease) in current provisions	(21.99)	(7.56)	6.40	(3.93)	4.59	(0.59)
Increase/(decrease) in other current and non-current liabilities	(5.13)	(8.17)	5.20	(0.51)	1.21	(5.70)
Increase/(decrease) in trade payables	110.63	56.92	91.45	54.78	20.03	10.11
Cash flow from/ (utilised in) operating activities post working capital changes	**(314.75)**	**(134.02)**	**(149.40)**	**(28.33)**	**(20.27)**	**(74.34)**
Income tax paid/Refunds (net)	(26.08)	(40.00)	(39.05)	(31.47)	(25.50)	(13.85)
Net cash flow from/ (utilised in) operating activities (A)	**(62.68)**	**118.49**	**2.06**	**85.90**	**86.53**	**29.34**
CASH FLOWS FROM INVESTING ACTIVITIES						

Purchase of property, plant and equipment (including intangible assets, capital advances, capital creditors and intangible assets under development)	(171.30)	(138.85)	(324.16)	(40.42)	(22.18)	(13.72)
Interest received						
-Bank & Others	0.85	2.16	1.57	1.62	1.68	1.34
-Other Income	-	0.38	0.67	-	-	-
Capital WIP	(0.49)	9.47	(3.29)	(5.29)	(0.88)	-
Investment in Partnership Firm	(2.02)	-	(4.03)	-	-	-
Amount received from Partnership Firm	-	0.08	-	-	-	-
Sale of property, plant and equipment	-	-	-	-	3.50	-
Movement in other bank balances (net)	-	-	-	-	-	-
Net cash used in investing activities (B)	**(172.96)**	**(126.76)**	**(329.24)**	**(44.09)**	**(17.88)**	**(12.38)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from fully redeemable preference shares received	-	-	107.00	-	-	-
Proceeds from Optional convertible preference shares received	-	-	-	-	13.00	-
Proceeds / (Repayment) of long-term borrowings	68.77	9.66	194.75	0.19	(11.34)	(9.92)
Proceeds / (Repayment) of short-term borrowings	264.79	110.74	100.89	17.24	(6.60)	51.19
Statutory fees for raising Share Capital	-	-	(0.15)	(2.38)	-	-
Finance Cost	(68.65)	(82.21)	(64.65)	(43.78)	(46.80)	(47.56)
Dividends Paid	(31.13)	(31.79)	(3.83)	(10.30)	(9.00)	(9.01)
Prior Period Taxes	-	(3.97)	-	-	-	-
Tax on Dividend	(6.35)	(6.76)	(0.78)	(2.10)	(1.80)	(1.53)
Net cash flow from/ (utilised in) financing activities (C)	**227.43**	**(4.33)**	**333.23**	**(41.13)**	**(62.54)**	**(16.83)**
Increase/(decrease) in cash and cash equivalents (A+B+C)	(8.21)	(12.60)	6.05	0.69	6.11	0.13
Cash and cash equivalents at the beginning of the year	18.17	30.77	24.72	24.03	17.92	17.79
Cash and cash equivalents at the end of the year	**9.96**	**18.17**	**30.77**	**24.72**	**24.03**	**17.92**
Notes to cash flow statement						
Components of cash and cash equivalents:						
- Cash in hand	0.64	1.09	1.21	0.38	1.86	1.72
- Balances with bank (Current Account)	1.20	2.08	4.57	4.80	5.03	0.98
-Balances with bank (Deposit Account)	8.12	15.00	24.99	19.54	17.14	15.22
	9.96	**18.17**	**30.77**	**24.72**	**24.03**	**17.92**

The above cash flow statement has been prepared under the indirect method as set out in Indian Accounting standard 7 "Statement of Cash Flows".
The accompanying Restated Consolidated Statement of Significant Accounting Policies in Annexure V and Notes to Restated Financial Information in Annexure VI are integral part of this statement.

As per our report of even date attached.

For JMT & Associates

Chartered Accountants
Firm Registration No.: 104167W

Sanjay Pichholia
Partner
Membership No.:122651

Place: Mumbai
Date: 26th March 2019

For & behalf of the Board of Directors

Haridas. Kanani
Chairman & Managing Director
DIN:0000185487

Dr. Harin Kanani
Joint Managing Director
DIN:0005136947

Mahesh Tanna
CFO
Place: Mumbai
Date: 26th March 2019

Lalit Karne
Company Secretary
Place: Mumbai
Date: 26th March 2019

Annexure IV: Restated Consolidated Statement of Change in Equity

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note A: Equity Share Capital

(Also refer Note 14)

Particulars	Total Equity
As on 1st April 2013 Proforma Ind AS	45.00
Issue of Share Capital During the Year	
As on 31st March 2014 Proforma Ind AS	45.00
Issue of Share Capital During the Year	-
As on 31st March 2015 Proforma Ind AS	45.00
Issue of Share Capital During the Year	155.00
As on 31st March 2016 Proforma Ind AS	200.00
Issue of Share Capital During the Year	-
As on 31st March 2017 Proforma Ind AS	200.00
Issue of Share Capital During the Year	-
As on 31st March 2018	200.00
Issue of Share Capital During the Year	0.79
As on 31st December 2018	200.79

Note B: Other Equity

(Also refer Note 15)

Particulars	Surplus						Total Other Equity
	General Reserve	Surplus as per Profit and Loss	Capital Redemption Reserve - Fully Redeemable Cumulative Preference Shares (FRCPS)	Capital Redemption Reserve - Optionally Convertible Preference Shares (OCPS)	Capital Reserve on Business Combination	Security Premium	
Balance as at 1st April 2013 - Proforma Ind AS	11.50	113.29	-	-	-	-	124.79
Profit/Loss for the year		36.43					36.43
Other comprehensive income for the year		0.24					0.24
Total comprehensive income for the year		**36.67**					**36.67**
Transfer to General Reserve	5.00	(5.00)	-	-	-	-	-
Interim Dividend		(9.00)					(9.00)
Final Dividend		-					-
Tax on Interim/Final Dividend		(1.53)					(1.53)
Balance as at 31st March 2014 - Proforma Ind AS	**16.50**	**134.44**	**-**	**-**	**-**	**-**	**150.93**
Profit/Loss for the year		50.85					50.85

Other comprehensive income for the year (net of taxes)		(1.11)					(1.11)
Total comprehensive income for the year	**-**	**49.74**	**-**	**-**	**-**	**-**	**49.74**
Transfer to General Reserve	7.50	(7.50)	-	-	-	-	-
Interim Dividend		(9.00)					(9.00)
Final Dividend		-					-
Tax on Interim/Final Dividend		(1.80)					(1.80)
Balance as at 31st March 2015 - Proforma Ind AS	**24.00**	**165.88**	**-**	**-**	**-**	**-**	**189.87**
Profit/Loss for the year	-	51.80	-	-	-	-	51.80
Other comprehensive income for the year	-	(0.35)	-	-	-	-	(0.35)
Total comprehensive income for the year	**-**	**51.45**	**-**	**-**	**-**	**-**	**51.45**
Transfer to General Reserve	140.00	(140.00)					-
Bonus Shares Allotted out of General Reserve	(155.00)	-					(155.00)
Interim Dividend		(9.00)					(9.00)
Final Dividend		-					-
Tax on Interim & Final Dividend		(1.83)					(1.83)
Balance as at 31st March 2016 - Proforma Ind AS	**9.00**	**66.49**	**-**	**-**	**-**	**-**	**75.49**
Profit/Loss for the year		76.83					76.83
Other comprehensive income for the year		(4.70)					(4.70)
Total comprehensive income for the year		**72.13**					**72.13**
Transfer to General Reserve	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve – FRCPS	-	(7.50)	7.50	-	-	-	-
Transfer to Capital Redemption Reserve – OCPS	-	(2.17)	-	2.17	-	-	-
Capital Reserve on Business Combination (Net of Deferred Tax)	-	-	-	-	72.04	-	72.04
Interim Dividend	-	-	-	-	-	-	-
Final Dividend	-	-	-	-	-	-	-
Tax on Interim & Final Dividend	-	-	-	-	-	-	-
Balance as at 31st March 2017 - Proforma Ind AS	**9.00**	**128.96**	**7.50**	**2.17**	**72.04**	**-**	**219.66**
Profit/Loss for the year		104.97					104.97
Other comprehensive income for the year		0.35					0.35
Total comprehensive income for the year		**105.32**					**105.32**
Transfer to General Reserve	-	-					-

Transfer to Capital Redemption Reserve – FRCPS	-	(7.50)	7.50	1.30	-	-	1.30
Transfer to Capital Redemption Reserve – OCPS	-	(1.30)					(1.30)
Final Dividend	-	(20.00)					(20.00)
Tax on Interim & Final Dividend	-	(4.36)					(4.36)
Balance as at 31st March 2018 - Proforma Ind AS	**9.00**	**201.12**	**15.00**	**3.47**	**72.04**	**-**	**300.62**
Profit/Loss for the year	**-**	**122.21**	**-**	**-**	**-**	**-**	**122.21**
Security Premium	-	-	-	-	-	14.49	14.49
Other comprehensive income for the year	-	0.82	-	-	-	-	0.82
Total inclusive of comprehensive income for the year	**-**	**123.04**	**-**	**-**	**-**	**14.49**	**137.53**
Transfer to General Reserve	-	-	-	-	-	-	-
Transfer to/from Capital Redemption Reserve – FRCPS	-	(5.63)	5.63	-	-	-	-
Transfer to/from Capital Redemption Reserve – OCPS	3.47	-	-	(3.47)	-	-	-
Final Dividend	-	(20.00)	-	-	-	-	(20.00)
Tax on Interim & Final Dividend	-	(4.07)	-	-	-	-	(4.07)
Balance as at 31st December 2018 - Proforma Ind AS	**12.46**	**294.46**	**20.63**	**0.00**	**72.04**	**14.49**	**414.08**

As per our report of even date attached.
NEOGEN CHEMCIALS LTD.

For JMT & Associates

Chartered Accountants
Firm Registration No.: 104167W

Sanjay Pichholia
Partner
Membership No.:122651

Place: Mumbai
Date: 26th March 2019

For & behalf of the Board of Directors

Haridas Kanani
Chairman & Managing Director
DIN:0000185487

Dr. Harin Kanani
Joint Managing Director
DIN:0005136947

Mahesh Tanna
CFO
Place: Mumbai
Date: 26th March 2019

Lalit Karne
Company Secretary
Place: Mumbai
Date: 26th March 2019

Annexure V: Notes accompanying Restated Consolidated Financial Statements for the 9 months ended 31st December 2018 and the years ended 31st March 2018, 31st March 2017, 31st March 2016, 31st March 2015 and 31st March 2014.

1. Corporate information

Neogen Chemicals Limited is Public Limited Company ('the Company" or the "Holding Company") domiciled in India and incorporated under the provisions of the Companies Act, 1956 having Corporate Identity Number U24200MH1989PLC050919. Company has its registered office at Thane, Maharashtra. The Company carries out business in India and abroad. The Company is engaged in the business of manufacturing of eco - friendly specialty chemicals which are used in Pharmaceutical, Engineering &Agro Chemical industries. Neogen has developed significant expertise in highly demanding field of Bromine Compounds, Lithium compounds & more recently advance intermediates for pharmaceutical industries & pesticides industries of world class standards.

2. Basis of preparation of Financial Statements and Significant accounting policies

a) Basis of preparation

The Restated Consolidated Statement of Assets and Liabilities of the Company as at 31 December 2018, 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Consolidated Statement of Profit and Loss, the Restated Consolidated Statement of Cash flows and the Restated Consolidated Statement of Changes in Equity for 9 months ended 31 December 2018 and the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and Restated Other Consolidated Financial Information (together referred as `Restated Consolidated Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 to the extent applicable. The Restated Consolidated Financial Information has been compiled by the Company from:

i. The audited consolidated financial statements of the Company as at and for the year ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015 prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, and the other relevant provisions of the Act which has been approved by the Board of Directors at their Board meeting held on 26th March 2019, 3rd May 2018, 5th June 2017, 24th June 2016 and 22nd June 2015 respectively.

ii. The audited consolidated financial statements of the Company as at and for the years ended 31 March 2014, prepared in accordance with Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956, which have been approved by the Board of Directors at their Board meeting held on 15th September 2014.

In accordance with requirement under Ind AS 101 First-time preparation of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of Proforma Ind AS Restated Financial Information under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Restated Shareholders' equity as at 31 December 2018, 31 March 2018, 2017, 2016, 2015, 2014 and 1st April 2013 and of the Restated Statement of Comprehensive Income for 9 months ended 31 December 2018 and the years ended 31 March 2018, 2017, 2016, 2015,2014 and 1st April 2013 as initially deemed adopted on transition date 1st April 2013 for the purpose of preparation of proforma Ind AS restated consolidated financial information.

The Restated Consolidated Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Company by way of an offer for sale by the selling shareholders, to be filed by the Company with the SEBI, Registrar of Companies, Mumbai and the concerned Stock Exchange in accordance with the requirements of:

a) Section 26 to the Companies Act, 2013; and

b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with

SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 2016 (together referred to as the "SEBI regulations").

These Restated Consolidated Financial Information have been compiled by the Company from the Audited Consolidated Financial Statements and:

- there were no audit qualifications as well as matter of emphasis on these financial statements,
- there were no changes in accounting policies under Previous GAAP during the years of these financial statements,
- material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted,
- adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the condensed audited standalone financial statements of the Company as at and for the 9 months ended December 31, 2018 prepared under Ind AS and the requirements of the SEBI Regulations, and
- the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate

These Restated Consolidated Financial Information and Other Consolidated Financial Information were approved by the Board of Directors of the Company on March 26, 2019.

iii. Historical Cost Convention

The Restated Consolidated Financial Information has been prepared under historical cost convention except for the following:

- certain financial assets and liabilities that are measured at fair value, and
- defined benefit plans - plan assets measured at fair value

The audited consolidated financial statements of the Company, referred to above, as at and for 9 months ended 31 December 2018 and each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 have been converted into Ind AS to align accounting policies, exemptions and disclosures as adopted for the preparation of the first Ind AS financial statements for the year ended 31 March 2018. These Restated Consolidated Financial Information as at and for 9 months ended 31 December 2018 and each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 are referred to as "the Proforma Ind AS Restated Consolidated Financial Information".

The Restated Consolidated Financial Information presented on a going concern basis and are presented in Rupees Millions and all values are rounded to the nearest Rupees in millions, except when otherwise indicated.

b) Basis of Consolidation:

The Restated consolidated financial information comprises the restated financial information of the Holding Company and its joint venture. The Holding Company does not have any subsidiaries.

c) Joint Venture:

Investment in entities in which there exists joint control over the financial and operating policies are considered as Joint Venture. Interest in joint venture are accounted for using the equity method i.e. the investment is initially recorded at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The restated consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee, amounts received or receivable from joint venture are recognized as a reduction in the carrying amount of the investment.

Particulars of Joint Venture

Name of Entity	Principal Activities	Country of Incorporation	31st Dec 2018	31st March 2018	31st March 2017	31st March 2016	31st March 2015	31st March 2014
Dhara Fine Chem Industries (Partnership Firm)	Manufacturing of Inorganic Chemicals	India	90%	90%	90%	-	-	-

d) Significant accounting policies

i. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized in normal operating cycle or within twelve months after the reporting period or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle or due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified period of twelve months as its operating cycle.

ii. Functional and presentation currency

The Restated Consolidated Financial Information is prepared in Indian Rupees (Rs.), which is also the Company's functional Currency. Functional Currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity generates and spends cash.

iii. Property, plant and equipment (`PPE')

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of item can be measured reliably. All other repair and maintenance costs are recognized in the restated consolidated statement of profit and loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognized as interest expense and not included in cost of asset.

Depreciation and amortization estimated useful life and residual value

Depreciation on property, plant and equipment for 9 months ended 31 December 2018 and full year ended 31March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 is provided using the straight-line method as per the estimated useful life which corresponds to the rates prescribed under Schedule II of the Companies Act, 2013:

Description of Asset Class	Useful life as per Schedule II
Buildings	30 years for factory building
Plant and machinery	20 years
M.S. Structure & FRP Gratings	20 years
Effluent Treatment Plant	20 Years
Safety Equipments	10 Years
Quality Control Instruments & R & D Equipments	10 Years
Office equipment's	10 years
I T Equipments	3 years
Furniture and fixtures	10 years
Vehicles	8 years

Leasehold improvements are amortized over the period of lease which ranges from 1 to 99 years.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the restated consolidated statement of profit and loss when the asset is derecognized.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2013 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment. The Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) while preparing Proforma Restated Consolidated Financial Information for 9 months ended 31 December 2018 and for the years ended 31 March 2018, 31 March 2017, 2016, 2015 and 2014. Accordingly, suitable restatement adjustments in the accounting heads are made to the financial statements as of and for the years ended 31 March 2017, 2016, 2015 and 2014.

e) Intangible assets

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific assets to which it states.

Subsequent measurement (depreciation and useful lives)

The Company amortizes intangible assets with a finite useful life using the straight-line method over three to five years. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at April 1, 2013 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment. The Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) while preparing Proforma Restated Consolidated Financial Information for the 9 months ended 31 December 2018 and the years ended 31 March 2018, 31 March 2017, 2016, 2015 and 2014. Accordingly, suitable restatement adjustments in the accounting heads are made to the financial statements as of and for the years ended 31 March 2018, 31 March 2017, 2016, 2015 and 2014.

f) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For this purpose, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the restated consolidated statement of profit and loss. If at the restated consolidated statement of assets and liabilities date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the restated consolidated statement of profit and loss.

g) Financial instruments

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

i. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

- Debt instruments assets at amortized cost
- Financial assets at fair value through OCI (FVTOCI)
- Financial assets at fair value through profit and loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

When assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit and loss) or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

Debt instruments at amortized cost

A Debt instrument is measured at amortized cost (net of any write down for impairment) the asset is held to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes) and The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit and loss. The losses arising from impairment are recognized statement of profit and loss. This category generally applies to trade and other receivables

Financial assets at fair value through OCI (FVTOCI)

A financial asset that meets the following two conditions is measured at fair value through OCI unless the asset is designated at fair value through profit and loss under fair value option.

- The financial asset is held both to collect contractual cash flows and to sell.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial assets at fair value through profit and loss

FVTPL is a residual category for company's investment instruments. Any instruments which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

All investments (except investment in subsidiary) included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss

In addition, the company may elect to designate a instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. This classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment, However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

When the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; it evaluates if and to what extent it has retained the risks and rewards of ownership.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- Based on above evaluation, either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a bases that reflect the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or at amortized cost, as appropriate.
All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.
The Company's financial liabilities include trade payables, lease obligations, and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization process.
Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

iv. Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

h) Fair value measurement

The company measures financial instrument such as investments at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Currently company carries those instruments where in level 1 and level 2 inputs of the above-mentioned fair value hierarchy is used.

The Company's board Committee approves the policies for both recurring and non-recurring fair value measurement. Where seen appropriate external valuers are involved. The board committee reviews the valuation results. This includes a discussion of the major assumptions used in the valuations.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

i) Inventory

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

- Raw material cost includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition.
- Stores and spares cost include cost of purchases and other costs incurred in bringing the inventories to their present location and condition.
- In case of work in progress at raw material cost plus direct conversion and other costs incurred depending upon the stage of completion.
- In case of finished goods-cost includes cost of direct material, labor, other direct cost and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs.
- In case of scrap of goods, the same are valued at net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value.

j) Cash and cash equivalents

Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

k) Foreign currency transactions

The restated consolidated financial information is presented in Indian Rupee (`INR') which is also the functional currency of the Company, rounded off to nearest million upto two decimal.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the restated consolidated statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/expenses, as the case maybe.

l) Provisions and contingent liabilities

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognized for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or

- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

m) Revenue recognition

Revenue is recognized to the extent it is probable that future economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable net of related rebates. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from sale of goods is recognized when substantial risk and rewards of the ownership are transferred to the buyer under the terms of the contract.

Sale value is net of discounts and rebates but includes excise duty and are shown net of sales tax, value added tax and goods and service tax (w.e.f 1 July 2017).

n) Other income

a. Interest Income

Interest income is recognized on time proportion basis considering the amount outstanding and rate applicable. For all financial assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

b. Government grant
Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

o) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard 19- Employee Benefits.

Defined benefit plans

Gratuity

The Company operates one defined benefit plan for its employees, viz. gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gain and loss for the defined benefit plan is recognized in full in the period in which they occur in other comprehensive income.

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the restated consolidated statement of assets and liabilities date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the restated consolidated statement of assets and liabilities date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Other long-term benefits

Accumulated leave expected to be carried forward beyond twelve months, is treated as long-term employee benefit. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit.

Liability under continuity linked key resource and deferred salary schemes is provided for on actuarial valuation basis, which is done as per the projected unit credit method at the end of each financial period.

Defined contribution plans

Provident fund

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

Provident fund and Employee State Insurance Scheme

Employee benefits in the form of Provident Fund and Employee State Insurance Scheme are defined contribution plans and the contributions are charged to the restated consolidated statement of profit and loss of the year when the contributions to the funds are due. There are no other obligations other than the contribution payable to the funds.

Short-term employee benefits

Expense in respect of other short-term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

p) Borrowing costs

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalization of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption.

q) Income taxes

Tax expense recognized in the restated consolidated statement of profit and loss comprises the sum of deferred tax and current tax not recognized in Other Comprehensive Income (OCI) or directly in equity.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax relating to items is recognized outside statement of restated consolidated statement of profit and loss (i.e. in OCI or equity depending upon the treatment of underlying item).

Deferred tax liabilities are generally recognized in full for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside restated consolidated statement of profit and loss (in OCI or equity depending upon the treatment of underlying item).

Minimum Alternate Tax (`MAT') credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the restated consolidated statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each restated consolidated statement of assets and liabilities date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income-tax during the specified period.

r) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

s) Lease

Finance leases as a lessee

Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

Operating leases as a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to restated consolidated statement of profit or loss on a straight-line basis over the period of the lease, unless the increase in rent is to compensate the lessor for the effects of inflation.

t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting done to the Chief Operating Decision Maker. The Company operates in a single operating segment and geographical segment. The board of directors is collectively the company's 'Chief Operating Decision maker' or 'CODM' within the meaning of -Ind AS 108.

u) Significant accounting judgements estimates and assumptions

When preparing the restated consolidated financial information management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.
Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

Significant judgements:

i. Evaluation of indicators for impairment of non-financial assets and investments in subsidiaries

The evaluation of applicability of indicators of impairment of non-financial assets and subsidiaries requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets and investments in subsidiaries.

ii. Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized. The recognition of deferred tax assets and reversal thereof is also dependent upon management decision relating to timing of availment of tax holiday benefits available under the Income Tax Act, 1961 which in turn is based on estimates of future taxable profits.

iii. **Contingent liabilities**

The Company is the subject of certain legal proceedings which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable, and the amount of the loss can be reasonably estimated.

iv. Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

v. Allowance for doubtful debts

The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealer termination rates, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognized in the financial statements.

Sources of estimation uncertainty:

i. Provisions

At each restated consolidated statement of assets and liabilities date, basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from management's estimates.

ii. Recoverability of advances/receivables

At each restated consolidated statement of assets and liabilities date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

iii. Provision for impairment of investments in joint venture

At each restated consolidated statement of assets and liabilities date, the Company assesses the requirement of provisions for impairment of investments in joint venture based on its expectation of successful implementation of proposed projects by those joint venture.

v) Use of estimates

The preparation of restated consolidated financial information in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these restated consolidated financial information and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed at each restated consolidated statement of assets and liabilities date. Revisions to accounting estimates are recognized in the period in which the estimates are revised, and future periods affected.

w) Investment in Joint Venture

Investments in joint venture are carried at cost less accumulated impairment loss, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the restated consolidated statement of profit and loss.

x) Recent accounting pronouncement

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:
On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
The amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the restated consolidated financial information and the impact is not material.

Ind AS 115- Revenue from Contract with Customers

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors

- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company is not expected to have any impact of this pronouncement on its restated consolidated financial information.

Annexure VI: Notes to Restated Consolidated Financial Statements

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 1: Property, Plant & Equipment

Description	Freehold Land	Leasehold Land	Factory buildings	Plant & Machineries	M.S. Structure & FRP Gratings	Quality Control Instruments	R & D Equipments	Effluent Treatment Equipments	Safety Equipments	Office Equipments	I. T Equipments	Motor Car	Furniture & Fixtures	Total
Gross carrying amount														
Deemed cost as at 01 April 2013	-	1.20	10.60	69.56	41.81	2.68	1.41	1.40	0.45	1.31	0.73	0.45	0.46	132.06
Additions	-	-	1.28	7.66	1.08	1.72	0.48	0.22	0.01	0.21	0.49	-	0.19	13.35
Deletions / discarded / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2014	-	1.20	11.87	77.22	42.89	4.40	1.89	1.63	0.46	1.52	1.22	0.45	0.65	145.42
Additions	-	-	1.28	4.68	0.74	0.68	0.05	0.34	0.02	0.14	0.02	-	0.21	8.16
Deletions / discarded / adjustments	-	-	-	(10.37)	-	-	-	-	-	-	-	-	-	(10.37)
Balance as at 31 March 2015	-	1.20	13.15	71.53	43.63	5.08	1.94	1.97	0.48	1.66	1.23	0.45	0.86	143.20
Additions	-	31.54	0.68	13.40	0.95	0.94	1.20	0.65	0.42	0.41	2.17	-	0.04	52.40
Deletions / discarded / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2016		32.74	13.83	84.93	44.58	6.02	3.14	2.62	0.90	2.07	3.40	0.45	0.90	195.60
Additions	-	0.30	0.53	7.64	0.10	0.11	0.11	-	0.01	0.39	2.33	-	0.18	11.69
Acquired on Business Combination	280.58	-	45.27	41.20	5.88	7.09	4.20	3.99	1.68	-	0.48	-	-	390.39
Deletions / discarded / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	280.58	33.04	59.64	133.77	50.57	13.22	7.46	6.61	2.59	2.46	6.21	0.45	1.08	597.68
Additions	-	46.92	9.94	60.28	2.86	0.18	0.54	0.30	0.01	0.57	0.81	-	0.20	122.61
Deletions / discarded / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	**280.58**	**79.96**	**69.58**	**194.05**	**53.43**	**13.40**	**8.00**	**6.92**	**2.60**	**3.03**	**7.01**	**0.45**	**1.28**	**720.29**
Additions	-	11.80	16.59	94.05	2.10	15.62	5.30	0.03	0.13	2.52	5.25	2.59	9.06	165.04
Deletions / discarded / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 Dec 2018	**280.58**	**91.76**	**86.17**	**288.10**	**55.53**	**29.02**	**13.30**	**6.95**	**2.73**	**5.55**	**12.26**	**3.04**	**10.34**	**885.33**

Description	Freehold Land	Leasehold Land	Factory buildings	Plant & Machineries	M.S. Structure & FRP Gratings	Quality Control Instruments	R & D Equipments	Effluent Treatment Equipments	Safety Equipments	Office Equipments	I. T Equipments	Motor Car	Furniture & Fixtures	Total
Accumulated depreciation/amortization														
As at 1 April 2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	0.02	0.49	4.15	2.42	0.67	0.24	0.08	0.06	0.30	0.59	0.08	0.08	9.18
Deletions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2014	-	0.02	0.49	4.15	2.42	0.67	0.24	0.08	0.06	0.30	0.59	0.08	0.08	9.18
Charge for the year	-	0.02	0.53	4.54	2.49	0.51	0.26	0.09	0.06	0.25	0.37	0.08	0.10	9.30
Deletions	-	-	-	(7.04)	-	-	-	-	-	-	-	-	-	(7.04)
Balance as at 31 March 2015	-	0.03	1.02	1.65	4.91	1.17	0.50	0.17	0.13	0.55	0.96	0.16	0.18	11.44
Charge for the year	-	0.45	0.55	4.77	2.50	0.57	0.28	0.10	0.07	0.24	0.22	0.08	0.11	9.95
Deletions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2016	-	0.48	1.58	6.42	7.41	1.74	0.78	0.27	0.20	0.79	1.19	0.24	0.29	21.39
Charge for the year	-	0.54	1.11	5.55	2.69	0.74	0.45	0.23	0.14	0.27	1.18	0.08	0.12	13.09
Deletions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	-	1.03	2.68	11.96	10.10	2.48	1.23	0.50	0.34	1.06	2.37	0.32	0.40	34.48
Charge for the year	-	0.93	2.78	7.60	3.12	1.30	0.78	0.51	0.27	0.33	1.57	0.06	0.14	19.40
Deletions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	**-**	**1.95**	**5.47**	**19.56**	**13.22**	**3.78**	**2.00**	**1.01**	**0.61**	**1.39**	**3.95**	**0.39**	**0.54**	**53.86**
Charge for the year	-	1.07	2.52	9.29	2.49	1.35	0.82	0.39	0.40	0.44	1.69	0.10	0.48	21.04
Deletions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 Dec 2018	**-**	**3.03**	**7.99**	**28.85**	**15.71**	**5.13**	**2.82**	**1.40**	**1.01**	**1.83**	**5.64**	**0.48**	**1.03**	**74.91**

Description	Freehold Land	Leasehold Land	Factory buildings	Plant & Machineries	M.S. Structure & FRP Gratings	Quality Control Instruments	R & D Equipments	Effluent Treatment Equipments	Safety Equipments	Office Equipments	I. T Equipments	Motor Car	Furniture & Fixtures	Total
Net carrying amount														
As at 1 April 2013	-	1.20	10.60	69.56	41.81	2.68	1.41	1.40	0.45	1.31	0.73	0.45	0.46	**132.06**
As at 31 March 2014	-	1.18	11.38	73.07	40.47	3.74	1.65	1.55	0.40	1.22	0.63	0.37	0.57	**136.24**
As at 31 March 2015	-	1.17	12.13	69.88	38.72	3.91	1.44	1.80	0.35	1.11	0.27	0.29	0.68	**131.76**
As at 31 March 2016	-	32.26	12.25	78.51	37.17	4.28	2.36	2.35	0.70	1.28	2.22	0.21	0.61	**174.21**
As at 31 March 2017	280.58	32.01	56.95	121.81	40.47	10.74	6.23	6.12	2.25	1.40	3.84	0.13	0.68	**563.20**
As at 31 March 2018	280.58	78.01	64.11	174.49	40.21	9.62	5.99	5.91	1.99	1.63	3.07	0.07	0.74	**666.42**
As at 31 December 2018	280.58	88.74	78.18	259.26	39.83	23.89	10.47	5.54	1.72	3.71	6.63	2.56	9.32	**810.43**

The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

Note 1: Property, Plant & Equipment (Continued)

*Refer note below for the gross block value and the accumulated depreciation on 1 April 2013 under the previous GAAP.

Description	Freehold Land	Leasehold Land	Factory buildings	Plant & Machineries	M.S. Structure & FRP Gratings	Quality Control Instruments	R & D Equipments	Effluent Treatment Equipments	Safety Equipments	Office Equipments	I. T Equipments	Motor Car	Furniture & Fixtures	Total
Gross Block	-	1.57	15.75	91.44	54.99	3.92	1.86	1.64	0.52	2.05	4.10	1.34	0.70	179.89
Accumulated Depreciation	-	(0.37)	(5.15)	(21.88)	(13.18)	(1.24)	(0.45)	(0.23)	(0.07)	(0.74)	(3.37)	(0.89)	(0.24)	(47.83)
Net Block	-	1.20	10.60	69.56	41.81	2.68	1.41	1.40	0.45	1.31	0.73	0.45	0.46	132.06

Details of property plant and equipment secured for
(refer Note 16a).

Details of mortgage:

The secured obligations i.e. Loan Facility together with all other amounts payable shall be secured by:

1. First charge mortgage and charge on all immovable properties including Leasehold Land, both present and future pertaining the project. These covers:

- Land situated at Karakhadi of Padra Taluka, district Vadodara, Gujarat
- Land situated at Mahape at Navi Mumbai district, Maharashtra

2. First charge by way of hypothecation of Plant and Machineries

Depreciation and Amortization charged during the year to the Statement of profit and loss on fixed assets:

Particulars	31 Dec 2018	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Depreciation during the year	21.04	19.40	13.09	9.94	9.30	9.18
Amortization during the year - Computer Software	0.05	0.03	0.03	0.04	0.04	0.04
Total	**21.09**	**19.43**	**13.12**	**9.98**	**9.34**	**9.22**

Annexure VI: Notes to Restated Consolidated Financial Statements (continued)
(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 2: Capital Work in Progress
Following are the changes in the carrying value of Capital Work-in-Process for the year ended.

Description	For 9 months ended 31 Dec 2018	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014
Opening as at 01 April	13.79	12.59	6.87	1.25	0.37	-
Additions	0.49	13.20	6.33	5.62	0.88	0.37
Capitalised during the year	(13.79)	(12.00)	(0.61)	-	-	-
Closing as at year end	**0.49**	**13.79**	**12.59**	**6.87**	**1.25**	**0.37**

Note 3: Intangible Assets

Following are the changes in the carrying value of Intangible assets for 9 months ended 31 December 2018 and the full years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014.

Description	For 9 months ended 31 Dec 2018	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014
Computer Software						
Opening	0.72	0.17	0.17	0.17	0.17	0.17
Additions	0.40	0.55	-	-	-	-
Deletions / discarded / adjustments	-	-	-	-	-	-
Gross Carrying Amount	**1.12**	**0.72**	**0.17**	**0.17**	**0.17**	**0.17**
Less: Accumulated Amortization						
Opening balance	0.17	0.14	0.11	0.08	0.04	-
Charge for the year	0.09	0.03	0.03	0.04	0.04	0.04
Deletions	-	-	-	-	-	-
Accumulated Depreciation	**0.26**	**0.17**	**0.14**	**0.11**	**0.08**	**0.04**
Net Carrying Amount	**0.86**	**0.55**	**0.03**	**0.05**	**0.09**	**0.13**

The Company has availed the deemed cost exemption in relation to the intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

* Refer note below for the gross block value and the accumulated amortization on 1 April 2013 under the previous GAAP.

Description	Computer software
Gross Block	1.12
Accumulated amortization	(0.26)
Net Block	0.86

Annexure VI: Notes to Restated Consolidated Financial Statements (continued)
(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 4: Non-current Financial Assets – Investments in Joint Venture under Equity Method

The Group has joint control to the extent of 90% in partnership firm named Dhara Fine Chem Industries.

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Carrying amount of Investments	4.23	4.88	4.50	-	-	-
Share in Profit and loss for the year	1.27	0.38	0.38	-	-	-
Amount withdrawn from Capital during the year	-	(1.03)	-			
Total	**5.50**	**4.23**	**4.88**	**-**	**-**	**-**

Note 5: Non-current Financial Assets – Loans & Advances (measured at amortised cost)

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Security Deposits – utilities	34.07	18.52	21.42	13.75	9.30	1.73
Due more than 9 months	-	-	-	-	-	-
Total	**34.07**	**18.52**	**21.42**	**13.75**	**9.30**	**1.73**

**There are no loans & advances from Directors/Promoters/Issuer and their family*

Note 6: Other Financial Assets (non-current) – Measured at Fair Value through P&L

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Derivative Asset for Early Redemption Right for Fully Redeemable Preference Shares	25.23	23.09	22.59	-	-	-
Total	**25.23**	**23.09**	**22.59**	**-**	**-**	**-**

Note 7: Other Non-Current Assets .
(Unsecured, considered good)

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Refund Receivable from Govt. Authorities	-	-	-	-	0.39	1.61
Capital Advances	6.87	6.29	1.27	0.76	14.01	27.73
Total	**6.87**	**6.29**	**1.27**	**0.76**	**14.40**	**29.34**

Annexure VI: Notes to Restated Consolidated Financial Statements (continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 8: Inventories*

(at lower of cost and net realisable value)

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Raw materials	199.06	98.71	69.88	56.38	25.87	18.17
Work in progress	521.73	308.38	256.80	202.28	164.78	111.29
Finished goods	35.50	77.48	58.26	51.88	48.04	74.29
Stores & Spares	10.98	11.51	12.56	5.82	3.68	3.76
Fuel	0.57	0.96	0.86	0.09	0.21	0.33
Packing	4.33	2.89	1.77	1.12	0.39	4.47
Total	**772.17**	**499.93**	**400.13**	**317.57**	**242.97**	**212.31**

**Hypothecated with Banks for Working Capital Limit*

Note 9: Trade Receivables*

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Unsecured, Considered good - Outstanding for more than Six Months	11.36	5.05	7.10	9.36	3.99	3.53
Unsecured considered good:						
(a) For Export	218.86	164.45	133.15	67.60	80.29	100.32
(b) For Domestic	194.43	244.13	181.36	81.53	95.40	62.02
Total	**424.65**	**413.63**	**321.61**	**158.49**	**179.68**	**165.87**

**Hypothecated with Banks for Working Capital Limit*

**There are no Receivables from Directors/Promoters/Issuer and their family/related party*

Note 10 (a): Cash and Cash Equivalents

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Cash in hand	1.20	1.09	1.20	0.38	1.86	1.72
Balance with banks:						
- in current account	0.64	2.08	4.57	4.80	5.03	0.98
Total	**1.84**	**3.17**	**5.77**	**5.18**	**6.89**	**2.70**

Note 10 (b): Bank balances other than those disclosed in Note 10 (a) above

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
- in deposit accounts held as margin money against Bank Guarantee & Letter of credit	8.12	15.00	24.99	19.54	17.14	15.02
- in deposit accounts with original maturity of more than three months but within twelve months	-	-	-	-	-	0.20
Total	**8.12**	**15.00**	**24.99**	**19.54**	**17.14**	**15.22**

Annexure VI: Notes to Restated Consolidated Financial Statements (continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 11: Current Financial Assets – Loans & Advances

(Unsecured, considered good)

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Loan to Related Parties - Partnership firm Dhara Fine Chem Industries (Joint Venture) *	2.84	0.81	4.03	-	-	-
Security Deposits	-	-	-	-	2.90	6.39
Due more than 9 months	-	-	-	-	-	-
Total	**2.84**	**0.81**	**4.03**	**-**	**2.90**	**6.39**

**Refer Note 35 - Related Party Disclosures*
**There are no loans& advances from Directors/Promoters/Issuer and their family*

Note 12: Other Current Financial Assets

(Measured at Amortised Cost)

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Loans and Advances to employees	1.20	0.98	1.37	1.69	1.53	1.40
Excess payment of EMI Recoverable/ Recoverable from Financial Institutions	-	0.64	0.46	0.86	1.23	0.40
(Asset measured at Fair Value through Profit or loss)	-	-	-	-	-	-
Derivative Asset for Forwards Contracts	8.20	0.02	-	-	2.72	-
Total	**9.40**	**1.64**	**1.83**	**2.55**	**5.48**	**1.80**

Note 13: Other Current Assets

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Advances to Trade Creditors	5.49	3.22	4.47	4.64	6.26	1.51
Cen vat credit receivable (CGST/SGST/IGST)	85.59	26.31	34.56	11.43	3.29	2.29
Excise Duty/IGST receivable on Export Sales	15.48	2.49	9.07	8.30	11.21	4.61
Excess payment of TDS Recoverable	0.08	0.45	0.55	0.81	0.14	-
Interest accrued on FDR with State Bank of India	0.70	0.71	0.72	0.76	1.62	2.00
Sales Tax Refund due	0.63	-	-	-	0.11	1.26
Export Benefit Receivable	119.97	81.69	75.39	67.89	48.34	39.74
Duty Drawback Receivable	0.61	0.28	0.49	0.80	1.79	-
Focus Market / Product Scheme Receivable	11.88	10.42	4.99	1.59	0.84	-

Interest Subvention on EPC receivable	3.01	3.01	3.01	3.01	-	-
Subsidy Receivable	1.56					
Preliminary/Pre-operative exp.	19.65					
Prepaid expenses	6.94	4.89	5.57	6.61	2.09	5.80
Total	**271.59**	**133.47**	**138.82**	**105.84**	**75.69**	**57.23**

Annexure VI: Notes to Restated Consolidated Financial Statements (Continued)
(Currency: Indian Rupees in Millions, unless stated otherwise)
Note 14: Share Capital

Particulars	As at 31st Dec 2018		As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014	
	No of Shares	Amt	No of Shares	Amt	No of Shares	Amt	No of Shares	Amt	No of Shares	Amt	No of Shares	Amt
Authorised												
Equity Shares of Rs.10/- each	2,50,00,000	250.00	2,50,00,000	250.00	2,50,00,000	250.00	2,50,00,000	250.00	1,00,00,000	100.00	45,00,000	45.00
Optionally Convertible Preference Shares of Rs.100/- each.	5,00,000	50.00	5,00,000	50.00	5,00,000	50.00	5,00,000	50.00	15,00,000	150.00	-	-
Fully Redeemable Cumulative Preference Shares of Rs.100/- each	20,00,000	200.00	20,00,000	200.00	20,00,000	200.00	20,00,000	200.00	-	-	-	-
Issued, Subscribed and Fully Paid up												
Equity Shares of Rs.10/- each fully paid-up	2,00,78,793	200.79	2,00,00,000	200.00	2,00,00,000	200.00	2,00,00,000	200.00	45,00,000	45.00	45,00,000	45.00
	2,00,78,793	**200.79**	**2,00,00,000**	**200.00**	**2,00,00,000**	**200.00**	**2,00,00,000**	**200.00**	**45,00,000**	**45.00**	**45,00,000**	**45.00**
Optionally Convertible Preference shares of Rs.100/ each	-	-	1,30,000	13.00	1,30,000	13.00	1,30,000	13.00	1,30,000	13.00	-	-
Fully Redeemable Cumulative Preference	10,70,000	107.00	10,70,000	107.00	10,70,000	107.00	-	-	-	-	-	-

Shares of Rs.100/each												

3.1 The reconciliation of the number of shares outstanding is set out below:

Particulars	**As at 31 Dec, 2018**		**As at 31st March, 2018**		**As at 31st March, 2017**		**As at 31st March, 2016**		**As at 31st March, 2015**		**As at 31st March, 2014**	
	No of Shares	**Amount**	**No of Shares**	**Amount**	**No of Shares**	**Amount**	**No of Shares**	**Amount**	**No of Shares**	**Amount**	**No of Shares**	**Amount**
<u>At the beginning of the year</u>												
Equity Shares outstanding at the beginning of the year	2,00,00,000	200.00	2,00,00,000	200.00	2,00,00,000	200.00	45,00,000	45.00	45,00,000	45.00	45,00,000	45.00
Optionally Convertible Preference Shares	-	-	-	-	-	-	-	-	-	-	-	-
Fully Redeemable Cumulative Preference Shares	-	-	-	-			-	-	-	-	-	-
<u>Issued during the year</u>												
Bonus Equity Shares allotted during the year			-	-	-	-	1,55,00,000	155.00	-	-	-	-
Equity Shares	78,793	0.79	-	-	-	-	-	-	-	-	-	-

allotted on conversion of OCPS												
Optionally Convertible Preference Shares			-	-			-	-	1,30,000	13.00	-	-
Fully Redeemable Cumulative Preference Shares			-	-	10,70,000	107.00	-	-				
Less: Reclassified as Debt Component												
Optionally Convertible Preference Shares									(1,30,000)	(13.00)		
Fully Redeemable Cumulative Preference Shares					(10,70,000)	(107.00)						
At the end of the year												
Equity Shares outstanding at the end of the year	2,00,78,793	200.79	2,00,00,000	200.00	2,00,00,000	200.00	2,00,00,000	200.00	45,00,000	45.00	45,00,000	45.00
OCPS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
FRCPS	**-**	**-**	**(10,70,000)**	**(107.00)**	**(10,70,000)**	**(107.00)**	**-**	**-**	**-**	**-**	**-**	**-**

3.2 (a) Rights, Preferences & Restrictions of each class of shares

1. The Company has only one class of equity shares which enjoys the same rights in respect of voting, payment of dividend and repayment of capital. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(b) Particulars of shares issued/allotted as fully paid-up by way of consideration other than cash

The Company has allotted 20,00,000 and 1,55,00,000 bonus equity shares in financial year 2012-13 and 2015-16 respectively. The Company has allotted bonus equity shares in the proportion of 4 equity shares for every 5 equity shares held (FY 2012-13) and 62 fully paid equity shares for every 18 equity shares held (FY 2015-16). The face value of bonus shares of Rs. 20 Mn and Rs. 155 Mn allotted out of reserves and surplus.

c. Particulars of shares reserved for options and contracts/commitments for sale of shares/ disinvestment

The Company has not reserved any shares for issue of options and contracts/commitments for sale of shares/ disinvestment.

d. Particulars of calls unpaid

There is no calls unpaid, thus such disclosure is not applicable.

e. Subdivision of Shares

There is no subdivision of shares during this period, thus such disclosure is not applicable.

f. Shares Forfeited

There is no forfeiture of shares, thus such disclosure is not applicable.

3.3 Details of Equity Shares held by each equity shareholder holding more than 5% shares:

Class of Shares / Name of Shareholder	As at 31 Dec 2018		As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with Voting Rights			-									
Mr. Haridas T. Kanani	1,39,99,680	69.72%	1,39,99,680	69.99%	1,39,99,680	69.99%	1,39,99,680	69.99%	31,49,946	69.99%	31,49,946	69.99%
Mrs.Beena H Kanani	22,26,711	11.09%	25,67,000	12.83%	29,74,000	14.87%	30,00,000	15.00%	6,75,000	15.00%	6,75,000	15.00%
Mr. Harin H Kanani	20,00,000	9.96%	20,00,000	10.00%	20,00,000	10.00%	20,00,000	10.00%	4,50,000	10.00%	4,50,000	10.00%
Ms. Palika H Kanani	10,00,000	4.98%	10,00,000	5.00%	10,00,000	5.00%	10,00,000	5.00%	2,25,000	5.00%	2,25,000	5.00%

3.4 Details of Optionally Convertible Preference Shares held by each preference shareholder holding more than 5% without voting rights (Classified as Debt Component under Ind AS)

Class of Shares / Name of Shareholder	As at 31 Dec 2018		As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Preference shares without Voting Rights											**Not Issued**	**Not Issued**
Anju Bajaj	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
Beena H Kanani	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
Chandrakant Reshamwala	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		

Delphine Fernandes	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
Dhruv Hitesh Reshamwala	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
H.M. Mehta HUF	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
Kalpana Mehta	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
K.J. Ghadiali & Jimmy Ghadiali	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
Nayana C. Reshamwala	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
Pinank R. Paleja	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
Pragna J Thacker & Jawahar Thacker	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
Rajendra V Paleja	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
Sanjay Mehta HUF	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
Total	**-**	**0.00%**	**1,30,000**	**100.00%**	**1,30,000**	**100.00%**	**1,30,000**	**100.00%**	**1,30,000**	**100.00%**	**-**	**-**

3.4 (a) The Company has allotted 10% Cumulative Optionally Convertible Preference Shares having a par value of Rs. 100 per share redeemable/convertible into equity shares after expiry of 12 years from the date of allotment. These shareholders are not eligible to vote.

3. 5 Details of Fully Redeemable Cumulative Preference Shares held by each preference shareholder holding more than 5% without voting rights

No single holder was holding more than 5% shares as on 31st December 2018, 31st March 2018 & 31st March 2017.

(a) The Company has allotted 10% Cumulative Non-Convertible Fully Redeemable Preference shares having a par value of Rs. 100 per share redeemable after expiry of 12 years from the date of allotment. These shareholders are not eligible to vote. Company have option to redeem the preference shares within 1 year from the date of allotment.

Annexure VI: Notes to Restated Consolidated Financial Statements (Continued)
(Currency: Indian Rupees in Millions, unless stated otherwise)
Note 15: Other Equity

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
General Reserve	12.46	9.00	9.00	9.00	24.00	16.50
Statement of P&L[Surplus/(Deficit)]	294.46	201.11	128.95	66.49	165.87	134.43
Capital Redemption Reserve-FRCPS	20.63	15.00	7.50	-	-	-
Capital Redemption Reserve-OCPS	-	3.47	2.17	-	-	-
Securities Premium	14.49	-	-	-	-	-
Capital Reserve on Business Combination (Refer Note 43)	72.04	72.04	72.04	-	-	-
Total	**414.08**	**300.62**	**219.66**	**75.49**	**189.87**	**150.93**

General Reserve	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Opening balance	9.00	9.00	9.00	24.00	16.50	11.50
Add: Transferred from Profit/(loss) for the year	3.47	-	-	140.00	7.50	5.00
Less: Bonus Shares allotted out of General reserves	-	-	-	155.00	-	-
Closing balance	**12.47**	**9.00**	**9.00**	**9.00**	**24.00**	**16.50**

Statement of P&L	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Opening balance	201.11	128.95	66.49	165.87	134.43	113.29
Add: Profit/(loss) for the year	122.21	104.97	76.83	51.80	50.85	36.43
Other comprehensive income /(loss) (net of taxes)	0.82	0.35	(4.70)	(0.35)	(1.11)	0.24
Less:						
Transferred to General reserve	-	-	-	140.00	7.50	5.00
Transferred to CRR-FRCPS	5.63	7.50	7.50	-	-	-
Transferred to CRR- OCPS	-	1.30	2.17	-	-	-
Interim Dividend (Rs. 2 per share)	-	-	-	9.00	9.00	9.00
Dividend on Equity Shares	20.00	20.00	-	-	-	-
Tax on Interim/Proposed dividend paid during the year	4.07	4.36	-	1.83	1.80	1.53
Closing balance	**294.46**	**201.11**	**128.95**	**66.49**	**165.87**	**134.43**

Capital Redemption Reserve FRCPS	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Opening balance	15.00	7.50	-	-	-	-
Add: Transferred from Profit/(loss) for the year	5.63	7.50	7.50	-	-	-
Closing balance	**20.63**	**15.00**	**7.50**	**-**	**-**	**-**

Capital Redemption Reserve OCPS	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Opening balance	3.47	2.17	-	-	-	-
Add/(less): Transferred from Profit/(loss) for the year	(3.47)	1.30	2.17	-	-	-
Closing balance	**-**	**3.47**	**2.17**	**-**	**-**	**-**

Securities Premium	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Opening balance	-					-
Add: during the year	14.49					-
Closing balance	**14.49**	**-**	**-**	**-**	**-**	**-**

Nature and Purposes of other Reserves:

Nature	Purpose
General Reserve	This represents accumulated free reserves of the company
Statement of P&L[Surplus/(Deficit)]	All the profit or losses made by the company are transferred to statement of P & L from Restated Consolidated statement of profit & losses
Capital Redemption Reserve-FRCPS	This reserve represents provision made out of current year profit for the purpose of redemption of fully redeemable preference shares
Capital Redemption Reserve-OCPS	This reserve represents provision made out of current year profit for the purpose of redemption of optionally convertible preference shares
Capital Reserve on Business Combination	This represents the capital reserve on account of business combination purchase of unit of Solaris Chemtech industries ltd.

Annexure VI: Notes to Restated Consolidated Financial Statements (Continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 16: Borrowings

Particulars	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Secured, measured at amortized cost						
Term loans from Banks and Financial Institutions*	292.20	228.44	218.39	19.64	34.60	5.57
Unsecured, measured at amortized cost						
-From Banks	-	-	-	5.67	-	-
-Deposits from Related Parties	-	-	-	-	-	34.42
-Deposits from Inter Corporate companies	11.00	11.00	11.00	11.00	1.40	7.60
-Debt component for Fully Redeemable Preference Shares	107.00	107.00	107.00	-	-	-
Add: Embedded derivative for early redemption right segregated	21.40	21.40	21.40	-	-	-
Less: Transaction cost	(7.47)	(7.47)	(7.47)	-	-	-
Add: Additional Finance cost as per effective interest	16.49	13.02	5.82	-	-	-
-Debt component for Optionally Convertible Preference Shares	-	13.00	13.00	13.00	13.00	-
Add: Embedded derivative conversion right segregated	-	(1.68)	(1.68)	(1.68)	(1.67)	-
Add: Additional Finance cost as per effective interest	-	0.24	0.15	0.07	-	-
Total	**440.62**	**384.95**	**367.61**	**47.70**	**47.33**	**47.59**

**Refer Note 16(a) for details related to repayment terms, securities and interest rate. Also refer Note 39 and 41 for Company's exposure to liquidity risk and interest rate risk.*

Note 16 (a): Details of Borrowings

Sr No.	Nature of loan	Name of Lender	As at 31 December 2018		As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		Nature of Securities	Current Interest Rate (per annum)	Effective Interest Rate (per annum)	Prepayment Penalty	Tenure of Repayment
			Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current					
1	Term Loan	State Bank of India	173.56	25.50	192.80	12.60	167.29	4.76	-	-	-	-	-	-	EM on Land and Building, Hyp of Plant & machinery, and further secured by personal guarantee /security of Directors (Charge on first pari passu basis with other lenders for their exposure of Rs.5.00 Crs)	10.75%	11.26%	2.00%	Term loan is repayable in 84 monthly instalments
2	Term Loan	Citibank NA	24.74	12.50	35.64	12.38	46.52	3.00	-	-	-	-	-	-	EM on Land and Building, Hyp of Plant & machinery, and further secured by personal guarantee /security of Directors	11.75%	11.98%	1.00%	Term loan is repayable in 60 monthly instalments (Incl. 12 Months moratorium)
3	Term Loan	Yes Bank	91.78	-											EM on Land and Building, Hyp of Plant & machinery, present and future current assets and further secured by personal guarantee /security of Directors	9.95%	9.95%	-	Term loan is repayable in 84 monthly instalments (Incl. 24 Months moratorium)
4	Term Loan	State Bank of India	-	-	-	-	-	-	-	-	-	-	0.74	5.62	EM on Land and Building, Hyp of Plant & machinery, and further secured by personal guarantee	14.65%	14.21%	2.00%	Term loan is repayable in 51 monthly instalments (Incl. 4 Months moratorium)

															/security of Directors. The Loan is repaid fully in 31st March 2015				
5	Term Loan	State Bank of India	-	-	-	-	-	-	-	-	-	3.27	3.23	1.84	EM on Land and Building, Hyp of Plant & machinery, and further secured by personal guarantee /security of Directors. The Loan is repaid fully in 30th December 2015	14.65%	16.29%	2.00%	Term loan amounting to INR 7.50 million is repayable in 52 monthly instalments (Incl. 8 Months moratorium)
6	Corporate Loan	State Bank of India	-	-	-	-	-	-	-	-	-	-	1.60	9.68	EM on Land and Building, Hyp of Plant & machinery, and further secured by personal guarantee /security of Directors	15.00%	13.85%	2.00%	Term loan is repayable in 52 monthly instalments (Incl. 3 Months moratorium)
7	Corporate Loan	State Bank of India	-	-	-	-	4.58	13.62	19.64	13.60	34.60	7.93	-	-	EM on Land and Building, Hyp of Plant & machinery, and further secured by personal guarantee /security of Directors. The Loan is repaid fully in 31st March 2018	14.30%	15.37%	2.00%	Corporate loan is repayable in 42 monthly instalments (Incl. 7 Months moratorium)
8	Business Loan	Kotak Mahindra Bank Ltd	-	-	-	-	-	-	3.28	1.39	-	-	-	-	Guarantee of Two Directors	15.00%	15.69%	-	Term loan is repayable in 36 monthly instalments
9	Business Loan	Magma Fincorp	-	-	-	-	-	-	2.39	1.03	-	-	-	-	Guarantee of Two Directors	15.50%	15.50%	5.00%	Term loan is repayable in 36 monthly instalments
10	Car Loan	State Bank of India	2.12	0.27											Hypothecation of Vehicle	9.40%	NA	3.00%	
11	Car Loan	HDFC Bank Ltd	-	-	-	-	-	-	-	-	-	-	-	0.20	Hypothecation of Vehicle	9.15%	NA	-	Car Loan repayable in 60 Instalments

12	Short term - Loans Repayable on Demand	State Bank of India		172.01	-	127.57	-	59.08	-	32.42	-	92.91	-	37.54	EM on Land and Building, Hyp of Plant & machinery, and further secured by personal guarantee /security of Directors	4-10%	NA	2.00%	Repayable on Demand
13	Short term - Loans Repayable on Demand	Citibank NA		125.62	-	234.37	-	152.34	-	72.62	-	44.09	-	49.81	EM on Land and Building, Hyp of Plant & machinery, and further secured by personal guarantee /security of Directors	4.75-11.75%	NA	1.00%	Repayable on Demand
14	Cash Credit	State Bank of India		97.67	-	50.29	-	90.07	-	90.56	-	38.36	-	102.01	EM on Land and Building, Hyp of Plant & machinery, and further secured by personal guarantee /security of Directors	10%	NA	NIL	Repayable on Demand
15	Cash Credit	Citibank		242.10											EM on Land and Building, Hyp of Plant & machinery, and further secured by personal guarantee /security of Directors	11.75%	NA	1.00%	Repayable on Demand
16	Cash Credit	Yes Bank		39.62											EM on Land and Building, Hyp of Plant & machinery, and further secured by personal guarantee /security of Directors	9.95%	NA	-	Repayable on Demand

Annexure VI: Notes to Restated Consolidated Financial Statements (continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 17: Non-Current Financial Liabilities – Others

Particulars	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Retention Money (measured at amortised cost)	20.00	20.00	20.00	-	-	-
Measured at Fair Value through profit and loss						
Derivative Liability for Options for Optionally Convertible Preference Shares	-	1.74	1.73	1.72	1.72	-
Total	**20.00**	**21.74**	**21.73**	**1.72**	**1.72**	**-**

Note 18: Long term provisions

Provision for employee benefits (Refer Note 36)

Particulars	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Gratuity	13.43	10.47	7.98	-	-	-
Compensated Absences	4.88	6.78	3.84	2.41	3.26	1.69
Total	**18.31**	**17.25**	**11.82**	**2.41**	**3.26**	**1.69**

Note 19: Current financial liabilities – Borrowings

Particulars	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Secured, measured at amortized cost						
Loans repayable on demand - Banks*	677.02	412.23	301.49	195.60	175.36	189.36
Unsecured						
Deposits	-	-	-	5.00	8.00	0.60
Total	**677.02**	**412.23**	**301.49**	**200.60**	**183.36**	**189.96**

**Refer Note 16(a) for details related to repayment terms, securities and interest rate. Also refer Note 39 and 41 for Company's exposure to liquidity risk and interest rate risk.*

Note 20: Trade Payables

Particulars	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Micro, Small & Medium enterprises*	4.59	0.00	0.00	0.00	0.00	0.00
Trade payables	472.77	366.72	309.80	218.36	163.57	143.55
Total	**477.36**	**366.72**	**309.80**	**218.36**	**163.57**	**143.55**

**The Company has complied list of suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 on the basis of confirmation received from parties. Based on current information/confirmations available with the company, there are no overdues payable to suppliers who are registered under the relevant Act as at 31st March 2014,31st March 2015,31st March 2016,31st March 2017 & 31st March 2018 and 9 months ended 31st December 2018.*

Annexure VI: Notes to Restated Consolidated Financial Statements (continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 21: Current – Other Financial Liabilities

(measured at amortised cost)

Particulars	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Current maturities of long-term debt - Secured*	38.62	24.96	21.38	13.60	11.20	17.14
Current maturities of long-term debt - Unsecured*	-	-	-	2.42	-	0.20
Capital creditors and other payables	-	-	-	-	-	-
- total outstanding dues to MSE creditors	-	-	-	-	-	-
Total outstanding dues to other than MSE creditors	-	-	-	-	-	2.09
Advance received from customers	-	-	-	-	-	-
Other payable - Outstanding Expenses/Other Liabilities	-	-	-	-	-	-
Other payables	11.24	4.18	6.24	2.71	1.32	2.55
Salary payable	7.96	5.10	4.59	2.68	-	0.54
Other Deposits	0.10	0.14	0.14	-	-	-
Measured at Fair Value through profit and loss						
Derivative Liability for Forwards Contracts	3.90	0.00	3.95	3.47	-	0.62
Total	**61.82**	**34.38**	**36.30**	**24.88**	**12.52**	**23.14**

**Refer Note 16(a) for details related to repayment terms, securities and interest rate. Also refer Note 39 and 41 for Company's exposure to liquidity risk and interest rate risk.*

Note 22: Other current liabilities

Particulars	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Statutory dues payables (includes TDS, PF, WCT, Others)	4.13	0.73	6.85	5.17	7.07	4.62
Provision for taxation (net of advance tax)	5.40	14.58	8.59	3.02	10.99	5.88
Total	**9.53**	**15.31**	**15.44**	**8.19**	**18.06**	**10.50**

Note 23: Short term provisions

Provision for employee benefits:

Particulars	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Gratuity (refer Note 36)	6.26	4.74	2.50	3.74	2.49	0.33
Compensated Absences (refer Note 36)	2.86	2.29	0.29	-	-	-
Total	**9.12**	**7.03**	**2.80**	**3.74**	**2.49**	**0.33**

Note 24: Deferred tax (Net)

Movement in deferred tax assets and liabilities

Particulars	As on 1 April 2013	Recognised in restated Consolidated statement of profit and loss	Recognised in restated Consolidated statement of assets and liabilities	As on 31 March 2014	Recognised in restated Consolidated statement of profit and loss	Recognised in restated Consolidated statement of assets and liabilities	As on 31 March 2015	Recognised in restated Consolidated statement of profit and loss	Recognised in restated Consolidated statement of assets and liabilities	As on 31 March 2016	Recognised in restated Consolidated statement of profit and loss	Recognised in restated Consolidated statement of assets and liabilities	As on 31 March 2017	Recognised in restated Consolidated statement of profit and loss	Recognised in restated Consolidated statement of assets and liabilities	As on 31 March 2018	Recognised in restated Consolidated statement of profit and loss	Recognised in restated Consolidated statement of assets and liabilities	As on 31 December 2018
Tax effect of items constituting deferred tax asset/(liabilities):																			
Provision for employee benefits:	0.27	0.41	-	0.69	1.27	-	1.95	0.17	-	2.13	2.98	-	5.11	3.34	-	8.45	(0.46)	-	7.99
Provision for Derivative Valuation	-	0.21	-	0.21	(1.14)	-	(0.93)	2.13	-	1.20	(7.65)	-	(6.45)	(1.55)	-	(8.00)	0.65	-	(7.35)
Long term borrowing	(0.12)	0.07	-	(0.06)	(0.67)	-	(0.73)	0.05	-	(0.68)	6.18	-	5.50	2.69	-	8.19	1.64	-	9.83
Property, Plant & Equipment	(13.15)	(5.14)	-	(18.30)	(1.18)	-	(19.48)	(2.06)	-	(21.54)	(0.83)	(18.09)	(40.46)	(8.50)	-	(48.96)	(6.92)	-	(55.88)
Others	3.62	(2.78)	-	0.82	(2.01)	-	(1.19)	(1.65)	-	(2.84)	2.63	-	(0.20)	0.23	-	0.03	(0.03)	-	0.00
Total	**(9.39)**	**(7.23)**	**-**	**(16.64)**	**(3.73)**	**-**	**(20.37)**	**(1.36)**	**-**	**(21.73)**	**3.31**	**(18.09)**	**(36.50)**	**(3.79)**	**-**	**(40.30)**	**(5.11)**	**-**	**(45.41)**

Annexure VI: Notes to Restated Consolidated Financial Statements (continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 25: Revenue from operations

Particulars	For the 9 months Ended 31 December 2018	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014
Revenue from operations						
Sale of products Comprises Manufactured goods of Chemicals						
Gross Export Sales	806.34	565.90	415.41	482.72	424.87	311.38
Less: Terminal Excise duty and GST Sales Tax on Export Sales	37.63	14.81	38.29	24.72	22.32	12.22
: CST on Deemed Export Sales	-	0.01	2.23	1.79	1.44	0.92
: VAT on Deemed Export Sales	-	0.38	0.73	0.01	0.25	0.70
Net Export Sales	**768.71**	**550.70**	**374.16**	**456.21**	**400.86**	**297.53**
Gross Domestic Sales	851.46	1226.32	798.01	587.24	504.75	500.17
Less: GST/Excise duty and Sales Tax on Local Sales	127.25	202.83	75.71	61.12	53.33	48.72
: CST on Domestic Sales	-	2.71	5.79	4.22	3.77	3.18
: VAT on Domestic Sales	-	6.08	25.48	17.94	15.56	15.20
Net Domestic Sales	**724.21**	**1014.70**	**691.03**	**503.95**	**432.10**	**433.08**
High seas Sales	**-**	**-**	**-**	**4.85**	**-**	**-**

Particulars	For 9 months Ended 31 Dec 2018	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014
Sale of products Comprises Manufactured goods of Chemicals						
Sales	1648.89	1,765.23	1,173.10	1,045.61	901.71	785.26
Less: GST Recovered	164.87	189.12	-	-	-	-
Net Sales (excluding GST)	1484.02	1,576.11	1,173.10	1,045.61	901.71	785.26
Other Operating Revenue						
Benefits Received on Export Sales	108.29	64.01	41.57	43.24	13.12	13.78
Other Operating Revenue	108.29	64.01	41.57	43.24	13.12	13.78
Total Net Revenue	**1592.31**	**1,640.12**	**1,214.67**	**1,088.85**	**914.84**	**799.04**

Note:

Consequent to introduction of Goods and Service Tax ('GST') with effect from July 1, 2017, central excise and value added taxes has been subsumed into GST. In accordance with IND AS 18, GST is not considered as part of revenue unlike excise duties which used including in revenue in period before 1 July 2017. Accordingly, the figures for the year ending 31 March 2018 are not strictly comparable with previous fiscal year. Further, in accordance with Ind AS 18, discount on sales including cash discount etc are adjusted from revenue. Accordingly, for the sake of comparison, revenue from operations has been presented as adjusted for excise duty and discount on sales including cash discounts as follows:

Particulars	For 9 months Ended 31 Dec 2018	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014
Sale of Products (A)	1484.02	1,576.11	1,173.10	1,045.61	901.71	785.26
Less: Excise Duty (B)	-	28.52	114.00	85.84	75.64	60.94
Sale of Products (Net of Excise Duty) (C=A-B)	1484.02	1,547.59	1,059.10	959.77	826.07	724.32
Add: Cash Discount on Sales (already deducted while arriving at sale of products (A) above (D)	8.90	17.81	6.10	5.25	6.89	6.29
Adjusted revenue from sale of products (net of excise) before discounts (E= C+D)	1492.92	1,565.40	1,065.19	965.02	832.96	730.61
Add: Benefits Received on Exports (F)	108.29	64.01	41.57	43.24	13.12	13.78
Adjusted revenue from sale of products including other Export Benefits (G=E+F) *	1601.21	1,629.41	1,106.77	1,008.25	846.08	744.39

Total net operating revenue net off excise and including cash discount:

*Include Sale of:

Particulars	For 9 months Ended 31 Dec 2018	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014
Organic Chemicals	1259.35	1056.23	634.20	732.18	629.93	525.78
Inorganic Chemicals	341.86	573.18	472.57	276.07	216.15	218.61
Total net operating revenue net off excise & including cash discount	**1601.21**	**1,629.41**	**1,106.77**	**1,008.25**	**846.08**	**744.39**

Note 26: Other Income

Particulars	For 9 months Ended 31 Dec 2018	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014
Interest income	0.85	2.15	1.57	1.60	1.95	1.43
Other Non-Operating Income:						
Foreign Exchange Rate Fluctuation /Foreign currency forward cover cancellation	-	-	-	-	4.19	-
Others	1.57	-	0.29	0.02	0.48	2.67
Fair Value Gain on Derivative Contract (Preference Shares)	-	0.50	1.22	-	-	-
Fair Value Gain on Derivative Forwards	2.14	3.98	-	-	3.34	-
Total	**4.56**	**6.63**	**3.08**	**1.62**	**9.96**	**4.10**

Annexure VI: Notes to Restated Consolidated Financial Statements (continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 27: Cost of materials consumed

Particulars	For 9 months Ended 31 Dec 2018	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014
Opening stock	98.70	69.88	56.38	25.87	18.17	28.92
Purchases	1211.03	1,054.41	709.10	682.79	534.21	454.61
	1309.73	**1,124.29**	**765.47**	**708.66**	**552.38**	**483.53**
Less: Closing stock	199.06	98.70	69.88	56.38	25.87	18.17
Cost of raw material consumed	**1110.67**	**1,025.59**	**695.60**	**652.28**	**526.51**	**465.36**

Note 28: Changes in inventories of finished goods and work in progress

Particulars	For 9 months Ended 31 Dec 2018	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014
Opening Stock:						
Finished Goods	77.48	51.79	51.02	47.11	71.46	33.10
Work-in-Process	308.38	256.80	202.28	164.78	111.29	132.46
Less:						
Closing Stock:						
Finished Goods	35.50	77.48	51.79	51.02	47.11	71.46
Work-in-Process	521.73	308.38	256.80	202.28	164.78	111.29
Changes in Inventories:						
Changes in inventories of finished goods	(41.98)	(25.69)	(0.77)	(3.91)	24.35	(38.36)
Work-in-Process	213.35	(51.58)	(54.52)	(37.50)	(53.49)	21.17
Changes in inventories of finished goods and work in progress	**(171.37)**	**(77.27)**	**(55.29)**	**(41.41)**	**(29.14)**	**(17.19)**

Note 29: Employee benefit expense

Particulars	For 9 months Ended 31 Dec 2018	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014
Salaries, wages and bonus	65.56	70.67	46.16	40.38	42.21	31.23
Contribution to provident and other funds (refer Note 36)	11.86	12.36	3.47	2.46	3.61	1.81
Staff welfare	3.74	3.98	4.84	2.53	1.79	1.34
Total	**81.16**	**87.01**	**54.47**	**45.37**	**47.61**	**34.38**

Annexure VI: Notes to Restated Consolidated Financial Statements (continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 30: Finance costs

Particulars	**For 9 months Ended 31 Dec 2018**	**For the Year Ended 31 March 2018**	**For the Year Ended 31 March 2017**	**For the Year Ended 31 March 2016**	**For the Year Ended 31 March 2015**	**For the Year Ended 31 March 2014**
Interest expenses on borrowings	61.35	77.06	55.55	40.30	44.08	44.03
Other finance cost and bank charges	7.30	5.63	9.05	5.97	2.42	3.72
Unwinding interest cost on FRCPS and OCPS	16.92	21.48	10.56	1.64	0.04	-
Total	**85.57**	**104.17**	**75.16**	**47.91**	**46.54**	**47.75**

Note 31: Other Expense

Particulars	**For 9 months Ended 31 Dec 2018**	**For the Year Ended 31 March 2018**	**For the Year Ended 31 March 2017**	**For the Year Ended 31 March 2016**	**For the Year Ended 31 March 2015**	**For the Year Ended 31 March 2014**
Excise Duty	-	28.52	114.00	85.84	75.64	60.94
PRODUCTION EXPENSES						
Conversion Charges	24.94	14.28	10.38	10.23	7.16	6.32
Contract Labour charges	23.21	24.58	14.97	11.45	7.00	5.24
Fuel & Power	53.61	62.09	50.83	49.37	47.10	46.35
Quality Control Expenses	18.31	14.01	8.17	6.66	4.73	3.66
Research and Development Expenses	12.03	8.91	6.02	4.61	4.23	4.88
Consumption of Packing Materials	10.45	18.74	14.11	17.40	18.72	9.47
Other Production Expenses	51.97	71.53	43.52	36.31	29.25	21.95
	194.52	**214.14**	**148.00**	**136.03**	**118.19**	**97.87**
MARKETING EXPENSES						
Exhibition Expenses	5.92	18.25	15.11	10.70	9.23	8.81
Other Marketing Expenses	17.87	1.96	1.53	2.63	1.91	1.51
	23.79	**20.21**	**16.64**	**13.34**	**11.14**	**10.32**
SELLING & DISTRIBUTION EXPENSES						
Clearing Charges	1.80	6.08	1.41	3.26	2.83	2.68
Sea & Air Freight (Export) Expenses	23.03	15.03	7.00	14.92	6.82	4.81
Other Selling & Distribution Exp	5.74	2.59	7.03	8.81	6.48	3.06
	30.57	**23.69**	**15.44**	**26.99**	**16.13**	**10.55**
ADMINISTRATIVE EXPENSES						
Profession Fees	17.12	9.34	8.86	5.55	3.65	2.59
Miscellaneous Expenses	1.38	3.43	2.96	1.54	1.51	1.38
Other Admin Expenses	31.16	13.53	10.70	14.97	17.02	17.46
CSR Expense	-	2.00	1.43	1.07	-	-

Fair Value Loss pertaining to Forward Derivative	-	-	0.48	6.19	-	0.62
Transaction cost pertaining to FRCPS Derivative	-	-	1.50	-	-	-
Fair Value Loss pertaining to OCPS Derivative	2.00	0.01	0.01	-	-	-
	51.66	**28.32**	**25.94**	**29.32**	**22.19**	**22.06**
Total	**300.54**	**314.88**	**320.02**	**291.51**	**243.28**	**201.73**

Payment to auditors (excluding applicable taxes) *(included in Professional Fees)***:**

Particulars	**For 9 months Ended 31 Dec 2018**	**For the Year Ended 31 March 2018**	**For the Year Ended 31 March 2017**	**For the Year Ended 31 March 2016**	**For the Year Ended 31 March 2015**	**For the Year Ended 31 March 2014**
Audit Fees	0.38	0.40	0.40	0.30	0.30	0.30
Tax Audit Fees	0.07	0.05	0.05	0.05	-	-
Other Fees	-	0.06	-	-	-	-
Total	**0.45**	**0.51**	**0.45**	**0.35**	**0.30**	**0.30**

Note 31 (a): Statement of other comprehensive income

Items that will not be reclassified to profit or loss:

Particulars	**For 9 months Ended 31 Dec 2018**	**For the Year Ended 31 March 2018**	**For the Year Ended 31 March 2017**	**For the Year Ended 31 March 2016**	**For the Year Ended 31 March 2015**	**For the Year Ended 31 March 2014**
(i)Remeasurements of the defined benefit plans (net of tax)	1.16	0.54	(7.19)	(0.54)	(1.68)	0.36
(ii) Income tax relating to items that will be reclassified to profit or loss	(0.34)	(0.19)	2.49	0.19	0.57	(0.12)
Total Other Comprehensive Income	**0.82**	**0.35**	**(4.70)**	**(0.35)**	**(1.11)**	**0.24**

Note 32: Earnings per share

Particulars	**As at 31 Dec 2018***	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Profit attributable to equity shareholders	122.21	104.97	76.83	51.80	50.85	36.43
Weighted average number of equity shares for calculation of basic and diluted earnings per share (Nos.)	2,00,78,793	2,00,00,000	2,00,00,000	2,00,00,000	45,00,000	45,00,000
Nominal value per share (INR)	10	10	10	10	10	10
Earnings per share (face value of INR 10)						
Basic (INR)	6.09*	5.25	3.84	2.59	11.30	8.10
Diluted (INR)	6.09*	5.25	3.84	2.59	11.30	8.10

**Not Annualised*

Annexure VI: Notes to Restated Consolidated Financial Statements (continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 33: Contingent liabilities and commitments

	Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
	(i) Contingent Liabilities						
(a)	In respect of Disputed demands/claim against the Company not acknowledged as debts:						
	(i) Property Tax Navi Mumbai	-	-	-	-	-	0.29
(b)	Contingent liability for Letters of Credit issued by the Bank and Bank Guarantee for Excise, Customs etc5						
	(i) Letter of credit/Bank Guarantee	29.37	14.04	9.91	6.29	74.93	72.59
	(ii) Bill discounted/Cheques Purchased	35.45	29.13	26.82	49.21	27.88	35.26
(c)	Contingent Liability towards NMMC Cess/LBT	1.60	1.60	1.60	-	-	-
	Total	**66.42**	**44.77**	**38.32**	**55.50**	**102.80**	**108.14**
	(ii) Capital commitments						
	Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	8.31	12.28	11.03	1.41	1.30	1.43

Note 34: Operating lease

The Company has taken office premises, factory land under operating lease. These are generally cancellable and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free deposits in accordance with the agreed terms.

The following rent expenses recognized:

Year Ended	Office Premises	Godown	Other Premises	Amount
31 Dec 2018	3.49	10.35	-	13.85
31 March 2018	4.29	10.48	0.81	15.57
31 March 2017	1.96	5.58	0.57	8.11
31 March 2016	1.86	4.65	0.48	6.99
31 March 2015	0.90	5.09	0.77	6.76
31 March 2014	0.90	4.97	0.82	6.68

Note 35: Related Party Transaction
(A) Relationships:

In accordance with the requirements of Indian Accounting Standard (Ind AS-24) on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by management are as follows:

(a) Where Joint Control exists:

Dhara Fine Chem Industries Chem Industries (Partnership Firm in which Company is holding 90% Share)

Particulars	31-Dec-18	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Dhara Fine Chem Industries	**Dhara Fine Chem Industries**	**Dhara Fine Chem Industries**	**Dhara Fine Chem Industries**	-	-	-

(b) Key Managerial Personnel:

Particulars	31-Dec-18	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Haridas Kanani	Haridas Kanani	Haridas Kanani	Haridas Kanani	Haridas Kanani	Haridas Kanani	Haridas Kanani
Harin Kanani	Harin Kanani	Harin Kanani	Harin Kanani	Harin Kanani	Harin Kanani	Harin Kanani
Shyamsundar Upadhyay	Shyamsundar Upadhyay	Shyamsundar Upadhyay	Shyamsundar Upadhyay	-	-	-
Sanjay N Mehta	Sanjay N Mehta	Sanjay N Mehta	Sanjay N Mehta	Sanjay N Mehta	Sanjay N Mehta	Sanjay N Mehta
Anurag Surana	Anurag Surana	Anurag Surana	-	-	-	-
Hitesh Reshamwala	Hitesh Reshamwala	Hitesh Reshamwala	Hitesh Reshamwala	Hitesh Reshamwala	Hitesh Reshamwala	Hitesh Reshamwala
Beena Kanani	Beena Kanani	Beena Kanani	-	Beena Kanani	Beena Kanani	Beena Kanani
Ranjan Kumar Malik	Ranjan Kumar Malik	-	-	-	-	-
Avi Sabawala	Avi Sabawala	-	-	-	-	-

(c) Relatives of key management personnel and their enterprises, where transactions have taken place.

Particulars	31-Dec-18	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Akkad Mehta & Co.	Akkad Mehta & Co.	Akkad Mehta & Co.	Akkad Mehta & Co.	Akkad Mehta & Co.	Akkad Mehta & Co.	Akkad Mehta & Co.
Kagashin Global Network (P) Ltd.	Kagashin Global Network (P) Ltd.	Kagashin Global Network (P) Ltd.	-	-	-	-

(d) Other Related Parties:

Nil

(B) Transactions with related parties

Particulars	Transaction during the year/period ended						Closing Balance					
	31 December 2018	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 December 2018	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Income:												
Interest Received - Dhara Fine Chem Industries	0.27	0.68	0.44	-	-	-	0.33	-	0.44	-	-	-
Expenses:												
Job work charges - Dhara Fine Chem Industries	7.61	7.03	3.66	-	-	-	2.17	0.50	0.57	-	-	-
Purchase- Dhara Fine Chem	**0.50**	**10.86**	**0.96**	**-**	**-**	**-**	**-**	**2.94**	**-**	**-**	**-**	**-**
Professional Fees												
Akkad Mehta & Co	-	0.59	0.50	0.50	0.50	0.50	-	-	(0.05)	(0.05)	0.45	(0.05)
Kagashin Global Network (P) Ltd	3.43	2.35	-	-	-	-	0.00	0.34	-	-	-	
Sitting Fees												
Haridas Thakarshi Kanani	-	-	-	-	0.01	0.01	-	-	-	-	-	-
Beena Kanani	-	-	-	-	0.01	0.01	-	-	-	-	-	-
Harin Haridas Kanani	-	-	-	-	0.01	0.01	-	-	-	-	-	-
Sanjay Mehta	0.04											
Hitesh Reshamwala	0.06											
Ranjan Kumar Malik	0.05											
Avi Sabawala	0.05											
Salary												
Haridas Thakarshi Kanani	3.74	2.65	2.65	2.67	2.67	2.67	0.38	0.22	0.22	0.22	0.22	-
Beena Kanani	-	-	-	-	1.79	2.67	-	-	-	-	-	-
Harin Haridas Kanani	3.36	2.97	2.97	2.99	2.99	2.99	0.34	0.25	0.25	0.25	0.25	-
Shyamsundar R Upadhyay	3.22	3.42	2.12	1.41		0.00	0.33	0.28	0.18	0.15	-	-
Lease Rent												
Haridas Thakarshi Kanani	0.68	0.90	0.90	0.90	0.90	0.90	-	-	-	-	-	-
Harin Haridas Kanani	-	0.48	0.48	0.48	0.48	0.48	-	-	-	-	-	-
Loan:												

Dhara Fine Chem Industries, Partnership Firm	2.84	0.81	4.03	-	-	-	3.65	1.50	4.30	-	-	-
Others:												
Dividend												
Haridas Thakarshi Kanani	14.00	14.00	-	6.30	6.30	6.30	-	-	-	-	-	-
Beena Kanani	2.57	2.97	-	1.35	1.35	1.35	-	-	-	-	-	-
Harin Haridas Kanani	2.00	2.00	-	0.90	0.90	0.90	-	-	-	-	-	-
Sanjay N Mehta	0.00	0.00	-	0.00	0.00	0.00	-	-	-	-	-	-
Hitesh Reshamwala	0.00	0.00	-	0.00	0.00	0.00	-	-	-	-	-	-
Shyamsundar R Upadhyay	0.00	0.00	-	-	-	-						
Anurag Surana	0.20											
Kagashin Global Network (P) Ltd	0.20											
Payable												
Capital Advances - Haridas Thakarshi Kanani	-	-	-	-	(27.40)	27.40	-	-	-	-	-	27.40

Note 36: Employee benefit expenses

(i) Defined Contribution Plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Statutory Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions.

Description	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
The Company has recognized the following amounts in the Statement of Profit and Loss for the year:						
Employers' Contribution to Provident Fund	3.91	4.53	2.44	3.54	2.50	2.66
Employers' Contribution to Employees' Pension Scheme, 1995	1.42	1.88	1.53	0.14	0.51	0.45
Total	**5.33**	**6.41**	**3.97**	**3.68**	**3.01**	**3.11**

(ii) Defined Benefit Plan

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Gratuity Plan:

(a) Asset/(Liability) recognized in Restated Consolidated statement of assets and liabilities

Description	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Present value of obligation at end of the year	(26.53)	23.05	18.47	10.58	10.52	8.80
Fair value of Plan Assets	6.83	7.84	7.98	6.84	8.04	8.47
Net assets/(liability) recognized in Restated Consolidated statement of assets and liabilities as provision	(19.70)	(15.21)	(10.49)	(3.74)	(2.49)	(0.33)

(b) Amount recognized in the Restated Consolidated statement of profit and loss is as under:

Description	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Current Service Cost	1.23	1.28	0.62	0.52	0.47	0.45
Net Interest Cost	1.34	0.76	0.30	0.20	0.03	0.06
Past Service Cost	-	3.22	-	-	-	-
Expense Recognized in the Income Statement	2.57	5.26	0.92	0.72	0.50	0.51

Annexure VI: Notes to Restated Consolidated Financial Statements (continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

(c) Amount recognized in other comprehensive income as under:

Description	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Actuarial (Gain)/Loss for the year on defined benefit obligation	2.50	0.58	7.21	0.47	1.61	(0.30)
Actuarial (Gain)/Loss for the year on plan assets	(0.12)	(1.12)	(0.03)	0.07	0.06	(0.06)
Net (Income)/Expense Recognized in the Income Statement	2.38	(0.54)	7.19	0.54	1.68	(0.36)

(d) Movement in liability recognized in the Restated Consolidated statement of assets and liabilities as under:

Description	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Present Value of defined benefit obligation as at the start of the year	23.05	18.47	10.58	10.52	8.80	8.52
Current Service Cost	1.23	1.28	0.62	0.52	0.47	0.45
Interest Cost	1.34	1.34	0.85	0.83	0.82	0.69
Actuarial loss/(gain) recognized during the year	2.50	0.58	7.21	0.47	1.61	(0.30)
Benefits paid	(1.58)	(1.84)	(0.79)	(1.77)	(1.18)	(0.56)
Past Service Cost including curtailment Gain/Losses	-	3.22	-	-	-	-
Present Value of defined benefit obligation as at the end of the year	**26.54**	**23.05**	**18.47**	**10.58**	**10.52**	**8.80**

(e) Movement in plan assets recognized in the Restated Consolidated statement of assets and liabilities as under:

Description	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Fair Value of plan assets at beginning of year	7.84	7.98	6.84	8.04	8.47	7.72
Interest Income	0.45	0.58	0.55	0.63	0.79	0.62
Expected return on plan assets - %	7.72%	7.73%	7.27%	7.99%	7.90%	9.36%
Employer's Contribution	-	-	1.37	-	0.02	0.62
Benefits Paid	(1.58)	(1.84)	(0.79)	(1.77)	(1.18)	(0.56)
Actuarial (Gain)/Loss on plan asset	(0.12)	(1.12)	(0.03)	(0.07)	(0.06)	0.06
Fair Value of plan assets at end of year	6.83	7.84	7.98	6.84	8.04	8.47
Actual Return on Plan assets, Excluding Interest Income	**(0.12)**	**(1.12)**	**(0.03)**	**(0.07)**	**(0.06)**	**0.06**

(f) Breakup of Actuarial (Gain)/Loss on Defined Benefit Obligation:

Description	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Actuarial (Gain)/Loss on arising from change in demographic assumption	-	-	-	-	-	-
Actuarial (Gain)/Loss on arising from change in financial assumption	0.02	(0.75)	0.93	(0.07)	0.87	(0.76)
Actuarial (Gain)/Loss on arising from change in experience adjustments	2.48	1.33	6.28	0.54	0.74	0.47
Total Actuarial (Gain)/Loss	**2.50**	**0.58**	**7.21**	**0.47**	**1.61**	**(0.30)**

(g) Actuarial Assumption:

Description	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Expected Return on Plan Assets	7.72%	7.73%	7.27%	7.99%	7.90%	9.36%
Discount Rate	7.72%	7.73%	7.27%	7.99%	7.90%	9.36%
Future Salary Increase	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Rate of Employee Turnover	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Expected Average remaining working lives of employees (years)	**15**	**14**	**13**	**12**	**12**	**12**

(h) Sensitivity analysis for gratuity liability:

Description	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Impact of the change in discount rate						
Present value of obligation at the end of the year	26.53	23.05	18.47	10.58	10.52	8.80
- Impact due to increase of 1 %	(1.81)	(1.49)	(1.27)	(0.72)	(0.61)	(0.51)
- Impact due to decrease of 1 %	2.05	1.69	1.45	0.82	0.70	0.58
Impact of the change in Salary increase						
Present value of obligation at the end of the year	26.53	23.05	18.47	10.58	10.52	8.80
- Impact due to increase of 1 %	1.72	1.55	1.17	0.61	0.51	0.43
- Impact due to decrease of 1 %	(1.62)	(1.46)	(1.09)	(0.58)	(0.47)	(0.39)
Impact of the change in Employee Turnover						
Present value of obligation at the end of the year	26.53	23.05	18.47	10.58	10.52	8.80
- Impact due to increase of 1 %	0.46	0.38	0.31	0.25	0.21	0.26
- Impact due to decrease of 1 %	(0.52)	(0.42)	(0.35)	(0.27)	(0.23)	(0.29)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(i) Maturity Profile of defined benefit obligation: (from the fund)

Description	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Within next 12 months	2.87	3.93	1.90	1.11	2.66	1.31
Between 1-5 years	12.51	6.43	6.12	3.86	2.27	2.82
Beyond 5 years	41.42	35.40	27.97	16.96	15.14	15.18

Annexure VI: Notes to Restated Consolidated Financial Statements (continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

(j) Category of Plan Assets:

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Insurance Fund	6.83	7.84	7.98	6.84	8.04	8.47
	[100%]	[100%]	[100%]	[100%]	[100%]	[100%]
Total	**6.83**	**7.84**	**7.98**	**6.84**	**8.04**	**8.47**

(iii) Other long-term employee benefits

Compensated Absences:

Provision in respect of leave encashment benefits has been made based on actuarial valuation carried out by an independent actuary at the Balance sheet date using Projected Unit Credit method. During the year following is recognized as expense in statement of profit & loss a/c.

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Expense/(Income) to be recognized in Profit & Loss A/c	(1.33)	4.93	1.73	(0.85)	1.57	(0.59)
Total	**(1.33)**	**4.93**	**1.73**	**(0.85)**	**1.57**	**(0.59)**

Note 37: Capital Management

For the purpose of the entity's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the company.

The primary objective of the entity's capital management is to maximise the shareholder value.

The entity manages its capital structure and make adjustments in light of changes in economic conditions and the requirements of the financial covenants.

To maintain or adjust the capital structure, the entity may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The entity monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The entity's policy is to keep an optimum gearing ratio.

The entity includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Long Term Borrowings	440.62	384.95	367.60	47.70	47.33	47.59
Current maturities of Long-Term Borrowings	38.62	24.96	21.38	13.60	11.20	17.14
Short Term Borrowings	677.02	412.23	301.49	200.60	183.36	189.96

Total Borrowings	1156.26	822.14	690.48	261.91	241.89	254.70
Less:						
Less:						
Cash and cash equivalents	1.84	3.17	5.77	5.18	6.89	2.70
Other bank balances	8.12	15.00	24.99	19.54	17.14	15.22
Investments	-	-	-	-	-	-
Net debt	**1146.30**	**803.97**	**659.71**	**237.19**	**217.86**	**236.78**
Total Equity*	614.86	502.31	420.32	275.49	234.87	195.93
Net debt to Equity Ratio	**1.86**	**1.60**	**1.57**	**0.86**	**0.93**	**1.21**

**Equity includes capital and all reserves of the Company managed as Capital*

In order to achieve this overall objective, the entity's capital management, amongst other things, aims to ensure that it needs financial covenants and attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

Note 38: Financial Instruments

(i) Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the Restated Consolidated financial information and are entitled into three levels of a fair value hierarchy.

The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(ii) Financial assets and liabilities measured at fair value – recurring fair value measurements

31 December 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative Asset for Early Redemption Right for Fully Redeemable Preference Shares	-	-	25.23	25.23
Derivative Asset for Forward Cover	-	-	-	-
Total financial asset	-	-	25.23	25.23
Financial liabilities				
Derivative Liability for Options for Optionally Convertible Preference Shares	-	-	-	-
Derivative Liability for Forward Cover	-	3.90	-	3.90
Total financial asset	-	3.90	-	3.90

31 March, 2018	Level 1	Level 2	Level 3	Total

Financial assets				
Derivative Asset for Early Redemption Right for Fully Redeemable Preference Shares	-	-	23.09	23.09
Derivative Asset for Forward Cover	0.02	-	-	0.02
Total financial asset	0.02	-		23.11
Financial liabilities				
Derivative Liability for Options for Optionally Convertible Preference Shares	-	-	1.74	1.74
Total financial asset	**-**	**-**	**1.74**	**1.74**

31 March, 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative Asset for Early Redemption Right for Fully Redeemable Preference Shares	-	-	22.59	22.59
Derivative Asset for Forward Cover	-	-	-	-
Total financial asset	-	-	22.59	22.59
Financial liabilities				
Derivative Liability for Options for Optionally Convertible Preference Shares	-	-	1.73	1.73
Derivative Liability for Forward Cover	-	3.95	-	3.95
Total financial asset	**-**	**3.95**	**1.73**	**5.68**

31 March 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative Asset for Forwards Cover	-	-	-	-
Total financial asset	-	-	-	-
Financial liabilities				
Derivative Liability for Options for Optionally Convertible Preference Shares	-	-	1.72	1.72
Derivative Liability for Forward Cover	-	3.47	-	3.47
Total financial asset	**-**	**3.47**	**1.72**	**5.19**

31 March 2015	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative Asset for Forwards Cover	-	2.72	-	2.72
Total financial asset	-	2.72	-	2.72
Financial liabilities				
Derivative Liability for Options for Optionally Convertible Preference Shares	-	-	1.72	1.72
Total financial asset	**-**	**-**	**1.72**	**1.72**

31 March 2014	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative Asset for Forwards Cover	-	-	-	-
Total financial asset	-	-	-	-
Financial liabilities				
Derivative Liability for Options for Optionally Convertible Preference Shares	-	0.62	-	-
Total financial asset	**-**	**0.62**	**-**	**0.62**

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

As per Valuation techniques and valuation report obtained from Valuers.

Annexure VI: Notes to Restated Consolidated Financial Statements (continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 39: Financial Risk Management

(i) Financial instruments by category

Particulars	31 December 2018		31 March 2018		31 March 2017		31 March 2016		31 March 2015		31 March 2014	
	Future value through profit and loss (FVTPL)	Amortised cost	Future value through profit and loss (FVTPL)	Amortised cost	Future value through profit and loss (FVTPL)	Amortised cost	Future value through profit and loss (FVTPL)	Amortised cost	Future value through profit and loss (FVTPL)	Amortised cost	Future value through profit and loss (FVTPL)	Amortised cost
Financial assets												
Investments	-	4.23	-	4.50	-	4.50	-	-	-	-	-	-
Loans - Non Current	-	34.07	-	18.52	-	21.42	-	13.75	-	9.30	-	1.73
Loans - Current	-	2.84	-	1.50	-	4.30	-	-	-	2.90	-	6.39
Other financial assets - Non-Current	25.23	-	23.09	-	22.59	-	-	-	-	-	-	-
Other financial assets - Current	-	9.40	0.02	2.27	-	2.57	-	2.55	2.72	2.75	-	1.80
Trade receivable	-	424.65	-	413.63	-	321.61	-	158.49	-	179.68	-	165.87
Cash and cash equivalents	-	1.84	-	3.17	-	5.77	-	5.18	-	6.89	-	2.70
Other bank balances	-	8.12	-	15.00	-	24.99	-	19.54	-	17.14	-	15.22
Total financial assets	25.23	485.15	23.11	458.59	22.59	385.16	0.00	199.51	2.72	218.67	0.00	193.70

Financial liabilities												
Borrowings - Long Term	-	440.62	-	384.95	-	367.60	-	47.70	-	47.33	-	47.59
Borrowings - Short Term	-	677.02	-	412.23	-	301.49	-	200.60	-	183.36	-	189.96
Other financial liabilities - Long Term	-	20.00	1.74	20.00	1.73	20.00	1.72	-	1.72	-	-	-
Other financial liabilities - Short Term	3.90	57.91	-	34.38	3.95	32.34	3.47	21.41	-	12.52	0.62	22.52
Trade payables	-	-	-	366.72	-	309.80	-	218.36	-	163.57	-	143.55
Total financial liabilities	**3.90**	**1195.55**	**1.74**	**1218.28**	**5.68**	**1031.24**	**5.19**	**488.07**	**1.72**	**406.79**	**0.62**	**403.62**

The carrying amount of trade receivables, trade payables, capital creditors and cash and cash equivalent are considered to be the same as their fair values, due to short-term in nature.

The fair value of forwards is based on the forward rate prevailing at the year end.

The carrying value of the amortised financial assets and liabilities approximate to the fair value on the respective reporting dates.

(ii) Financial risk management objectives and policies

The entity's activities expose it to market risk, liquidity risk and credit risk. The entity board of directors has overall responsibility for the establishment and oversight of the entity's risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the Restated Consolidated financial information.

(a) Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the entity.

The entity's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost.

The entity continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortised cost and deposits with banks and financial institutions.

None of the financial instruments of the Company result in material concentrations of credit risk. The company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure.

Financial assets:

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

Trade receivables

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables is low.

Note 40: Liquidity Risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.
The entity's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the entity's liquidity position and cash and cash equivalents on the basis of expected cash flows. The entity takes into account the liquidity of the market in which the entity operates.

The tables below analyse the entity's financial liabilities into relevant maturity entitling based on their contractual maturities.

31 December 2018	Less than 1 year	1- 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	677.02	303.20	137.43	1117.64
Trade payable	477.36	-	-	477.36
Other financial liabilities	61.82	-	-	61.82
Total	**1216.19**	**303.20**	**137.43**	**1656.81**

31 March, 2018	Less than 1 year	1- 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	412.23	239.44	145.50	797.18
Trade payable	366.72	-	-	366.72
Other financial liabilities	34.38	-	-	34.38
Total	**813.34**	**239.44**	**145.50**	**1,198.28**

31 March 2017	Less than 1 year	1- 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	301.49	229.39	138.21	669.09
Trade payable	309.80	-	-	309.80
Other financial liabilities	36.30	-	-	36.30
Total	**647.59**	**229.39**	**138.21**	**1,015.19**

31 March 2016	Less than 1 year	1- 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	200.60	36.31	11.40	248.31
Trade payable	218.36	-	-	218.36
Other financial liabilities	24.88	-	-	24.88
Total	**443.84**	**36.31**	**11.40**	**491.54**

31 March 2015	Less than 1 year	1- 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	183.36	36.00	11.32	230.69
Trade payable	163.57	-	-	163.57
Other financial liabilities	12.52	-	-	12.52
Total	**359.46**	**36.00**	**11.32**	**406.79**

31 March 2014	Less than 1 year	1- 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	189.96	47.59	-	237.56
Trade payable	143.55	-	-	143.55
Other financial liabilities	23.14	-	-	23.14
Total	**356.65**	**47.59**	**-**	**404.24**

Note 41: Market Risk
(a) Foreign exchange risk
The entity has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (Exports & Imports).

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency.

The Company as per its overall strategy uses forward contracts and swaps to mitigate its risks associated with fluctuations in foreign currency and such contracts are not designated as hedges under Ind AS 109.

The company does not use forward contracts and swaps for speculative purposes.

Annexure VI: Notes to Restated Consolidated Financial Statements (continued)
(Currency: Indian Rupees in Millions, unless stated otherwise)

The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as each balance sheet date are as follows:

Particulars	Nature of Foreign currency	As at 31 Dec 2018		Nature of Foreign currency	As at 31 March 2018		Nature of Foreign currency	As at 31 March 2017		Nature of Foreign currency	As at 31 March 2016		Nature of Foreign currency	As at 31 March 2015		Nature of Foreign currency	As at 31 March 2014	
		Amt in foreign currency	Amt INR		Amt in foreign currency	Amt in INR		Amt in foreign currency	Amt in INR		Amt in foreign currency	Amt. in INR		Amt in foreign currency	Amt in INR		Amt in foreign currency	Amt in INR
Assets	USD	-	-	USD	-	-	USD	0.37	24.32	USD	-	-	USD	0.35	22.19	USD	0.19	11.17
	EURO	-	-	EURO	-	-	EURO	-	-	EURO	-	-	EURO	-	-	EURO	0.01	0.87
Liabilities	USD	-	-	USD	-	-	USD	-	-	USD	-	-	USD	1.31	80.97	USD	1.35	81.17

Foreign currency sensitivity

Particulars	As at 31 Dec 2018		As at 31 March 2018		As at 31 March 2017 Proforma Ind AS		As at 31 March 2016 Proforma Ind AS		As at 31 March 2015 Proforma Ind AS		As at 31 March 2014 Proforma Ind AS	
	Effect on profit before tax	Effect on pre-tax equity	Effect on profit before tax	Effect on pre-tax equity	Effect on profit before tax	Effect on pre-tax equity	Effect on profit before tax	Effect on pre-tax equity	Effect on profit before tax	Effect on pre-tax equity	Effect on profit before tax	Effect on pre-tax equity
Change in USD rate (+0.5%)	-	-	-	-	0.12	0.12	-	-	0.52	0.52	0.46	0.46
Change in USD rate (+0.5%)	-	-	-	-	(0.12)	(0.12)	-	-	(0.52)	(0.52)	(0.46)	(0.46)
Change in Euro rate (+0.5%)	-	-	-	-	-	-	-	-	-	-	0.00	0.00
Change in Euro rate (+0.5%)	-	-	-	-	-	-	-	-	-	-	(0.00)	(0.00)

Annexure VI: Notes to Restated Consolidated Financial Statements (continued)
(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 42: Interest Rate Risk

Liabilities:

The entity's policy is to minimise interest rate cash flow risk exposures on long-term financing.

At 31 March 2018, the entity is exposed to changes in market interest rates through borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the entity to interest rate risk:

Particulars	31 Dec 2018	31 March, 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Variable rate borrowing	980.21	651.68	530.88	236.91	219.37	237.56
Fixed rate borrowing	137.43	145.50	138.21	11.40	11.32	-
Total borrowings	**1117.64**	**797.18**	**669.09**	**248.31**	**230.69**	**237.56**

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	31 December 2018	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Interest sensitivity*						
Interest rates - increase by 100 basis points	(9.80)	(6.52)	(5.31)	(2.37)	(2.19)	(2.38)
Interest rates - decrease by 100 basis points	9.80	6.52	5.31	2.37	2.19	2.38

**Holding all other variables constant*

Price Risk

The Company does not have exposure to price risk

Note 43: Business Combination

The Company has purchased business unit of Solaris Chemtech Industries Ltd. situated at Karakhadi of Padra Taluka, district Vadodara, Gujarat during the financial year 2016-17 through business transfer agreement dated 21st October 2016.

Total Purchase Consideration paid for acquiring unit is Rs.331.6 million.

Fair Value of Assets & Liabilities is as follows:	INR
Non-Current Assets	
Land	263.56
Factory Buildings	42.52
Plant & Machineries	37.57
R & D Equipments	3.95
Quality Control Instruments	6.66

Safety Equipments	1.58
M.S. Structure & FRP Gratings	5.53
Effluent Treatment Equipments	3.75
Current Assets	
Trade receivables	60.61
Inventories	47.33
Other Short-Term Loan & Advances	32.80
Less: Net Liabilities	
Trade Payables	(23.64)
Other Current Liabilities	(2.13)
Long Term Provisions	(4.82)
Provisions for Obsolete Items	(53.55)
Net Assets Taken Over	**421.72**
Less: Purchase Consideration	(331.59)
Less: Deferred Tax Asset/(Liability)	(18.09)
Balance Amount of Capital Reserve	**72.04**

Note 44: Capitalisation of Expenditure

The expenditure incidental to the setting up of the project is included in capital work in progress (CWIP) which is apportioned to the assets on completion of the project and commencement of commercial operations. The entity has capitalised the following expenses to the cost of fixed asset/ capital work-in-progress (CWIP):

Particulars	31 Dec 2018	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Other Expenses	2.54	-	23.61	-	-	-
Total amount capitalised	**2.54**	**-**	**23.61**	**-**	**-**	**-**

Note 45: Statement on adjustment to audited consolidated financial statements

The accounting policies set out in Note 2 of Annexure V have been applied in preparing the Restated Consolidated financial information for the year ended 31 March 2018, the comparative information presented in this Restated Consolidated financial information for the year ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014. An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

(A) Ind AS Optional Exemption:

1. Deemed cost of property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the Restated Consolidated financial information as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying value.

(B) Ind AS mandatory exemption:

1. Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates for comparative periods as at each reporting year end are consistent with the estimates as at the same date made in conformity with previous GAAP except for computation of expected credit losses, which were not required to be estimated as per previous GAAP.

2. Classification and measurement

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

- The effects of the retrospective application or retrospective restatement are not determinable;
- The retrospective application or restatement requires assumptions about what management's intent would have been in that period;
- The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

3. De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(C) Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.

1. Reconciliation of total equity

Particulars	31 Dec 2018	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Total equity (shareholders fund) as per Previous GAAP	659.28	557.76	474.08	291.37	247.24	195.43
Adjustments due to restatement and remeasurement	(59.76)	(70.36)	(69.56)	(14.51)	(12.70)	0.24
Income tax effect of Ind AS adjustments	15.34	14.91	15.81	(1.37)	0.30	0.26
Total adjustments	**(44.42)**	**(55.45)**	**(53.76)**	**(15.88)**	**(12.37)**	**0.50**
Total equity as per Ind AS	**614.86**	**502.31**	**420.32**	**275.50**	**234.87**	**195.93**

Annexure VI: Notes to Restated Consolidated Financial Statements (continued)
(Currency: Indian Rupees in Millions, unless stated otherwise)

2. Reconciliation of total comprehensive income for the year

Particulars	**31 Dec 2018**	**31 March 2018**	**31 March 2017**	**31 March 2016**	**31 March 2015**	**31 March 2014**
Profit after tax as per Previous GAAP	141.46	126.19	80.47	58.90	49.61	36.16
Financial assets and liabilities accounted for at fair value	17.24	21.95	10.35	(1.76)	(0.26)	0.20
Remeasurement of defined benefits obligations	1.16	2.57	(9.55)	(1.89)	0.96	(0.61)
Depreciation and Amortisation	(2.63)	(2.75)	(0.02)	(0.14)	0.77	(0.62)
Others	3.47	(1.58)	2.19	7.37	(2.71)	0.76
Total adjustments	(19.24)	(20.20)	(2.98)	(7.10)	1.24	0.27
Profit after tax as per Ind AS	122.22	106.00	77.49	51.80	50.85	36.43
Remeasurement of defined benefits obligations	1.16	0.54	(7.19)	(0.54)	(1.68)	0.36
Income tax relating to items that will not be reclassified to profit and loss	(0.34)	(0.19)	2.49	0.19	0.57	(0.12)
Total comprehensive income as per Ind AS	**123.04**	**106.35**	**72.79**	**51.45**	**49.74**	**36.67**

3. Reconciliation of the assets and liabilities presented in the consolidated statement of assets and liabilities prepared as per previous GAAP and as per Ind AS at 31 December 2018 is as follows:

Column (1) represents financial information prepared under previous GAAP framework, which has been reclassified to conform to Ind AS presentation for the purpose of this note

Column (2) represents adjustments on account of transition from previous GAAP to Ind AS, and restatement adjustments made to the comparative information presented in the audited standalone financial statements for the respective years, as explained in notes below:

Particulars	**Previous GAAP**	**Ind AS adjustments**	**Per Ind AS**
	(1)	**(2)**	**(3)**
(1) Non-current assets			
(a) Property, plant and equipment	728.34	82.09	810.43
(b) Capital work-in-progress	0.49	-	0.49
(c) Intangible assets	0.68	0.18	0.86
(d) Intangible assets under development			
(e) Financial assets			
(i) Investments	6.86	(1.35)	5.51
(ii) Loans	37.82	(3.75)	34.07
(iii) Other financial assets	-	25.23	25.23
(f) Other non-current assets	24.43	(17.56)	6.87
Total Non-current Assets	**798.61**	**84.84**	**883.44**
(2) Current Assets			
(a) Inventories	772.17	-	772.17
(b) Financial assets			
(i) Trade receivables	424.65	-	424.65
(ii) Cash and cash equivalents	1.84	-	1.84
(iii) Bank balances other than (ii) above	8.12	-	8.12
(iv) Loans	6.69	(3.85)	2.84
(v) Other current financial assets	116.92	(107.53)	9.40
(c) Other current assets	137.73	133.86	271.59
Total Current Assets	**1468.12**	**22.49**	**1490.61**
TOTAL ASSETS	**2266.73**	**107.32**	**2374.05**

EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	307.79	(107.00)	200.79
(b) Other equity	351.50	62.58	414.08
Total Equity	**659.28**	**(44.42)**	**614.86**
(2) Noncurrent liabilities			
(a) Financial liabilities			
- Borrowings	304.72	135.90	440.62
- Other Financial Liabilities	20.10	(0.10)	20.00
(b) Provisions	18.31	-	18.31
(c) Deferred tax liabilities (net)	30.07	15.34	45.41
Total Non-current Liabilities	**373.20**	**151.14**	**524.35**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	677.02	-	677.02
(ii) Trade payables	477.36	-	477.36
(iii) Other financial liabilities	38.62	23.20	61.82
(b) Other current liabilities	19.27	(9.74)	9.53
(c) Short-term provisions	21.98	(12.86)	9.12
Total Current liabilities	**1234.24**	**0.60**	**1234.84**
Total Liabilities	**1607.45**	**151.74**	**1759.19**
TOTAL EQUITY AND LIABILITIES	**2266.73**	**107.32**	**2374.05**

Reconciliation statement of profit and loss prepared as per previous GAAP and as per Ind AS as at 31 December 2018 is as follows:

Particulars	Previous GAAP	Ind AS adjustments	Per Ind AS
	(1)	**(2)**	**(3)**
Income			
I. Revenue from operations	1601.21	(8.90)	1592.31
II. Other income	4.36	0.20	4.56
Total Income (I+II)	**1605.57**	**(8.70)**	**1596.87**
III. Expenses			
Cost of materials consumed	1110.67	-	1110.67
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(171.36)	-	(171.36)
Employee benefits expense	80.00	1.16	81.16
Finance costs	68.33	17.24	85.57
Depreciation and Amortization Expenses	23.72	(2.63)	21.09
Other Expense	307.43	(6.90)	300.54
Total Expenses	**1418.78**	**8.87**	**1427.66**
IV. Profit/(loss) before taxes	**186.78**	**(17.58)**	**169.21**
Comprising of:			
Profit			
V. Income tax			
1. Current Tax	43.10	0.40	43.50
2. Deferred Tax	2.22	2.56	4.78
3. Prior Period Tax	-	-	-
VI. Profit/(loss) for the period	**141.46**	**(20.53)**	**120.93**
VII. Other comprehensive income	**-**		

Items that will not be reclassified restated statement of profit or loss	-		
Statement of other comprehensive income	0.00	1.16	1.16
Income tax related to items that will be reclassified to profit or loss	0.00	(0.34)	(0.34)
Other comprehensive (expense)/ income, net of tax	**0.00**	**0.82**	**0.82**
VIII. Total comprehensive income for the period	**141.46**	**(19.71)**	**121.76**

Reconciliation of the assets and liabilities presented in the consolidated statement of assets and liabilities prepared as per previous GAAP and as per Ind AS as at 31 March 2018 is as follows:

Particulars	**Previous GAAP**	**Ind AS adjustments**	**Per Ind AS**
	(1)	**(2)**	**(3)**
(1) Non-current assets			
(a) Property, plant and equipment	584.77	81.65	666.42
(b) Capital work-in-progress	13.79	0.00	13.79
(c) Intangible assets	0.44	0.11	0.55
(d) Intangible assets under development			0.00
(e) Financial assets			
(i) Investments	5.16	(0.66)	4.50
(ii) Loans	20.02	(1.50)	18.52
(iii) Other financial assets	0.00	23.09	23.09
(f) Other non-current assets	6.29	0.00	6.29
Total Non-current Assets	630.46	102.69	733.15
(2) Current Assets			
(a) Inventories	499.93	0.00	499.93
(b) Financial assets			
(i) Trade receivables	413.63	0.00	413.63
(ii) Cash and cash equivalents	3.17	0.00	3.17
(iii) Bank balances other than (ii) above	15.00	0.00	15.00
(iv) Loans	0.00	1.50	1.50
(v) Other current financial assets	1.61	0.68	2.29
(c) Other current assets	133.55	0.00	133.55
Total Current Assets	1066.89	2.18	1069.07
TOTAL ASSETS	**1697.35**	**104.87**	**1802.22**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	200.00	0.00	200.00
(b) Other equity	357.76	(55.45)	302.31
Total Equity	557.76	(55.45)	502.31
(2) Noncurrent liabilities			
(a) Financial liabilities			
- Borrowings	240.87	144.07	384.95
- Other Financial Liabilities		21.74	21.74
(b) Provisions	37.39	(20.14)	17.25
(c) Deferred tax liabilities (net)	25.38	14.91	40.30
Total Non-current Liabilities	303.64	160.59	464.23
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	412.23	0.00	412.23
(ii) Trade payables	366.72	0.00	366.72
(iii) Other financial liabilities	25.37	9.01	34.38

(b) Other current liabilities	4.91	10.40	15.31
(c) Short-term provisions	26.71	(19.68)	7.03
Total Current liabilities	835.95	(0.27)	835.67
Total Liabilities	1139.59	160.32	1299.91
TOTAL EQUITY AND LIABILITIES	**1697.35**	**104.87**	**1802.22**

4. Reconciliation statement of profit and loss prepared as per previous GAAP and as per Ind AS as at 31 March 2018 is as follows:

Particulars	Previous GAAP	Ind AS adjustments	Per Ind AS
	(1)	**(2)**	**(3)**
Income			
I. Revenue from operations	1629.41	10.71	1640.12
II. Other income	3.57	4.48	8.04
Total Income (I+II)	1632.98	15.19	1648.17
III. Expenses			
Cost of materials consumed	1025.59	0.00	1025.59
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(77.27)	0.00	(77.27)
Employee benefits expense	84.43	2.57	87.01
Finance costs	82.21	21.95	104.17
Depreciation and Amortization Expenses	22.18	(2.75)	19.43
Other Expense	304.16	10.72	314.88
Total Expenses	1441.30	32.49	1473.79
IV. Profit/(loss) before taxes			
Comprising of:			
Profit	191.68	(17.31)	174.38
V. Income tax			
1. Current Tax	60.80	0.00	60.80
2. Deferred Tax	4.69	(1.08)	3.61
3. Prior Period Tax	0.00	3.97	3.97
VI. Profit/(loss) for the year	**126.19**	**(20.20)**	**106.00**
VII. Other comprehensive income			
Items that will not be reclassified restated statement of profit or loss			
Remeasurement of post-retirement benefit obligation	0.00	0.54	0.54
Income tax related to items that will be reclassified to profit or loss	0.00	(0.19)	(0.19)
Other comprehensive (expense)/ income, net of tax	0.00	0.35	0.35
VIII. Total comprehensive income for the year	**126.19**	**(19.85)**	**106.35**

5. Reconciliation of the assets and liabilities presented in the restated standalone statement of assets and liabilities prepared as per Previous GAAP and as per Ind AS as at 31 March 2017 is as follows:

Particulars	Previous GAAP	Ind AS adjustments	Per Ind AS
	(1)	(2)	(3)
(1) Non-current assets			
(a) Property, plant and equipment	452.35	110.85	563.20
(b) Capital work-in-progress	3.13	9.47	12.59
(c) Intangible assets	0.03	0.00	0.03
(d) Intangible assets under development	0.00		0.00
(e) Financial assets			0.00
(i) Investments	5.24	(0.74)	4.50
(ii) Loans	25.71	(4.30)	21.42
(iii) Other financial assets	9.47	13.12	22.59
(f) Other non-current assets	33.11	(31.84)	1.27
Total Non-current Assets	**529.03**	**96.56**	**625.59**
(2) Current Assets			
(a) Inventories	400.13	0.00	400.13
(b) Financial assets			0.00
(i) Trade receivables	321.61	0.00	321.61
(ii) Cash and cash equivalents	5.77	0.00	5.77
(iii) Bank balances other than (ii) above	24.99	0.00	24.99
(iv) Loans	0.00	4.30	4.30
(v) Other current financial assets	1.83	0.74	2.57
(c) Other current assets	138.85	0.00	138.85
Total Current Assets	**893.18**	**5.04**	**898.22**
TOTAL ASSETS	**1422.21**	**101.60**	**1523.81**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	200.00	0.00	200.00
(b) Other equity	274.08	(53.76)	220.32
Total Equity	**474.08**	**(53.76)**	**420.32**
(2) Noncurrent liabilities			
(a) Financial liabilities			
- Borrowings	231.22	136.39	367.60
- Other Financial Liabilities	0.00	21.73	21.73
(b) Provisions	**36.50**	**(24.68)**	**11.82**
(c) Deferred tax liabilities (net)	20.70	15.81	36.50
Total Non-current Liabilities	288.41	149.25	437.66
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	301.49	0.00	301.49
(ii) Trade payables	309.80	0.00	309.80
(iii) Other financial liabilities	21.88	14.42	36.30
(b) Other current liabilities	13.08	2.36	15.44
(c) Short-term provisions	13.47	(10.68)	2.80
Total Current liabilities	659.72	6.10	665.83
Total Liabilities	948.13	155.35	1103.49
TOTAL EQUITY AND LIABILITIES	**1422.21**	**101.60**	**1523.81**

Reconciliation statement of profit and loss prepared as per previous GAAP and as per Ind AS as at 31 March 2017 is as follows:

Particulars	Previous GAAP	Ind AS adjustments	Per Ind AS
	(1)	(2)	(3)
Income			
I. Revenue from operations	1106.77	107.90	1214.67
II. Other income	2.90	1.22	4.12
Total Income (I+II)	1109.67	109.12	1218.79
III. Expenses			
Cost of materials consumed	695.60	0.00	695.60
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(55.29)	0.00	(55.29)
Employee benefits expense	64.02	(9.55)	54.47
Finance costs	64.81	10.35	75.16
Depreciation and Amortization Expenses	13.13	(0.02)	13.12
Other Expense	210.28	109.74	320.02
Total Expenses	**992.54**	**110.53**	**1103.07**
IV. Profit/(loss) before taxes			
Comprising of:			
Profit	**117.13**	**(1.41)**	**115.72**
V. Income tax			
1. Current Tax	**38.15**	**0.90**	**39.05**
2. Deferred Tax	**(2.40)**	**1.57**	**(0.82)**
3.Prior Period Tax	**0.90**	**(0.90)**	**0.00**
VI. Profit/(loss) for the year	**80.47**	**(2.98)**	**77.49**
VII. Other comprehensive income			
Items that will not be reclassified restated statement of profit or loss			
Remeasurement of post-retirement benefit obligation	0.00	(7.19)	(7.19)
Income tax related to items that will be reclassified to profit or loss	0.00	2.49	2.49
Other comprehensive (expense)/ income, net of tax	**0.00**	**(4.70)**	**(4.70)**
VIII. Total comprehensive income for the year	**80.47**	**(7.68)**	**72.79**

Reconciliation of the assets and liabilities presented in the Restated Consolidated statement of assets and liabilities prepared as per Previous GAAP and as per Ind AS as at 31 March 2016 is as follows:

Particulars	Previous GAAP	Ind AS adjustments	Per Ind AS
	(1)	(2)	(3)
(1) Non-current assets			
(a) Property, plant and equipment	**143.05**	**31.17**	**174.21**
(b) Capital work-in-progress	**0.69**	**6.18**	**6.87**
(c) Intangible assets	**0.05**	**0.00**	**0.05**
(d) Intangible assets under development	**-**	**-**	**-**
(e) Financial assets			
(i) Investments	**-**	**-**	**-**
(ii) Loans	**13.75**	**-**	**13.75**
(iii) Other financial assets	**-**	**-**	**-**
(f) Other non-current assets	**32.30**	**(31.54)**	**0.76**
Total Non-current Assets	**189.84**	**5.81**	**195.65**

(2) Current Assets			
(a) Inventories	317.57	-	317.57
(b) Financial assets			
(i) Trade receivables	158.49	0.00	158.49
(ii) Cash and cash equivalents	5.18	0.00	5.18
(iii) Bank balances other than (ii) above	19.54	0.00	19.54
(iv) Loans	6.18	(6.18)	0.00
(v) Other current financial assets	2.86	(0.31)	2.55
(c) Other current assets	105.84	0.00	105.84
Total Current Assets	**615.66**	**(6.49)**	**609.17**
TOTAL ASSETS	**805.50**	**(0.68)**	**804.82**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	200.00	-	200.00
(b) Other equity	91.37	(15.88)	75.49
Total Equity	**291.37**	**(15.88)**	**275.49**
(2) Noncurrent liabilities			
(a) Financial liabilities			
- Borrowings	36.47	11.24	47.70
- Other financial liabilities		1.72	1.72
(b) Provisions	4.45	(2.04)	2.41
(c) Deferred tax liabilities (net)	23.09	(1.37)	21.72
Total Non-current Liabilities	**64.01**	**9.55**	**73.56**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	200.60	-	200.60
(ii) Trade payables	218.36	-	218.36
(iii) Other financial liabilities	16.21	8.67	24.88
(b) Other current liabilities	7.88	0.31	8.19
(c) Short-term provisions	7.08	(3.33)	3.74
Total Current liabilities	**450.12**	**5.65**	**455.77**
Total Liabilities	**514.13**	**15.20**	**529.33**
TOTAL EQUITY AND LIABILITIES	**805.50**	**(0.68)**	**804.82**

Reconciliation statement of profit and loss prepared as per previous GAAP and as per Ind AS as at 31 March 2016 is as follows:

Particulars	**Previous GAAP**	**Ind AS adjustments**	**Per Ind AS**
	(1)	**(2)**	**(3)**
Income			
I. Revenue from operations	1008.25	80.60	1088.85
II. Other income	1.62	0.00	1.62
Total Income (I+II)	1009.87	80.60	1090.46
III. Expenses			
Cost of materials consumed	652.28	0.00	652.28
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(41.41)	0.00	(41.41)
Employee benefits expense	47.26	(1.89)	45.37
Finance costs	46.16	1.76	47.91
Depreciation and Amortization Expenses	10.13	(0.14)	9.98
Other Expense	202.04	89.48	291.51

Total Expenses	**916.45**	**89.20**	**1005.65**
IV. Profit/(loss) before taxes			
Comprising of:			
Profit	93.42	(8.61)	84.81
V. Income tax			
1. Current Tax	30.00	1.47	31.47
2. Deferred Tax	3.05	(1.51)	1.54
3.Prior Period Tax	1.47	(1.47)	0.00
VI. Profit/(loss) for the year	**58.90**	**(7.10)**	**51.80**
VII. Other comprehensive income			
Items that will not be reclassified restated statement of profit or loss			
Remeasurement of post-retirement benefit obligation	-	(0.54)	(0.54)
Income tax related to items that will be reclassified to profit or loss	-	0.19	0.19
Other comprehensive (expense)/ income, net of tax	-	(0.35)	(0.35)
VIII. Total comprehensive income for the year	58.90	(7.45)	51.45

Reconciliation of the assets and liabilities presented in the Restated Consolidated statement of assets and liabilities prepared as per Previous GAAP and as per Ind AS as at 31 March 2015 is as follows:

Particulars	Previous GAAP	Ind AS adjustments	Per Ind AS
	(1)	**(2)**	**(3)**
(1) Non-current assets			
(a) Property, plant and equipment	132.28	(0.52)	131.76
(b) Capital work-in-progress	0.37	0.88	1.25
(c) Intangible assets	0.09	0.00	0.09
(d) Intangible assets under development			
(e) Financial assets			
(i) Investments	0.00	0.00	0.00
(ii) Loans	9.30	0.00	9.30
(iii) Other financial assets	0.39	(0.39)	0.00
(f) Other non-current assets	14.01	0.39	14.40
Total Non-current Assets	**156.44**	**0.37**	**156.81**
(2) Current Assets			
(a) Inventories	242.97	0.00	242.97
(b) Financial assets			
(i) Trade receivables	179.68	0.00	179.68
(ii) Cash and cash equivalents	6.89	0.00	6.89
(iii) Bank balances other than (ii) above	17.14	0.00	17.14
(iv) Loans	3.79	(0.88)	2.90
(v) Other current financial assets	2.75	2.72	5.48
(c) Other current assets	75.69	0.00	75.69
Total Current Assets	**528.91**	**1.84**	**530.75**
TOTAL ASSETS	**685.35**	**2.21**	**687.56**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	45.00	0.00	45.00
(b) Other equity	202.24	(12.37)	189.87
Total Equity	**247.24**	**(12.37)**	**234.87**

(2) Noncurrent liabilities			
(a) Financial liabilities			
- Borrowings	36.28	11.05	47.33
- Other financial liabilities	0.00	1.72	1.72
(b) Provisions	4.07	(0.81)	3.26
(c) Deferred tax liabilities (net)	20.04	0.32	20.37
Total Non-current Liabilities	**60.39**	**12.28**	**72.67**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	183.36	0.00	183.36
(ii) Trade payables	163.57	0.00	163.57
(iii) Other financial liabilities	11.39	1.14	12.52
(b) Other current liabilities	8.39	9.67	18.06
(c) Short-term provisions	10.99	(8.50)	2.49
Total Current liabilities	**377.71**	**2.30**	**380.01**
Total Liabilities	**438.11**	**14.58**	**452.69**
TOTAL EQUITY AND LIABILITIES	**685.35**	**2.21**	**687.56**

Reconciliation statement of profit and loss prepared as per previous GAAP and as per Ind AS as at 31 March 2015 is as follows:

Particulars	**Previous GAAP**	**Ind AS adjustments**	**Per Ind AS**
	(1)	**(2)**	**(3)**
Income			
I. Revenue from operations	846.08	68.76	914.84
II. Other income	6.61	3.34	9.96
Total Income (I+II)	852.69	72.10	924.80
III. Expenses			
Cost of materials consumed	526.51	0.00	526.51
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(29.14)	0.00	(29.14)
Employee benefits expense	46.66	0.96	47.61
Finance costs	46.80	(0.26)	46.54
Depreciation and Amortization Expenses	8.57	0.77	9.34
Other Expense	174.53	68.76	243.28
Total Expenses	**773.92**	**70.23**	**844.15**
IV. Profit/(loss) before taxes			
Comprising of:			
Profit	78.77	1.88	80.65
V. Income tax			
1. Current Tax	25.50	0.00	25.50
2. Deferred Tax	3.66	0.64	4.30
3.Prior Period Tax	0.00		0.00
VI. Profit/(loss) for the year	**49.61**	**1.24**	**50.85**
VII. Other comprehensive income			
Items that will not be reclassified restated statement of profit or loss			
Remeasurement of post-retirement benefit obligation	0.00	(1.68)	(1.68)
Income tax related to items that will be reclassified to profit or loss	0.00	0.57	0.57
Other comprehensive (expense)/ income, net of tax	0.00	(1.11)	(1.11)
VIII. Total comprehensive income for the year	**49.61**	**0.13**	**49.74**

Reconciliation of the assets and liabilities presented in the Restated Consolidated statement of assets and liabilities prepared as per Previous GAAP and as per Ind AS as at 31 March 2014 is as follows:

Particulars	**Note**	**Previous GAAP**	**Ind AS adjustments**	**Per Ind AS**
		(1)	**(2)**	**(3)**
(1) Non-current assets				
(a) Property, plant and equipment	1,2 &3	135.99	0.25	136.24
(b) Capital work-in-progress	8	0.37	-	0.37
(c) Intangible assets		0.13	0.00	0.13
(d) Intangible assets under development		-	-	-
(e) Financial assets		-		
(i) Investments	8	-	-	-
(ii) Loans	8	1.73	-	1.73
(iii) Other financial assets	8	1.62	(1.62)	-
(f) Other non-current assets	7	0.33	29.02	29.34
Total Non-current Assets		**140.15**	**27.65**	**167.81**
(2) Current Assets				
(a) Inventories		212.31	-	212.31
(b) Financial assets		-		-
(i) Trade receivables		165.87	-	165.87
(ii) Cash and cash equivalents		2.70	-	2.70
(iii) Bank balances other than (ii) above		15.22	-	15.22
(iv) Loans	8	33.79	(27.40)	6.39
(v) Other current financial assets	8	1.80	-	1.80
(c) Other current assets		57.23	-	57.23
Total Current Assets		**488.92**	**(27.40)**	**461.52**
TOTAL ASSETS		**629.07**	**0.25**	**629.33**
EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital		45.00	-	45.00
(b) Other equity		150.43	0.50	150.93
Total Equity		195.43	0.50	195.93
(2) Non-current liabilities				
(a) Financial liabilities				
- Borrowings	1,6 & 7	47.61	(0.02)	47.59
- Other Financial Liabilities	7 & 8	-	-	-
(b) Provisions	4	2.98	(1.29)	1.69
(c) Deferred tax liabilities (net)	5	16.38	0.26	16.64
Total Non-current Liabilities		**66.97**	**(1.05)**	**65.92**
(3) Current liabilities				
(a) Financial liabilities				
(i) Borrowings		189.96	-	189.96
(ii) Trade payables		143.55	-	143.55
(iii) Other financial liabilities	1,7 & 8	19.57	3.57	23.14

(b) Other current liabilities	8	7.18	3.32	10.50
(c) Short-term provisions	4	6.41	(6.08)	0.33
Total Current liabilities		**366.67**	**0.81**	**367.48**
Total Liabilities		**433.64**	**(0.24)**	**433.40**
TOTAL EQUITY AND LIABILITIES		**629.07**	**0.25**	**629.33**

Reconciliation statement of profit and loss prepared as per previous GAAP and as per Ind AS as at 31 March 2014 is as follows:

Particulars	**Note**	**Previous GAAP**	**Ind AS adjustments**	**Per Ind AS**
		(1)	**(2)**	
Income				
I. Revenue from operations	9	744.39	54.65	799.04
II. Other income	7	4.10	-	4.10
Total Income (I+II)		748.49	54.65	803.14
III. Expenses				
Cost of materials consumed		465.36	-	465.36
Changes in inventories of finished goods, work-in-progress and stock-in-trade		(17.19)	-	(17.19)
Employee benefits expense	4	34.99	(0.61)	34.38
Finance costs	1	47.56	0.20	47.75
Depreciation and Amortization Expenses		9.83	(0.62)	9.22
Other Expense	9	146.46	55.27	201.73
Total Expenses		**687.01**	**54.24**	**741.25**
IV. Profit/(loss) before taxes				
Comprising of:				
Profit		**61.48**	**0.41**	**61.89**
V. Income tax				
1. Current Tax		18.33	-	18.33
2. Deferred Tax	5	6.99	0.14	7.13
3.Prior Period Tax		-	-	-
VI. Profit/(loss) for the year		**36.16**	**0.27**	**36.43**
VII. Other comprehensive income				
Items that will not be reclassified restated statement of profit or loss				
Remeasurement of post-retirement benefit obligation	4	-	0.36	0.36
Income tax related to items that will be reclassified to profit or loss	5	-	(0.12)	(0.12)
Other comprehensive (expense)/ income, net of tax		-	0.24	0.24
VIII. Total comprehensive income for the year		**36.16**	**0.51**	**36.67**

Note 45(A): Statement on adjustment to audited consolidated financial statements

Note 1: Financial assets and liabilities accounted for at amortised cost

Under previous GAAP, all financial assets and liabilities were carried at cost.
Under Ind AS, certain financial assets and financial liabilities are initially recognized at fair value and subsequently measured at amortised cost which involves the application of effective interest/amortisation cost method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the fair value amount on the date of recognition of financial asset or financial liability.

Note 2: Leasehold Land

Under Ind AS, lease hold lands have been treated as finance lease as per lease agreement and hence recorded as finance lease. In IGAAP, the same was not forming part of finance lease.

Note 3: Business Combination

Under Ind AS, business combination transaction has been recognized at fair value and hence all acquired assets and liabilities have been recognized at fair value at initial recognition and difference between purchase consideration and net asset at fair value has been recorded as capital reserve. In IGAAP, the same business combination were recorded at book value of acquiree.

Note 4: Remeasurement of defined benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

Note 5: Income tax effects of Ind AS adjustments

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period.

Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various Ind AS adjustments have also lead to recognition of deferred taxes on new temporary differences.

Note 6: Equity under Previous GAAP classified as Borrowings

Compulsorily Redeemable Preference Shares issue by the Company have been classified as part of borrowings, as against part of equity under the previous GAAP. Under Ind AS an instrument is classified and accounted as debt or equity in accordance with its substance rather than its legal form.

Note 7: Derivative contracts

As per Ind AS, embedded derivative which forms part of host contract have been segregated from host contract and the said derivative contracts have been measured at fair value through profit and loss. As per IGAAP, the same segregation was not required.

Note 8: Reclassification

Reclassifications have been done in compliance with Ind AS schedule III requirement.

Note 9: Revenue (gross vs net presentation)

As per Ind AS, excise duty should be presented as expense and revenue presented gross of excise duty. Cash and trade discounts have been shown as net of revenue. As per IGAAP, excise duty was shown as net of revenue and cash and trade discounts have been shown as gross revenue.

Annexure VII: Note 46

Notes to Restated Consolidated Statement of Accounting Ratios
(Currency: Indian Rupees in Millions, unless stated otherwise)

Particulars	**31 Dec 2018**	**31 March 2018**	**31 March 2017**	**31 March 2016**	**31 March 2015**	**31 March 2014**
Net Worth	614.87	500.62	419.66	275.49	234.87	195.93
Profit attributable to the owners of the company	122.21	104.97	76.83	51.80	50.85	36.43
Weighted average number of equity shares outstanding during the year						
For Basic Earnings per share (Nos)	20.08	20.00	20.00	20.00	4.50	4.50
For Diluted Earnings per share (Nos)	20.08	20.00	20.00	20.00	4.50	4.50
Number of shares outstanding at the end of year	2,00,78,793	2,00,00,000	2,00,00,000	2,00,00,000	45,00,000	45,00,000
Restated basic earnings per share (IN INR)	6.09	5.25	3.84	2.59	11.30	8.10
Restated diluted earnings per share (IN INR)	6.09	5.25	3.84	2.59	11.30	8.10
Return on net worth %	19.88	20.97	18.31	18.80	21.65	18.60
Net Asset value per share of Rs.10 each	30.62	25.03	20.98	13.77	52.19	43.54
Face Value (IN INR)	10	10	10	10	10	10

The Ratio has been computed as below:

$$\text{Basic EPS} = \frac{\text{Net Profit attributable to the owners of the company, as restated}}{\text{Weighted average no. of equity shares o/s during the year}}$$

$$\text{Diluted EPS} = \frac{\text{Net Profit attributable to the owners of the company, as restated}}{\text{Weighted average no. of equity shares o/s during the year}}$$

$$\text{Return on Net Worth (\%)} = \frac{\text{Net Profit attributable to the owners of the company, as restated}}{\text{Net worth as restated as at year end}}$$

$$\text{Net Asset Value per share} = \frac{\text{Net Worth, as restated}}{\text{No. of equity shares o/s as at year end}}$$

Earnings per share (EPS) calculation is in accordance with the notified Indian Accounting Standard (IND AS) 33 'Earning per Share' prescribed by the Companies (Indian Accounting Standards) Rules, 2015
The amounts disclosed above are based on the Restated Financial Information of the Company.

Net Worth means the aggregate value of the paid-up share capital of the company and all reserves created out of profits and securities premium account as per Restated Consolidated Financial Statement of Assets & Liabilities of the Company.

Annexure VIII: Note 47

Notes to Restated Consolidated Statement of Capitalisation
(Currency: Indian Rupees in Millions, unless stated otherwise)

Particulars	Pre-Issue (As at 31 Dec 2018)	Post Issue*
		*Refer Note 3
Short Term Borrowings	715.64	
Long Term Borrowings(A)	440.62	
Total Debt (B)	**1156.26**	
Shareholders Fund (Net Worth)		
Share Capital	200.79	
Reserve & Surplus	414.08	
Total Shareholders' fund (Net Worth) (C)	**614.86**	
Long Term Borrowings/Shareholders Fund (Net Worth) Ratio (A/C)	**0.72**	
Total Borrowings/Shareholders Fund (Net Worth) Ratio (B/C)	**1.88**	

Notes:
1. Short term borrowings and current maturities of long-term borrowings are debts which are due for repayment within 12 months from 31 December 2018

2. Long term borrowings is considered as borrowings other than short term borrowings.

3. The amount disclosed above are based on the Restated Consolidated Financial Information of the Company

** These amounts (as adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished*

Annexure IX: Note 48

Notes to Restated Consolidated Statement of Dividend
(Currency: Indian Rupees in Millions, unless stated otherwise)

Particulars	31 Dec 2018	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Equity Shares						
Number of Shares	2,00,78,793	2,00,00,000	2,00,00,000	2,00,00,000	45,00,000	45,00,000
Face Value (Rs.)	10	10	10	10	10	10
Amount	200.79	200.00	200.00	200.00	45.00	45.00
Final Dividend						
Rate of Dividend (%)	10	10	-	-	-	-
Dividend Per Share (Rs)	1.00	1.00	-	-	-	-
Amount of Dividend (Rs)	20.00	20.00	-	-	-	-

Corporate dividend tax (Rs)	4.07	4.36	-	-	-	-
Interim Dividend						
Rate of Dividend (%)	-	-	-	4.50	20.00	20.00
Dividend Per Share (Rs)	-	-	-	0.45	2.00	2.00
Amount of Dividend (Rs)	-	-		9.00	9.00	9.00
Corporate dividend tax (Rs)	-	-	-	1.83	1.80	1.53

Annexure X: Notes to Restatement of Tax Shelter
(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 49:
Below is the reconciliation of tax expense and accounting profit multiplied by applicable tax rate:

Details of tax expense	**31 Dec 2018**	**31 March 2018**	**31 March 2017**	**31 March 2016**	**31 March 2015**	**31 March 2014**
Current tax	43.50	64.77	39.05	31.47	25.50	18.33
Deferred tax	4.78	3.61	(0.82)	1.54	4.30	7.13
Total	48.28	68.38	38.22	33.01	29.80	25.45
Deferred tax impact on other comprehensive income	0.34	0.19	(2.49)	(0.19)	(0.57)	0.12
Total tax expense	**48.62**	**68.56**	**35.74**	**32.83**	**29.23**	**25.58**

Particulars	**31 Dec 2018**	**31 March 2018**	**31 March 2017**	**31 March 2016**	**31 March 2015**	**31 March 2014**
Profit before tax	170.49	172.96	114.68	84.81	80.65	61.89
Tax rate applicable for Company	29.12%	34.61%	34.61%	34.61%	33.99%	33.99%
Tax as per applicable rate	49.65	59.86	39.69	29.35	27.41	21.04
Tax effect of disallowances	7.99	0.69	0.49	0.37	0.20	0.06
Income not chargeable to tax	-	0.16	0.10	-	-	-
Others	(9.02)	7.85	(4.55)	3.10	1.62	4.47
Tax Expense	**48.62**	**68.56**	**35.74**	**32.83**	**29.23**	**25.58**

Components of deferred tax asset and (deferred tax liabilities)	**31 Dec 2018**	**31 March 2018**	**31 March 2017**	**31 March 2016**	**31 March 2015**	**31 March 2014**
Property, plant & equipment	(55.88)	(48.97)	(40.46)	(21.54)	(19.48)	(18.30)
Employee benefits	7.99	8.45	5.11	2.13	1.95	0.69
Borrowing	9.83	8.19	5.50	(0.67)	(0.73)	(0.06)
Derivative contracts	(7.35)	(8.00)	(6.45)	1.20	(0.93)	0.21
Others	-	0.03	(0.20)	(2.84)	(1.20)	0.82
	(45.41)	**(40.30)**	**(36.50)**	**(21.72)**	**(20.37)**	**(16.64)**

Movement in Statement of profit and loss:

Particulars	31 Dec 2018	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Property, plant & equipment	(6.92)	(8.50)	(18.92)	(2.06)	(1.18)	(5.14)
Employee benefits	(0.46)	3.34	2.98	0.17	1.27	0.41
Borrowing	2.18	2.69	6.18	0.05	(0.67)	0.07
Derivative contracts	0.65	(1.55)	(7.65)	2.13	(1.14)	0.21
Others	(0.03)	0.23	2.63	(1.65)	(2.01)	(2.78)
Total	**(4.58)**	**(3.79)**	**(14.78)**	**(1.36)**	**(3.73)**	**(7.23)**

Movement through Capital redemption reserve:

Particulars	31 Dec 2018	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Property, plant & equipment	-	-	(18.09)	-	-	-

To,
The Board of Directors,
Neogen Chemicals Limited
1002, Dev Corpora, Cadbury Junction,
Eastern Express Highway, Thane (West),
Maharashtra - 400601

Dear Sir,

1. We have examined the attached Restated Standalone Financial Information of Neogen Chemicals Ltd (The "Company") which comprises the Restated Standalone Statement of Assets and Liabilities as at 31 December 2018, 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Standalone Statement of Profit and Loss (including other Comprehensive Income), Restated Standalone Statement of Changes on Equity and the Restated Standalone Statement of Cash Flows for 9 month ended 31 December 2018 and each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and the Restated Standalone Statement of Significant Accounting Policies as approved by the Board of Directors at their meeting held on 26th March 2019 for the purpose of Inclusion in the Red Herring Prospectus ("RHP") prepared by the company in connection with its proposed offer of Equity Shares of the Company, prepared in terms of the requirements of section 26 of Part I of Chapter III of the Companies Act, 2013, as amended ("the Act") read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 on Clarification regarding applicability of Indian Accounting Standards to disclosures in offer documents as issued by the Securities and Exchange Board of India ("SEBI").

2. The preparation of the Restated Standalone Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 8 below. The management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The management is also responsible for identifying and ensuring that the Company complies with the Act, the Rules, ICDR Regulations and the Guidance Note.

   Our responsibility is to examine the Restated Consolidated Financial Information and confirm whether such Restated Consolidated Financial Information comply with the requirements of the Act,
   the Rules, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Standalone Financial Information taking into consideration:

   a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 16th October 2018 in connection with the proposed issue of equity shares of the company; and
   b. The Guidance Note on Reports in Company Prospectus (Revised 2019) ("The Guidance Note") issued by the Institute of Chartered Accountants of India.
   c. The requirements of Section 26(1) (b) of the Act read with applicable provisions within Rule 4 to6 of the Rules and the ICDR Regulations and in accordance with the provisions of SEBI Circular.

4. The Restated Standalone Financial Information expressed in Indian Rupees, in millions, has been prepared under Indian Accounting Standards ('Ind-AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 and have been compiled by the management from:

c. The Audited Standalone Financial Statements of the Company as at and for the 9 months ended 31st December 2018 and the year ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015, prepared in accordance with Accounting Standards prescribed under section 133 of the companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, and the other relevant provisions of the Act which has been approved by the Board of Directors at their Board Meeting held on 26th March 2019, 3rd May 2018, 5th June 2017, 24th June 2016 and 22nd June 2015 respectively. These Audited Standalone Financial Statements have been adjusted for the differences in the Accounting Principles adopted by the Company on transition to Ind AS, which have also been audited by us; and

d. The Audited Standalone Financial Statements of the company as at and for the year ended 31 March 2014, prepared in accordance with Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956, which have been approved by the Board of Directors at their Board meetings held on 15 September 2014. These Audited Standalone Financial Statements have been adjusted for the differences in the Accounting Principles adopted by the Company on transition to Ind AS, which have also been audited by us.

   The Restated Standalone Financial Information as at and 9 months ended 31 December 2018 and for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 are referred to as "the Proforma Ind AS Restated Standalone Financial Information" as per the Guidance Note. The restated standalone financial information is compiled by the management for making initial submission for DRHP in line ICDR regulation, which have been further reviewed by us and referred as "the Proforma Ind AS Restated Standalone Financial Information".

5. In accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with ICDR Regulations and the Guidance Note, we report that:

   a. The Restated Standalone Statements of Assets and Liabilities of the Company as at 31 December 2018, 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regrouping /reclassifications as in our opinion were appropriate and more fully described in Note 45 of Annexure VI: Statements on Adjustments to Audited Consolidated Financial Statements.

   b. The Restated Standalone Statement of Profit and Loss (including other comprehensive income) of the Company, for the 9 months ended 31 December 2018 and for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined by us, as set out in Annexure II to this report, have been arrived at after making adjustments and regrouping /reclassifications as in our opinion were appropriate and more fully described in Note 45 of Annexure VI: Statements on Adjustments to Audited Consolidated Financial Statements.

   c. The Restated Standalone Statement of Cash Flows of the Company, for the 9 months ended 31 December 2018 and for the year ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined by us, as set out in Annexure III to this report, have been arrived at after making adjustments and regrouping /reclassifications as in our opinion were appropriate and more fully described in Note 45 of Annexure VI: Statements on Adjustments to Audited Consolidated Financial Statements.

   d. The Restated Standalone Statement of Changes in Equity of the Company, for the 9 month ended 31 December 2018 and for the ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined by us, as set out in Annexure IV to this report, have been arrived at after making adjustments and regrouping /reclassifications as in our opinion were appropriate and more fully described in Note 45 of Annexure VI: Statements on Adjustments to Audited Consolidated Financial Statements.

6. Based on the above and according to the information and explanations given to us, we further report that the Proforma Ind AS Restated Standalone Financial Information:

a. Have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

b. Have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

c. Do not contain any extraordinary items that need to be disclosed separately in the Restated Standalone Financial Information and don not contain any qualification requiring adjustments.

d. Do not contain any qualifications /Emphasis of Matter requiring adjustments

7. We have also examined the following Proforma Ind AS restated standalone financial information of the Company set out in the Annexures prepared by the management and approved by the Board of Directors on 26th March 2019 for the 9-month ended 31 December 2018 and for the year ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014:

   a. Annexure V: Restated Standalone Statement of Significant Accounting Policies;
   b. Annexure VI: Notes to Restated Standalone Financial Information;
   c. Annexure VII: Restated Standalone Statement of Accounting Ratios;
   d. Annexure VIII: Restated Standalone Statement of Capitalization;
   e. Annexure IX: Restated Standalone Statement of Dividend; and
   f. Annexure X: Restated Statement of Tax Shelter

   According to the information and explanations given to us, in our opinion, the Restated Standalone Financial Information and the above restated financial information contained in Annexure VI to X accompanying this report, read with Proforma Ind AS Restated Standalone Statement of Significant Accounting Policies disclosed in Annexure V, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, ICDR Regulations and the Guidance Note.

8. This Report should not in any way be constructed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be constructed as a new opinion on any of the audited standalone financial statements referred to herein.

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. Our Report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, the stock Exchanges where the equity shares are proposed to be listed and Registrar of Companies, Mumbai in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **JMT & Associates**
Chartered Accountant
Firm Registration No. 0104167W

Sanjay Pichholia
Partner
Membership No. 122651

RESTATED STANDALONE FINANCIAL STATEMENTS

NEOGEN CHEMICALS LTD.

Annexure I: Restated Standalone Statement of Assets and Liabilities
(Currency: Indian Rupees in Millions, unless stated otherwise)

Particulars	*Notes*	**Proforma Ind AS As at 31 December 2018**	**Proforma Ind AS As at 31 March 2018**	**Proforma Ind AS As at 31 March 2017**	**Proforma Ind AS As at 31 March 2016**	**Proforma Ind AS As at 31 March 2015**	**Proforma Ind AS As at 31 March 2014**
ASSETS							
(1) Non-current assets							
(a) Property, plant and equipment	*1*	810.43	666.41	563.19	174.22	131.77	136.24
(b) Capital work-in-progress	*2*	0.49	13.79	12.59	6.87	1.25	0.37
(c) Intangible assets	*3*	0.86	0.55	0.03	0.05	0.09	0.13
(d) Financial assets							
(i) Investments	*4*	4.50	4.50	4.50	-	-	-
(ii) Loans& advances	*5*	34.06	18.52	21.42	13.75	9.30	1.73
(iii) Other financial assets	*6*	25.23	23.09	22.59	-	-	-
(e) Other non-current assets	*7*	6.87	6.29	1.27	0.76	14.40	29.34
Total Non-current Assets		**882.44**	**733.15**	**625.59**	**195.65**	**156.82**	**167.81**
(2) Current Assets							
(a) Inventories	*8*	772.17	499.93	400.13	317.57	242.97	212.31
(b) Financial assets							
(i) Trade receivables	*9*	424.65	413.63	321.61	158.49	179.68	165.87
(ii) Cash and cash equivalents	*10a*	1.84	3.17	5.77	5.18	6.89	2.70
(iii) Bank balances other than (ii) above	*10b*	8.12	15.00	24.99	19.54	17.14	15.22
(iv) Loans& advances	*11*	3.75	1.50	4.30	0.00	2.90	6.39
(v) Other current financial assets	*12*	11.75	2.29	2.57	2.57	5.49	1.82
(c) Other current assets	*13*	271.59	133.55	138.85	105.84	75.69	57.23
Total Current Assets		**1493.87**	**1069.07**	**898.22**	**609.19**	**530.75**	**461.52**
TOTAL ASSETS		**2376.31**	**1802.22**	**1523.81**	**804.84**	**687.57**	**629.35**
EQUITY AND LIABILITIES							
(1) Equity							
(a) Equity share capital	*14*	200.79	200.00	200.00	200.00	45.00	45.00
(b) Other equity	*15*	416.43	302.31	220.32	75.49	189.87	150.94
Total Equity		**617.22**	**502.31**	**420.32**	**275.49**	**234.87**	**195.94**
(2) Noncurrent liabilities							
(a) Financial liabilities							
- Borrowings	*16*	440.62	384.95	367.60	47.70	47.33	47.60
- Other Non-current Financial Liabilities	*17*	20.00	21.74	21.73	1.72	1.72	0.00
(b) Long Term Provisions	*18*	18.31	17.25	11.82	2.42	3.26	1.69
(c) Deferred tax liabilities (net)	*24*	45.41	40.30	36.50	21.74	20.38	16.64

Total Non-current Liabilities		**524.34**	**464.24**	**437.65**	**73.58**	**72.69**	**65.93**
(3) Current liabilities							
(a) Financial liabilities							
(i) Borrowings	*19*	677.02	412.23	301.49	200.60	183.36	189.96
(ii) Trade payables	*20*						
Dues to entities under Micro and Small Enterprise		4.59					
Total dues to entities other than Micro and Small Enterprise		472.77	366.72	309.80	218.36	163.57	143.55
(iii) Other financial liabilities	*21*	61.82	34.38	36.30	24.88	12.52	23.14
(b) Other current liabilities	*22*	9.43	15.31	15.44	8.19	18.06	10.50
(c) Short-term provisions	*23*	9.12	7.03	2.81	3.74	2.50	0.33
Total Current liabilities		**1234.75**	**835.67**	**665.84**	**455.77**	**380.01**	**367.48**
Total Liabilities		**1759.09**	**1299.91**	**1103.49**	**529.35**	**452.70**	**433.41**
TOTAL EQUITY AND LIABILITIES		**2376.31**	**1802.22**	**1523.81**	**804.84**	**687.57**	**629.35**

The accompanying Restated Standalone Statement of Significant Accounting Policies in Annexure V and Notes to Restated Financial Information in Annexure VI are integral part of this statement.

As per our report of even date attached.

For JMT & Associates

Chartered Accountants
Firm Registration No.: 104167W

Sanjay Pichholia
Partner
Membership No.:122651

Place: Mumbai
Date: 26 March 2019

For & behalf of the Board of Directors

HaridasKanani
Chairman &Managing Director
DIN:0000185487

Dr. Harin Kanani
Joint Managing Director
DIN:0005136947

Mahesh Tanna
CFO
Place: Mumbai
Date: 26 March 2019

Lalit Karne
Company Secretary
Place: Mumbai
Date: 26 March 2019

Annexure II: Restated Standalone Statement of Profit and Loss

(Currency: Indian Rupees in Millions, unless stated otherwise)

Particulars	Note	Proforma Ind AS For the 9 months Ended 31 December 2018	Proforma Ind AS For the Year Ended 31 March 2018	Proforma Ind AS For the Year Ended 31 March 2017	Proforma Ind AS For the Year Ended 31 March 2016	Proforma Ind AS For the Year Ended 31 March 2015	Proforma Ind AS For the Year Ended 31 March 2014
Income							
I. Revenue from operations	*25*	1592.31	1640.12	1214.67	1088.85	914.84	799.04
II. Other income	*26*	6.50	8.04	4.13	1.62	9.96	4.10
Total Income (I+II)		**1598.81**	**1648.16**	**1218.80**	**1090.47**	**924.80**	**803.14**
III. Expenses							
Cost of materials consumed	*27*	1110.67	1025.59	695.60	652.28	526.51	465.36
Changes in inventories of finished goods, work-in-progress and stock-in-trade	*28*	(171.37)	(77.27)	(55.29)	(41.41)	(29.14)	(17.19)
Employee benefits expense	*29*	81.16	87.01	54.47	45.37	47.61	34.38
Finance costs	*30*	85.57	104.17	75.16	47.91	46.54	47.75
Depreciation and Amortization Expenses	*1*	21.09	19.40	13.11	10.00	9.35	9.22
Other Expense	*31*	300.54	314.88	320.02	291.51	243.28	201.73
Total Expenses		**1427.66**	**1473.78**	**1103.08**	**1005.66**	**844.15**	**741.25**
IV. Profit/(loss) before taxes		**171.15**	**174.38**	**115.73**	**84.81**	**80.65**	**61.89**
V. Income tax							
1. Current Tax		43.50	64.77	39.05	31.47	25.50	18.33
2. Deferred Tax		4.78	3.61	-0.82	1.54	4.30	7.13
VI. Profit for the year/period		**122.88**	**106.00**	**77.50**	**51.80**	**50.85**	**36.43**
VII. Other comprehensive income							
Items that will not be reclassified to restated statement of profit or loss							
Statement of other comprehensive income	*31a*	1.16	0.54	(7.19)	(0.54)	(1.68)	0.36
Income tax related to items that will be reclassified to profit or loss	*31a*	(0.34)	(0.19)	2.49	0.19	0.57	-0.12
Other comprehensive (expense)/ income, net of tax		**0.82**	**0.35**	**(4.70)**	**(0.35)**	**(1.11)**	**0.24**
VIII. Total comprehensive income for the year		**123.70**	**106.35**	**72.80**	**51.45**	**49.74**	**36.67**
IX. Earnings per equity share (in INR)	***32***						
- Basic		6.12*	5.30	3.87	2.59	11.30	8.10
- Diluted		6.12*	5.30	3.87	2.59	11.30	8.10

**Not Annualised*

The accompanying Restated Standalone Statement of Significant Accounting Policies in Annexure V and Notes to Restated Financial Information in Annexure VI are integral part of this statement.

As per our report of even date attached.

For JMT & Associates	For & behalf of the Board of Directors	
Chartered Accountants		
Firm Registration No.: 104167W	**Haridas Kanani**	**Dr. Harin Kanani**
	Chairman &Managing Director	*Joint Managing Director*
	DIN:0000185487	*DIN:0005136947*
Sanjay Pichholia		
Partner		
Membership No.:122651		
	Mahesh Tanna	**Lalit Karne**
Place: Mumbai	CFO	Company Secretary
Date: 26 March 2019	Place: Mumbai	Place: Mumbai
	Date: 26 March 2019	Date: 26 March 2019

Annexure III: Restated Standalone Statement of Cashflow
(Currency: Indian Rupees in Millions, unless stated otherwise)

Particulars	Proforma Ind AS	Proforma Ind AS	Proforma Ind AS	Proforma Ind AS	Proforma Ind AS	Proforma Ind AS
	For the Year Ended 31 December 2018	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014
CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit/(loss) before extra - ordinary Items & tax	171.15	174.38	115.72	84.81	80.65	61.89
Adjustments for:						
Depreciation and amortisation expense	21.09	19.43	13.12	9.98	9.34	9.22
Liabilities/Provision no longer required written back	0.00	0.00	0.00	0.00	0.00	0.00
Finance Costs	85.57	104.17	75.16	47.91	46.54	47.75
Interest & Other income	(2.80)	(3.57)	(2.90)	(1.62)	(1.68)	(1.34)
Fair Value Gain / Loss on Derivative Contracts	(0.14)	(4.47)	(1.04)	6.50	(3.34)	0.62
Loss/(Gain) on sale/write of fixed assets (net)	0.00	0.00	0.00	0.00	(0.17)	0.00
Employee Benefit Expenses	2.00	2.56	(9.55)	(1.88)	0.96	(0.60)
Provision for doubtful debts & Other Receivables and Loan & advances	0.00	0.00	0.00	0.00	0.00	0.00
Provision for loans/advances given to subsidiary/associate	0.00	0.00	0.00	0.00	0.00	0.00
Provision for impairment of investment in subsidiary and associate	0.00	0.00	0.00	0.00	0.00	0.00
Operating profit before working capital changes	**276.87**	**292.50**	**190.51**	**145.70**	**132.30**	**117.54**
Movement in working capital						
(Increase)/decrease in current and non-current long-term loans & advances	(15.55)	5.69	(11.83)	(1.11)	(4.80)	2.53
(Increase)/decrease in inventories	(272.25)	(99.80)	(82.56)	(74.57)	(30.64)	(10.40)
(Increase)/decrease in current and non-current financial assets - Loans	0.00	(10.25)	(4.20)	(19.75)	15.24	(30.60)
(Increase)/decrease in other current and non-current financial assets	(8.24)	14.70	(29.43)	(4.28)	(8.56)	9.68

(Increase)/decrease in other current and non-current assets	(118.40)	1.07	1.66	(4.97)	3.58	(2.10)
(Increase)/decrease in trade receivables	(11.02)	(92.03)	(163.11)	21.14	(13.81)	(44.70)
Increase/(decrease) in other current and non-current financial liabilities	25.70	3.49	5.53	4.52	(8.19)	(2.47)
Increase/(decrease) in non-current provisions	(1.06)	0.90	32.05	0.38	1.08	(0.10)
Increase/(decrease) in current provisions	(21.99)	(7.56)	6.39	(3.95)	4.58	(0.59)
Increase/(decrease) in other current and non-current liabilities	(5.15)	(8.17)	5.20	(0.51)	1.21	(5.70)
Increase/(decrease) in trade payables	110.63	56.92	91.45	54.78	20.03	10.11
Cash flow from/(utilized in) operating activities post working capital changes	**(315.20)**	**(135.04)**	**(148.85)**	**(28.33)**	**(20.27)**	**(74.34)**
Income tax paid/Refunds (net)	(26.08)	(40.00)	(39.05)	(31.46)	(25.50)	(13.86)
Net cash flow from/(utilized in) operating activities (A)	**(64.40)**	**117.46**	**2.61**	**85.91**	**86.53**	**29.34**
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of property, plant and equipment (including intangible assets, capital advances, capital creditors and intangible assets under development)	(171.30)	(138.85)	(324.16)	(40.42)	(22.18)	(13.73)
Interest received						
-Bank & Others	1.56	2.62	1.87	1.61	1.68	1.34
-Other Income	1.23	0.95	1.03	0.00	0.00	0.00
Capital WIP	(0.49)	9.47	(3.29)	(5.29)	(0.88)	0.00
Investment in Partnership Firm	(2.25)	0.00	(5.24)	0.00	0.00	0.00
Amount received from Partnership Firm	0.00	0.08	0.00	0.00	0.00	0.00
Sale of property, plant and equipment	0.00	0.00	0.00	0.00	3.50	0.00
Movement in other bank balances (net)						
Net cash used in investing activities (B)	**(171.24)**	**(125.73)**	**(329.79)**	**(44.10)**	**(17.88)**	**(12.39)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from fully redeemable preference shares received	0.00	0.00	107.00	0.00	0.00	0.00

Proceeds from Optional convertible preference shares received	0.00	0.00	0.00	0.00	13.00	0.00
Proceeds / (Repayment) of long-term borrowings	68.77	9.66	194.75	0.19	(11.34)	(9.92)
Proceeds / (Repayment) of short-term borrowings	264.79	110.74	100.89	17.24	(6.60)	51.19
Statutory fees for raising Share Capital	0.00	0.00	(0.15)	(2.38)	0.00	0.00
Finance Cost	(68.65)	(82.20)	(64.66)	(43.78)	(46.79)	(47.56)
Dividends Paid	(31.13)	(31.79)	(3.83)	(10.30)	(9.00)	(9.01)
Prior Period Taxes	0.00	(3.97)	0.00	0.00	0.00	0.00
Tax on Dividend	(6.35)	(6.76)	(0.78)	(2.10)	(1.80)	(1.53)
Net cash flow from/(utilized in) financing activities (C)	**227.43**	**(4.32)**	**333.22**	**(41.13)**	**(62.53)**	**(16.83)**
Increase/(decrease) in cash and cash equivalents (A+B+C)	(8.21)	(12.60)	6.05	0.68	6.12	0.13
Cash and cash equivalents at the beginning of the year	18.17	30.77	24.72	24.03	17.92	17.79
Cash and cash equivalents at the end of the year	**9.96**	**18.17**	**30.77**	**24.72**	**24.03**	**17.92**
Notes to cash flow statement						
1 Components of cash and cash equivalents:						
- Cash in hand	0.64	1.09	1.21	0.38	1.86	1.72
- Balances with bank (Current Account)	1.20	2.08	4.57	4.80	5.03	0.98
-Balances with bank (Deposit Account)	8.12	15.00	24.99	19.54	17.14	15.22
	9.96	**18.17**	**30.77**	**24.72**	**24.03**	**17.92**

The above cash flow statement has been prepared under the indirect method as set out in Indian Accounting standard 7 "Statement of Cash Flows".

The accompanying Restated Standalone Statement of Significant Accounting Policies in Annexure V and Notes to Restated Financial Information in Annexure VI are integral part of this statement.

As per our report of even date attached.

For JMT & Associates

Chartered Accountants
Firm Registration No.: 104167W

Sanjay Pichholia
Partner
Membership No.:122651
Place: Mumbai
Date: 26 March 2019

For & behalf of the Board of Directors

H.T. Kanani
Chairman &Managing Director
DIN:0000185487

Dr. Harin Kanani
Joint Managing Director
DIN:0005136947

Mahesh Tanna
CFO
Place: Mumbai
Date: 26 March 2019

Lalit Karne
Company Secretary
Place: Mumbai
Date: 26 March 2019

Annexure IV: Restated Standalone Statement of Change in Equity
(Currency: Indian Rupees in Millions, unless stated otherwise)

Note A: Equity Share Capital
(Also refer Note 14)

Particulars	Total Equity
As on 1st April 2013 Proforma Ind AS	45.00
Issue of Share Capital During the Year	
As on 31st March 2014 Proforma Ind AS	45.00
Issue of Share Capital During the Year	-
As on 31st March 2015 Proforma Ind AS	45.00
Issue of Share Capital During the Year	155.00
As on 31st March 2016 Proforma Ind AS	200.00
Issue of Share Capital During the Year	-
As on 31st March 2017 Proforma Ind AS	200.00
Issue of Share Capital During the Year	-
As on 31st March 2018	200.00
Issue of Share Capital During the Year	0.79
As on 31st December 2018	200.79

Note B: Other Equity

(Also refer Note 15)

Particulars	Reserve & Surplus						Total Other Equity
	General Reserve	Surplus as per Profit and Loss	Capital Redemption Reserve - Fully Redeemable Cumulative Preference Shares (FRCPS)	Capital Redemption Reserve - Optionally Convertible Preference Shares (OCPS)	Capital Reserve on Business Combination	Securities Premium	
Balance as at 1st April 2013 - Proforma Ind AS	11.50	113.29	-	-	-		124.79
Profit/Loss for the year		36.43					36.43
Other comprehensive income for the year		0.24					0.24
Total comprehensive income for the year		**36.67**					**36.67**
Transfer to General Reserve	5.00	(5.00)	-	-	-		-
Interim Dividend		(9.00)					(9.00)
Final Dividend		-					-
Tax on Interim/Final Dividend		(1.53)					(1.53)
Balance as at 31st March 2014 - Proforma Ind AS	16.50	134.44	-	-	-		150.93
Profit/Loss for the year		50.85					50.85
Other comprehensive income for the year (net of taxes)		(1.11)					(1.11)
Total comprehensive income for the year	**-**	**49.74**	**-**	**-**	**-**		**49.74**

Transfer to General Reserve	**7.50**	**(7.50)**	**-**	**-**	**-**		**-**
Interim Dividend		(9.00)					(9.00)
Final Dividend		-					-
Tax on Interim/Final Dividend		(1.80)					(1.80)
Balance as at 31st March 2015 - Proforma Ind AS	**24.00**	**165.88**	**-**	**-**	**-**		**189.87**
Profit/Loss for the year	**-**	**51.80**	**-**	**-**	**-**		**51.80**
Other comprehensive income for the year	-	(0.35)	-	-	-		(0.35)
Total comprehensive income for the year	-	51.45	-	-	-		51.45
Transfer to General Reserve	140.00	(140.00)					-
Bonus Shares Allotted out of General Reserve	(155.00)	-					(155.00)
Interim Dividend		(9.00)					(9.00)
Final Dividend		-					-
Tax on Interim & Final Dividend		(1.83)					(1.83)
Balance as at 31st March 2016 - Proforma Ind AS	**9.00**	**66.50**	**-**	**-**	**-**		**75.49**
Profit/Loss for the year		77.49					77.49
Other comprehensive income for the year		(4.70)					(4.70)
Total comprehensive income for the year		72.79					72.79
Transfer to General Reserve	-	-	-	-	-		-
Transfer to Capital Redemption Reserve – FRCPS	-	(7.50)	7.50	-	-		-
Transfer to Capital Redemption Reserve - OCPS	-	(2.17)	-	2.17	-		-
Capital Reserve on Business Combination (Net of Deferred Tax)	-	-	-	-	72.03		72.03
Interim Dividend	-	-	-	-	-		-
Final Dividend	-	-	-	-	-		-
Tax on Interim & Final Dividend	-	-	-	-	-		-
Balance as at 31st March 2017 - Proforma Ind AS	**9.00**	**129.62**	**7.50**	**2.17**	**72.03**		**220.31**
Profit/Loss for the year		106.00					106.00
Other comprehensive income for the year		0.35					0.35
Total comprehensive income for the year		106.35					106.35
Transfer to General Reserve	-	-					-
Transfer to Capital Redemption Reserve – FRCPS	-	(7.50)	7.50	1.30	-		1.30
Transfer to Capital Redemption Reserve - OCPS	-	(1.30)					(1.30)
Final Dividend	-	(20.00)					(20.00)

Tax on Interim & Final Dividend	-	(4.36)					(4.36)
Balance as at 31st March 2018	**9.00**	**202.82**	**15.00**	**3.47**	**72.04**	**0.00**	**302.30**
Profit/(Loss) for the year	-	122.88	-	-	-		122.88
Security Premium	-	-	-	-	-	14.49	14.49
Other comprehensive income for the year	-	0.82	-	-	-		0.82
Total inclusive of comprehensive income for the year	-	123.70	-	-	-	14.49	138.19
Transfer to General Reserve	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve – FRCPS	-	(5.63)	5.63	-	-		-
Transfer to Capital Redemption Reserve - OCPS	3.47	-	-	(3.47)	-		-
Final Dividend	-	(20.00)	-	-	-		(20.00)
Tax on Interim & Final Dividend	-	(4.07)	-	-	-		(4.07)
Balance as at 31 Dec 2018	**12.46**	**296.82**	**20.63**	**0.00**	**72.04**	**14.49**	**416.43**

As per our report of even date attached.

For JMT & Associates

Chartered Accountants
Firm Registration No.: 104167W

Sanjay Pichholia
Partner
Membership No.:122651

Place: Mumbai
Date: 26 March 2019

For & behalf of the Board of Directors

H.T. Kanani
Chairman &Managing Director
DIN:0000185487

Dr. Harin Kanani
Joint Managing Director
DIN:0005136947

Mahesh Tanna
CFO
Place: Mumbai
Date: 26 March 2019

Lalit Karne
Company Secretary
Place: Mumbai
Date: 26 March 2019

NEOGEN CHEMCIALS LTD.

Annexure V: Notes accompanying Restated Standalone Financial Statements for the 9 months ended 31st December 2018 and the years ended 31st March 2018, 31st March 2017, 31st March 2016, 31st March 2015 and 31st March 2014.

1. Corporate information

Neogen Chemicals Limited is Public Limited Company ('the Company") domiciled in India and incorporated under the provisions of the Companies Act, 1956 having Corporate Identity Number U24200MH1989PLC050919. Company has its registered office at Thane, Maharashtra. The Company carries out business in India and abroad. The Company is engaged in the business of manufacturing of eco - friendly specialty chemicals which are used in Pharmaceutical, Engineering & Agro Chemical industries. Neogen has developed significant expertise in highly demanding field of Bromine Compounds, Lithium compounds & more recently advance intermediates for pharmaceutical industries & pesticides industries of world class standards.

2. Basis of preparation and Significant accounting policies

a. Basis of preparation

The Restated Standalone Statement of Assets and Liabilities of the Company as at 31 December 2018, 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Standalone Statement of Profit and Loss, the Restated Standalone Statement of Cash flows and the Restated Standalone Statement of Changes in Equity for 9 months ended 31 December 2018 and the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and Restated Other Standalone Financial Information (together referred as `Restated Standalone Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 to the extent applicable. The Restated Standalone Financial Information has been compiled by the Company from:

i. The audited standalone financial statements of the Company as at and for the 9 months ended 31 December 2018 and the years ended 31 March 2018, 31 March 2017, 31 March 2016 and 31 March 2015 prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, and the other relevant provisions of the Act which has been approved by the Board of Directors at their Board meeting held on 26th March 2019, 3rdMay 2018, 5th June 2017, 24th June 2016 and 22nd June 2015 respectively.

ii. The audited standalone financial statements of the Company as at and for the years ended 31 March 2014, prepared in accordance with Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956, which have been approved by the Board of Directors at their Board meeting held on 15th September 2014.

    In accordance with Ind AS 101 First-time preparation of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of Restated Financial Information under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Proforma Ind AS of Restated Shareholders' equity as at 31 December 2018, 31 March 2018, 2017, 2016, 2015, 2014 and 1st April 2013 and of the Restated Statement of Comprehensive Income for 9 months ended 31 December 2018 and the years ended 31 March 2018, 31 March 2017, 2016, 2015,2014 and 1st April 2013 for the purpose of preparation of proforma Ind AS restated standalone financial information.

    The Restated Standalone Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Company by way of an offer for sale by the selling shareholders, to be filed by the Company with the SEBI, Registrar of Companies, Mumbai and the concerned Stock Exchange in accordance with the requirements of:

    a) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and

    b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 2016 (together referred to as the "SEBI regulations").

These Restated Standalone Financial Information have been compiled by the Company from the Audited Standalone Financial Statements and:

- there were no audit qualifications on these financial statements,

- there were no changes in accounting policies under Previous GAAP during the years of these financial statements,

- material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted,

- adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the condensed audited standalone financial statements of the Company as at and for the 9 months ended December 30, 2018 prepared under Ind AS and the requirements of the SEBI Regulations, and

- the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

These Restated Standalone Financial Information and Other Standalone Financial Information were approved by the Board of Directors of the Company on 26 March 2019.

iii. Historical Cost Convention

The Restated Standalone Financial Information has been prepared under historical cost convention except for the following:

- certain financial assets and liabilities that are measured at fair value, and
- defined benefit plans - plan assets measured at fair value

The audited standalone financial statements of the Company, referred to above, as at and for 9 months ended 31 December 2018 and for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 have been converted into Ind AS. These Restated Standalone Financial Information as at and for 9 months ended 31 December 2018 and each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 are referred to as "the Proforma Ind AS Restated Standalone Financial Information".

The Restated Standalone Financial Information presented on a going concern basis and are presented in Rupees in Millions and all values are rounded to the nearest Rupees in Millions upto two decimal places, except when otherwise indicated.

b. Significant accounting policies

i. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realized in normal operating cycle or within twelve months after the reporting period or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle or due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified period of twelve months as its operating cycle.

ii. Functional and presentation currency

The Restated Standalone Financial Information is prepared in Indian Rupees (Rs.), which is also the Company's functional Currency. Functional Currency is the currencyof the primary economic environment in which an entity operates and is normally the currency in which the entity generates and spends cash.

iii. Property, plant and equipment (`PPE')

a) Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of item can be measured reliably. All other repair and maintenance costs are recognized in the restated standalone statement of profit and loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognized as interest expense and not included in cost of asset.

b) Depreciation and amortization estimated useful life and residual value

Depreciation on property, plant and equipment for 9 months ended 31 December 2018 and full year ended 31March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 is provided using the straight-line method as per the estimated useful life which corresponds to the rates prescribed under Schedule II of the Companies Act, 2013:

Description of Asset Class	Useful life as per Schedule II
Buildings	30 years for factory building
Plant and machinery	20 years
M.S. Structure& FRP Gratings	20 years
Effluent Treatment Plant	20 Years
Safety Equipments	10 Years
Quality Control Instruments & R & D Equipments	10 Years
Office equipment's	10 years
I T Equipments	3 years
Furniture and fixtures	10 years
Vehicles	8 years

Leasehold improvements are amortized over the period of lease which ranges from 1 to 99 years.

c) De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the restated standalone statement of profit and loss when the asset is derecognized.

d) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2013 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment. The Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) while preparing Proforma Restated Standalone Financial Information for 9 months ended 31 December 2018 and the years ended 31 March 2018, 31 March 2017, 2016, 2015 and 2014. Accordingly, suitable restatement adjustments in the accounting heads are made to the financial statements as of and for 9 months ended 31 December 2018 and the years ended 31 March 2018, 31 March 2017, 2016, 2015 and 2014.

iv. Intangible assets

a) Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific assets to which it states.

b) Subsequent measurement (depreciation and useful lives)

The Company amortizes intangible assets with a finite useful life using the straight-line method over three to five years. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at April 1, 2013 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment. The Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) while preparing Proforma Restated Standalone Financial Information for 9 months ended 31 December 2018 and the years ended 31March 2018, 31 March 2017, 2016, 2015 and 2014. Accordingly, suitable restatement adjustments in the accounting heads are made to the financial statements as of and for 9 months ended 31 December 2018 and the years ended 31 March 2018, 2017, 2016, 2015 and 2014.

v. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For this purpose, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the restated standalone statement of profit and loss. If at the restated standalone statement of assets and liabilities date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the restated standalone statement of profit and loss.

vi. Financial instruments

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

a) Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

- Debt instruments assets at amortized cost
- Financial assets at fair value through OCI (FVTOCI)
- Financial assets at fair value through profit and loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

When assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit and loss) or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

Debt instruments at amortized cost

A Debt instrument is measured at amortized cost (net of any write down for impairment) the asset is held to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes) and The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.
Such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit and loss. The losses arising from impairment are recognized statement of profit and loss. This category generally applies to trade and other receivables

Financial assets at fair value through OCI (FVTOCI)

A financial asset that meets the following two conditions is measured at fair value through OCI unless the asset is designated at fair value through profit and loss under fair value option.

- The financial asset is held both to collect contractual cash flows and to sell.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial assets at fair value through profit and loss

FVTPL is a residual category for company's investment instruments. Any instruments which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

All investments (except investment in subsidiary) included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss

In addition, the company may elect to designate a instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. This classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment, However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

When the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; it evaluates if and to what extent it has retained the risks and rewards of ownership.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- Based on above evaluation, either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a bases that reflect the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

a) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or at amortized cost, as appropriate.

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

The Company's financial liabilities include trade payables, lease obligations, and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortizations is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

a) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

b) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

vii. Fair value measurement

The company measures financial instrument such as investments at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Currently company carries those instruments where in level 1 and level 2 inputs of the above-mentioned fair value hierarchy is used.

The Company's board Committee approves the policies for both recurring and non-recurring fair value measurement. Where seen appropriate external valuers are involved. The board committee reviews the valuation results. This includes a discussion of the major assumptions used in the valuations.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

viii. Inventory

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

- Raw material cost includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition.
- Stores and spares cost include cost of purchases and other costs incurred in bringing the inventories to their present location and condition.
- In case of work in progress at raw material cost plus direct conversion and other costs incurred depending upon the stage of completion.
- In case of finished goods-cost includes cost of direct material, labor, other direct cost and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs.
- In case of scrap of goods, the same are valued at net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value.

ix. Cash and cash equivalents

Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

x. Foreign currency transactions

The restated standalone financial information is presented in Indian Rupee (`INR') which is also the functional currency of the Company, rounded off to nearest rupee.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the restated standalone statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/expenses, as the case maybe.

xi. Provisions and contingent liabilities

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognized for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.
In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

xii. Revenue recognition

Revenue is recognized to the extent it is probable that future economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable net of related rebates. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from sale of goods is recognized when substantial risk and rewards of the ownership are transferred to the buyer under the terms of the contract.

Sale value is net of discounts and rebates but includes excise duty and are shown net of sales tax, value added tax and goods and service tax (w.e.f 1 July 2017).

xiii. Other income

a) Interest Income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all financial assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

b) Government grant

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

xiv. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard 19- Employee Benefits.

Defined benefit plans

Gratuity

The Company operates one defined benefit plan for its employees, viz. gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gain and loss for the defined benefit plan is recognized in full in the period in which they occur in other comprehensive income.

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the restated standalone statement of assets and liabilities date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the restated standalone statement of assets and liabilities date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Other long-term benefits

Accumulated leave expected to be carried forward beyond twelve months, is treated as long-term employee benefit. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit.

Liability under continuity linked key resource and deferred salary schemes is provided for on actuarial valuation basis, which is done as per the projected unit credit method at the end of each financial period.

Defined contribution plans

Provident fund

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

Provident fund and Employee State Insurance Scheme

Employee benefits in the form of Provident Fund and Employee State Insurance Scheme are defined contribution plans and the contributions are charged to the restated standalone statement of profit and loss of the year when the contributions to the funds are due. There are no other obligations other than the contribution payable to the funds.

Short-term employee benefits

Expense in respect of other short-term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

xv. Borrowing costs

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalized during the period of time that is necessary tocomplete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalization of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption.

xvi. Income taxes

Tax expense recognized in the restated standalone statement of profit and loss comprises the sum of deferred tax and current tax not recognized in Other Comprehensive Income (OCI) or directly in equity.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax relating to items is recognized outside statement of restated standalone statement of profit and loss (i.e. in OCI or equity depending upon the treatment of underlying item).

Deferred tax liabilities are generally recognized in full for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside restated standalone statement of profit and loss (in OCI or equity depending upon the treatment of underlying item).

Minimum Alternate Tax (`MAT') credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the restated standalone statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each restated standalone statement of assets and liabilities date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income-tax during the specified period.

xvii. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xvii. Lease

Finance leases as a lessee

Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

Operating leases as a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to restated standalone statement of profit or loss on a straight-line basis over the period of the lease, unless the increase in rent is to compensate the lessor for the effects of inflation.

xviii. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting done to the Chief Operating Decision Maker. The Company operates in a single operating segment and geographical segment. The board of directors is collectively the company's 'Chief Operating Decision maker' or 'CODM' within the meaning of -Ind AS 108.

xix. Significant accounting judgements, estimates and assumptions

When preparing the restated standalone financial information management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

Significant judgements:

(i) Evaluation of indicators for impairment of non-financial assets and investments in subsidiaries

The evaluation of applicability of indicators of impairment of non-financial assets and subsidiaries requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets and investments in subsidiaries.

(ii)Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized. The recognition of deferred tax assets and reversal thereof is also dependent upon management decision relating to timing of availment of tax holiday benefits available under the Income Tax Act, 1961 which in turn is based on estimates of future taxable profits.

(iii) Contingent liabilities

The Company is the subject of certain legal proceedings which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable, and the amount of the loss can be reasonably estimated.

(iv) Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

(v) Allowance for doubtful debts

The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealer termination rates, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognized in the financial statements.

Sources of estimation uncertainty:

i. Provisions

At each restated standalone statement of assets and liabilities date, basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from management's estimates.

ii. Recoverability of advances/receivables

At each restated standalone statement of assets and liabilities date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

iii. Provision for impairment of investments in subsidiaries

At each restated standalone statement of assets and liabilities date, the Company assesses the requirement of provisions for impairment of investments in subsidiaries based on its expectation of successful implementation of proposed projects by those subsidiaries.

xx. Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree if any. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed if any are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred (bargain purchase), the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

xxi. Use of estimates

The preparation of restated standalone financial information in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these restated standalone financial information and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed at each restated standalone statement of assets and liabilities date. Revisions to accounting estimates are recognized in the period in which the estimates are revised, and future periods affected.

xxii. Recent accounting pronouncement

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the restated standalone financial information and the impact is not material.

Ind AS 115- Revenue from Contract with Customers

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors

- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company is not expected to have any impact of this pronouncement on its restated standalone financial information.

Annexure VI: Notes to Restated Standalone Financial Statements (Continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 1: Property, Plant & Equipment

Following are the changes in the carrying value of property, plant & equipment for the 9 months ended 31st December 2018 and year ended 31st March 2018, 31st March 2017, 31st March 2016, 31st March 2015, 31st March 2014 and 1st April 2013.

Description	Freehold Land	Leasehold Land	Factory buildings	Plant & Machineries	M.S. Structure & FRP Gratings	Quality Control Instruments	R & D Equipments	Effluent Treatment Equipments	Safety Equipments	Office Equipments	I. T Equipments	Motor Car	Furniture & Fixtures	Total
Gross carrying amount														
Deemed cost as at 01 April 2013	-	1.20	10.60	69.56	41.81	2.68	1.41	1.40	0.45	1.31	0.73	0.45	0.46	132.06
Additions	-	-	1.28	7.66	1.08	1.72	0.48	0.22	0.01	0.21	0.49	-	0.19	13.35
Deletions / discarded / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2014	**-**	**1.20**	**11.87**	**77.22**	**42.89**	**4.40**	**1.89**	**1.63**	**0.46**	**1.52**	**1.22**	**0.45**	**0.65**	**145.42**
Additions	-	-	1.28	4.68	0.74	0.68	0.05	0.34	0.02	0.14	0.02	-	0.21	8.16
Deletions / discarded / adjustments	-	-	-	(10.37)	-	-	-	-	-	-	-	-	-	(10.37)
Balance as at 31 March 2015	**-**	**1.20**	**13.15**	**71.53**	**43.63**	**5.08**	**1.94**	**1.97**	**0.48**	**1.66**	**1.23**	**0.45**	**0.86**	**143.20**
Additions	-	31.54	0.68	13.40	0.95	0.94	1.20	0.65	0.42	0.41	2.17	-	0.04	52.40
Deletions / discarded / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2016	**-**	**32.74**	**13.83**	**84.93**	**44.58**	**6.02**	**3.14**	**2.62**	**0.90**	**2.07**	**3.40**	**0.45**	**0.90**	**195.60**
Additions	-	0.30	0.53	7.64	0.10	0.11	0.11	-	0.01	0.39	2.33	-	0.18	11.69
Acquired on Business Combination	280.58	-	45.27	41.20	5.88	7.09	4.20	3.99	1.68	-	0.48	-	-	390.39

Deletions / discarded / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	**280.58**	**33.04**	**59.64**	**133.77**	**50.57**	**13.22**	**7.46**	**6.61**	**2.59**	**2.46**	**6.21**	**0.45**	**1.08**	**597.68**
Additions	-	46.92	9.94	60.28	2.86	0.18	0.54	0.30	0.01	0.57	0.81	-	0.20	122.61
Deletions / discarded / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	**280.58**	**79.96**	**69.58**	**194.05**	**53.43**	**13.40**	**8.00**	**6.92**	**2.60**	**3.03**	**7.01**	**0.45**	**1.28**	**720.29**
Additions	-	11.80	16.59	94.05	2.10	15.62	5.30	0.03	0.13	2.52	5.25	2.59	9.06	165.04
Deletions / discarded / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	--
Balance as at 31 Dec 2018	**280.58**	**91.76**	**86.17**	**288.10**	**55.53**	**29.02**	**13.30**	**6.95**	**2.73**	**5.55**	**12.26**	**3.04**	**10.34**	**885.33**

Description	Freehold Land	Leasehold Land	Factory buildings	Plant & Machineries	M.S. Structure & FRP Gratings	Quality Control Instruments	R & D Equipments	Effluent Treatment Equipments	Safety Equipments	Office Equipments	I. T Equipments	Motor Car	Furniture & Fixtures	Total
Accumulated depreciation/amortization														
As at 1 April 2013*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	0.02	0.49	4.15	2.42	0.67	0.24	0.08	0.06	0.30	0.59	0.08	0.08	9.18
Deletions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2014	**-**	**0.02**	**0.49**	**4.15**	**2.42**	**0.67**	**0.24**	**0.08**	**0.06**	**0.30**	**0.59**	**0.08**	**0.08**	**9.18**
Charge for the year	-	0.02	0.53	4.54	2.49	0.51	0.26	0.09	0.06	0.25	0.37	0.08	0.10	9.30
Deletions	-	-	-	(7.04)	-	-	-	-	-	-	-	-	-	(7.04)
Balance as at 31 March 2015	**-**	**0.03**	**1.02**	**1.65**	**4.91**	**1.17**	**0.50**	**0.17**	**0.13**	**0.55**	**0.96**	**0.16**	**0.18**	**11.44**
Charge for the year	-	0.45	0.55	4.77	2.50	0.57	0.28	0.10	0.07	0.24	0.22	0.08	0.11	9.95
Deletions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2016	**-**	**0.48**	**1.58**	**6.42**	**7.41**	**1.74**	**0.78**	**0.27**	**0.20**	**0.79**	**1.19**	**0.24**	**0.29**	**21.39**
Charge for the year	-	0.54	1.11	5.55	2.69	0.74	0.45	0.23	0.14	0.27	1.18	0.08	0.12	13.09
Deletions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	**-**	**1.03**	**2.68**	**11.96**	**10.10**	**2.48**	**1.23**	**0.50**	**0.34**	**1.06**	**2.37**	**0.32**	**0.40**	**34.48**
Charge for the year	-	0.93	2.78	7.60	3.12	1.30	0.78	0.51	0.27	0.33	1.57	0.06	0.14	19.39
Deletions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	**-**	**1.95**	**5.47**	**19.56**	**13.22**	**3.78**	**2.00**	**1.01**	**0.61**	**1.39**	**3.95**	**0.39**	**0.54**	**53.86**

Charge for the year	-	1.07	2.52	9.29	2.49	1.35	0.82	0.39	0.40	0.44	1.69	0.10	0.48	21.04
Deletions	-	-	-	--	-	-	-	-	-	-	-	-	-	-
Balance as at 31 Dec 2018	**-**	**3.02**	**7.99**	**28.85**	**15.71**	**5.13**	**2.82**	**1.40**	**1.01**	**1.83**	**5.64**	**0.49**	**1.02**	**74.91**

Description	Freehold Land	Leasehold Land	Factory buildings	Plant & Machineries	M.S. Structure& FRP Gratings	Quality Control Instruments	R & D Equipments	Effluent Treatment Equipments	Safety Equipments	Office Equipments	I. T Equipments	Motor Car	Furniture & Fixtures	Total
Net carrying amount														
As at 1 April 2013	-	1.20	10.60	69.56	41.81	2.68	1.41	1.40	0.45	1.31	0.73	0.45	0.46	132.06
As at 31 March 2014	-	1.18	11.38	73.07	40.47	3.74	1.65	1.55	0.40	1.22	0.63	0.37	0.57	136.24
As at 31 March 2015	-	1.17	12.13	69.88	38.72	3.91	1.44	1.80	0.35	1.11	0.27	0.29	0.68	131.77
As at 31 March 2016	-	32.26	12.25	78.51	37.17	4.28	2.36	2.35	0.70	1.28	2.22	0.21	0.61	174.22
As at 31 March 2017	280.58	32.01	56.95	121.81	40.47	10.74	6.23	6.12	2.25	1.40	3.84	0.13	0.68	563.19
As at 31 March 2018	280.58	78.01	64.11	174.49	40.21	9.62	5.99	5.91	1.99	1.63	3.07	0.07	0.74	666.41
As at 31 Dec 2018	280.58	88.74	78.18	259.26	39.83	23.89	10.47	5.54	1.72	3.71	6.63	2.56	9.32	810.43

The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

*Refer note below for the gross block value and the accumulated depreciation on 1 April 2013 under the previous GAAP.

Description	Freehold Land	Leasehold Land	Factory buildings	Plant & Machineries	M.S. Structure & FRP Gratings	Quality Control Instruments	R & D Equipments	Effluent Treatment Equipments	Safety Equipments	Office Equipments	I. T Equipments	Motor Car	Furniture & Fixtures	Total
Gross Block	-	1.57	15.75	91.44	54.99	3.92	1.86	1.64	0.52	2.05	4.10	1.34	0.70	179.89
Accumulated Depreciation	-	(0.37)	(5.15)	(21.88)	(13.18)	(1.24)	(0.45)	(0.23)	(0.07)	(0.74)	(3.37)	(0.89)	(0.24)	(47.83)
Net Block	**-**	**1.20**	**10.60**	**69.56**	**41.81**	**2.68**	**1.41**	**1.40**	**0.45**	**1.31**	**0.73**	**0.45**	**0.46**	**132.06**

Details of property plant and equipment secured for borrowings (refer Note 16a).

Details of mortgage:

The secured obligations i.e. Loan Facility together with all other amounts payable shall be secured by:

3. First charge mortgage and charge on all immovable properties including Leasehold Land, both present and future pertaining the project. These covers:

- Land situated at Karakhadi of Padra Taluka, district Vadodara, Gujarat
- Land situated at Mahape at Navi Mumbai district, Maharashtra

4. First charge by way of hypothecation of Plant and Machineries

Depreciation and Amortization charged during the year to the Statement of profit and loss on fixed assets:

Particulars	31 Dec 2018	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Depreciation during the year	**21.04**	**19.40**	**13.09**	**9.94**	**9.30**	**9.18**
Amortization during the year - Computer Software	**0.05**	**0.03**	**0.03**	**0.04**	**0.04**	**0.04**
Total	**21.09**	**19.43**	**13.12**	**9.98**	**9.34**	**9.22**

The accompanying Restated Standalone Statement of Significant Accounting Policies in Annexure V and Notes to Restated Financial Information in Annexure VI are integral part of this statement.

Annexure VI: Notes to Restated Standalone Financial Statements (Continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 2: Capital Work in Progress

Following are the changes in the carrying value of Capital work in progress for 9 months ended December 2018 and the year ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014.

Description	**For 9 months Ended 31 Dec 2018**	**For the Year Ended 31 March 2018**	**For the Year Ended 31 March 2017**	**For the Year Ended 31 March 2016**	**For the Year Ended 31 March 2015**	**For the Year Ended 31 March 2014**
Opening as at 01 April	13.79	12.59	6.87	1.25	0.37	-
Additions	0.49	13.20	6.33	5.62	0.88	0.37
Capitalized during the year	(13.79)	(12.00)	(0.61)	-	-	-
Closing as at year end	**0.49**	**13.79**	**12.59**	**6.87**	**1.25**	**0.37**

Note 3: Intangible Assets

Following are the changes in the carrying value of Intangible assets for the 9 months ended 31 December 2018 and years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014.

Description	**For 9 months Ended 31 Dec 2018**	**For the Year Ended 31 March 2018**	**For the Year Ended 31 March 2017**	**For the Year Ended 31 March 2016**	**For the Year Ended 31 March 2015**	**For the Year Ended 31 March 2014**
Computer Software						
Opening	0.72	0.17	0.17	0.17	0.17	0.17
Additions	0.40	0.55	-	-	-	-
Deletions / discarded / adjustments	-	-	-	-	-	-
Gross carrying amount	1.12	0.72	0.17	0.17	0.17	0.17
Less: Accumulated Amortization						
Opening balance	0.17	0.14	0.11	0.08	0.04	-
Charge for the year	0.09	0.03	0.03	0.04	0.04	0.04
Deletions	-	-	-	-	-	-
Accumulated depreciation	0.26	0.17	0.14	0.11	0.08	0.04
Net Carrying Amount	**0.86**	**0.55**	**0.03**	**0.05**	**0.09**	**0.13**

The Company has availed the deemed cost exemption in relation to the intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

* Refer note below for the gross block value and the accumulated amortization on 1 April 2013 under the previous GAAP.

Description	**Computer software**
Gross Block	1.12
Accumulated amortization	(0.26)

Net Block	0.86

Annexure VI: Notes to Restated Standalone Financial Statements (Continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 4: Non-current Financial Assets –Investments (measured at cost)

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Investment in Partnership Firm – Dhara Fine Chem Industries	4.50	4.50	4.50	-	-	-
Total	**4.50**	**4.50**	**4.50**	**-**	**-**	**-**

Note 5: Non-current Financial Assets – Loans& Advances (measured at amortized cost)

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Security Deposits – utilities	34.06	18.52	21.42	13.75	9.30	1.73
Due more than 9 months	-	-	-	-	-	-
Total	**34.06**	**18.52**	**21.42**	**13.75**	**9.30**	**1.73**

**There are no loans & advances from Directors/Promoters/Issuer and their family*

Note 6: Other Financial Assets (non-current) – Measured at Fair Value through P&L

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Derivative Asset for Early Redemption Right for Fully Redeemable Preference Shares	25.23	23.09	22.59	-	-	-
Total	**25.23**	**23.09**	**22.59**	**-**	**-**	**-**

Note 7: Other Non-Current Assets
(Unsecured, considered good)

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Refund Receivable from Govt. Authorities	-	-	-	-	0.39	1.61
Capital Advances	6.87	6.29	1.27	0.76	14.01	27.73
Total	**6.87**	**6.29**	**1.27**	**0.76**	**14.40**	**29.34**

Note 8: Inventories*
(at lower of cost and net realisable value)

Particulars	31 Dec 2018	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Raw materials	199.06	98.70	69.88	56.38	25.87	18.17
Work in progress	521.73	308.38	256.80	202.28	164.78	111.29
Finished goods	35.50	77.48	58.26	51.88	48.04	74.29
Stores & Spares	10.98	11.51	12.56	5.82	3.68	3.76
Fuel	0.57	0.96	0.86	0.09	0.21	0.33
Packing	4.33	2.89	1.77	1.12	0.39	4.47
Total	**772.17**	**499.93**	**400.13**	**317.57**	**242.97**	**212.31**

**Hypothecated with Banks for Working Capital Limit*

Annexure VI: Notes to Restated Standalone Financial Statements (Continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 9: Trade Receivables*

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Unsecured, Considered good - Outstanding for more than Six Months	11.36	5.05	7.10	9.36	3.99	3.53
Unsecured considered good:						
(a) For Export	218.86	164.45	133.15	67.60	80.29	100.32
(b) For Domestic	194.43	244.13	181.36	81.53	95.40	62.02
Total	**424.65**	**413.63**	**321.61**	**158.49**	**179.68**	**165.87**

**Hypothecated with Banks for Working Capital Limit*

**There are no Receivables from Directors/Promoters/Issuer and their family/related party*

Note 10 (a): Cash and Cash Equivalents

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Cash in hand	1.20	1.09	1.20	0.38	1.86	1.72
Balance with banks:	-	-	-	-	-	-
- in current account	0.64	2.08	4.57	4.80	5.03	0.98
Total	**1.84**	**3.17**	**5.77**	**5.18**	**6.89**	**2.70**

Note 10 (b): Bank balances other than those disclosed in Note 10 (a) above

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
- in deposit accounts held as margin money against Bank Guarantee & Letter of credit	8.12	15.00	24.99	19.54	17.14	15.02
- in deposit accounts with original maturity of more than three months but within twelve months	-	-	-	-	-	0.20
Total	**8.12**	**15.00**	**24.99**	**19.54**	**17.14**	**15.22**

Note 11: Current Financial Assets – Loans& Advances

(Unsecured, considered good)

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Loan to Related Parties - Partnership firm Dhara Fine Chem Industries (Joint Venture) *	3.75	1.50	4.30	-	-	-
Security Deposits	-	-	-	-	2.90	6.39
Due more than 9 months	-	-	-	-	-	-
Total	**3.75**	**1.50**	**4.30**	**-**	**2.90**	**6.39**

**Refer Note 35 - Related Party Disclosures*

Annexure VI: Notes to Restated Standalone Financial Statements (Continued)
(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 12: Other Current Financial Assets
(Measured at Amortized Cost)

Particulars	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Loans and Advances to employees	1.20	0.98	1.37	1.71	1.54	1.42
Excess payment of EMI Recoverable/ Recoverable from Financial Institutions	-	0.64	0.46	0.86	1.23	0.40
Receivables from Dhara Fine Chem Industries	2.35	0.67	0.74	-	-	-
(Asset measured at Fair Value through Profit or loss)	-	-	-	-	-	-
Derivative Asset for Forwards Contracts	8.20	0.02	-	-	2.72	-
Total	**11.75**	**2.29**	**2.57**	**2.57**	**5.49**	**1.82**

Note 13: Other Current Assets

Particulars	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Advances to Trade Creditors	5.49	3.22	4.47	4.64	6.26	1.51
Cen vat credit receivable (CGST/SGST/IGST)	85.59	26.31	34.56	11.43	3.29	2.29
Excise Duty/IGST receivable on Export Sales	15.48	2.49	9.07	8.30	11.21	4.61
Excess payment of TDS Recoverable	0.08	0.53	0.58	0.81	0.14	-
Interest accrued on FDR with State Bank of India	0.70	0.71	0.72	0.76	1.62	2.00
Sales Tax Refund due	0.63	-	-	-	0.11	1.26
Export Benefit Receivable	119.97	81.69	75.39	67.89	48.34	39.74
Duty Drawback Receivable	0.61	0.28	0.49	0.80	1.79	-
Focus Market / Product Scheme Receivable	11.88	10.42	4.99	1.59	0.84	-
Interest Subvention on EPC receivable	3.01	3.01	3.01	3.01	-	-
Subsidy receivable	1.56	-	-	-	-	-
Preliminary/Pre-operative exp.	19.65	-	-	-	-	-
Prepaid expenses	6.94	4.89	5.57	6.61	2.09	5.80
Total	**271.59**	**133.55**	**138.85**	**105.84**	**75.69**	**57.23**

Note 14: Share Capital

Particulars	As at 31st Dec 2018		As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Authorised												
Equity Shares of Rs.10/- each	2,50,00,000	250.00	2,50,00,000	250.00	2,50,00,000	250.00	2,50,00,000	250.00	1,00,00,000	100.00	45,00,000	45.00
Optionally Convertible Preference Shares of Rs.100/- each.	5,00,000	50.00	5,00,000	50.00	5,00,000	50.00	5,00,000	50.00	15,00,000	150.00	-	-
Fully Redeemable Cumulative Preference Shares of Rs.100/- each	20,00,000	200.00	20,00,000	200.00	20,00,000	200.00	20,00,000	200.00	-	-	-	-
Issued, Subscribed and Fully Paid up												
Equity Shares of Rs.10/- each fully paid-up	2,00,78,793	200.79	2,00,00,000	200.00	2,00,00,000	200.00	2,00,00,000	200.00	45,00,000	45.00	45,00,000	45.00
Total	2,00,78,793	200.79	2,00,00,000	200.00	2,00,00,000	200.00	2,00,00,000	200.00	45,00,000	45.00	45,00,000	45.00
Optionally Convertible Preference shares of Rs.100/ each	-	-	1,30,000	13.00	1,30,000	13.00	1,30,000	13.00	1,30,000	13.00	-	-
Fully Redeemable Cumulative Preference Shares of Rs.100/each	10,70,000	107.00	10,70,000	107.00	10,70,000	107.00	-	-	-	-	-	-

3.1 The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st December, 2018		As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014	
	No of Shares	Rs.	No of Shares	Rs.	No of Shares	Rs.	No of Shares	Rs.	No of Shares	Rs.	No of Shares	Rs.
At the beginning of the year												
Equity Shares outstanding at the beginning of the year	2,00,00,000	200.00	2,00,00,000	200.00	2,00,00,000	200.00	45,00,000	45.00	45,00,000	45.00	45,00,000	45.00
Optionally Convertible Preference Shares			-	-	-	-	-	-	-	-	-	-
Fully Redeemable Cumulative Preference Shares	-	-	-	-	-	-	-	-	-	-	-	-
Add: Issued during the year												
Bonus Equity Shares allotted during the year			-	-	-	-	1,55,00,000	155.00	-	-	-	-
Preference Shares allotted during the year	78,793	0.79	-	-	10,70,000	107.00	-	-	1,30,000	13.00	-	-
Less: Reclassified as Debt Component												
Optionally Convertible Preference Shares			-	-	-	-	-	-	(1,30,000)	-13.00	-	-
Fully Redeemable cumulative Preference Shares			-	-	(10,70,000)	-107.00	-	-	-	-	-	-
At the end of the year												
Equity Shares outstanding at the end of the year	2,00,78,793	200.79	2,00,00,000	200.00	2,00,00,000	200.00	2,00,00,000	200.00	45,00,000	45.00	45,00,000	45.00
Optionally Convertible Preference Shares	-	-	-	-	-	-	-	-	-	-	-	-
Fully Redeemable cumulative Preference Shares	-	-	(10,70,000)	(107.00)	(10,70,000)	(107.00)	-	-	-	-	-	-

3.2 (a) Rights, Preferences & Restrictions of each class of shares

1. The Company has only one class of equity shares which enjoys the same rights in respect of voting, payment of dividend and repayment of capital. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(b)Particulars of shares issued/allotted as fully paid-up by way of consideration other than cash

The Company has allotted 20,00,000 and 1,55,00,000 bonus equity shares in financial year 2012-13 and 2015-16 respectively. The Company has allotted bonus equity shares in the proportion of 4 equity shares for every 5 equity shares held (FY 2012-13) and 62 fully paid equity shares for every 18 equity shares held (FY 2015-16). The face value of bonus shares of Rs. 20 Mn and Rs. 155 Mn allotted out of reserves and surplus.

c. Particulars of shares reserved for options and contracts/commitments for sale of shares/ disinvestment

The Company has not reserved any shares for issue of options and contracts/commitments for sale of shares/ disinvestment.

d. Particulars of calls unpaid

There is no calls unpaid, thus such disclosure is not applicable.

e. Subdivision of Shares

There is no subdivision of shares during this period, thus such disclosure is not applicable.

f. Shares Forfeited

There is no forfeiture of shares, thus such disclosure is not applicable.

3.3 Details of Equity Shares held by each equity shareholder holding more than 5% shares:

Class of Shares / Name of Shareholder	As at 31 Dec 2018		As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with Voting Rights												
Mr. Haridas T. Kanani	1,39,99,680	69.724%	1,39,99,680	69.998%	1,39,99,680	69.998%	1,39,99,680	69.998%	31,49,946	69.999%	31,49,946	69.999%
Mrs.Beena H Kanani	22,26,711	11.090%	25,67,000	12.835%	29,74,000	14.870%	30,00,000	15.000%	6,75,000	15.000%	6,75,000	15.000%
Mr. Harin H Kanani	20,00,000	9.961%	20,00,000	10.000%	20,00,000	10.000%	20,00,000	10.000%	4,50,000	10.000%	4,50,000	10.000%
Ms. Palika H Kanani	10,00,000	4.980%	10,00,000	5.000%	10,00,000	5.000%	10,00,000	5.000%	2,25,000	5.000%	2,25,000	5.000%

3.4 Details of Optionally Convertible Preference Shares held by each preference shareholder holding more than 5% without voting rights (Classified as Debt Component under Ind AS)

Class of Shares / Name of Shareholder	As at 31 Dec 2018		As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014	
	Number of shares held	**% holding in that class of shares**	**Number of shares held**	**% holding in that class of shares**	**Number of shares held**	**% holding in that class of shares**	**Number of shares held**	**% holding in that class of shares**	**Number of shares held**	**% holding in that class of shares**	**Number of shares held**	**% holding in that class of shares**
Preference shares without Voting Rights											**Not Issued**	**Not Issued**
Anju Bajaj	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
Beena H Kanani	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
Chandrakant Reshamwala	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
Delphine Fernandes	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
Dhruv Hitesh Reshamwala	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
H.M. Mehta HUF	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
Kalpana Mehta	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
K.J. Ghadiali & Jimmy Ghadiali	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
Nayana C. Reshamwala	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
Pinank R. Paleja	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
Pragna J Thacker & Jawahar Thacker	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
Rajendra V Paleja	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
Sanjay Mehta HUF	-	0.00%	10,000	7.69%	10,000	7.69%	10,000	7.69%	10,000	7.69%		
Total	**-**	**0.00%**	**1,30,000**	**100.00%**	**1,30,000**	**100.00%**	**1,30,000**	**100.00%**	**1,30,000**	**100.00%**	**-**	**-**

3.4 (a) The Company has allotted 10% Cumulative Optionally Convertible Preference Shares having a par value of Rs. 100 per share redeemable/convertible into equity shares after expiry of 12 years from the date of allotment. These shareholders are not eligible to vote.

3. 5 Details of Fully Redeemable Cumulative Preference Shares held by each preference shareholder holding more than 5% without voting rights (Classified as Debt Component in Ind AS)

No single holder was holding more than 5% shares as on 31st December 2018, 31st March 2018 & 31st March 2017.

(a) The Company has allotted 10% Cumulative Non-Convertible Fully Redeemable Preference shares having a par value of Rs. 100 per share redeemable after expiry of 12 years from the date of allotment. These shareholders are not eligible to vote. Company have option to redeem the preference shares within 1 year from the date of allotment.

Note 15: Other Equity

Particulars	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
General Reserve	12.46	9.00	9.00	9.00	24.00	16.50
Statement of P&L[Surplus/(Deficit)]	296.82	202.81	129.62	66.50	165.87	134.44
Capital Redemption Reserve-FRCPS	20.62	15.00	7.50	-	-	-
Capital Redemption Reserve-OCPS	0.00	3.47	2.17	-	-	-
Securities Premium	14.49	-	-	-	-	-
Capital Reserve on Business Combination (Refer Note 43)	72.04	72.03	72.03	-	-	-
Total	**416.43**	**302.31**	**220.32**	**75.50**	**189.87**	**150.94**

General Reserve	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Opening balance	9.00	9.00	9.00	24.00	16.50	11.50
Add: Transferred from Profit/(loss) for the year	3.47	-	-	140.00	7.50	5.00
Less: Bonus Shares allotted out of General reserves	-	-	-	155.00	-	-
Closing balance	12.46	9.00	9.00	9.00	24.00	16.50

Statement of P&L	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**

Opening balance	**202.81**	**129.62**	**66.49**	**165.87**	**134.43**	**113.29**
Add: Profit/(loss) for the year	122.88	106.00	77.50	51.80	50.85	36.43
Other comprehensive income /(loss) (net of taxes)	0.82	0.35	(4.70)	(0.35)	(1.11)	0.24
Less:						
Transferred to General reserve	-	-	-	140.00	7.50	5.00
Transferred to CRR-FRCPS	5.63	7.50	7.50	-	-	-
Transferred to CRR- OCPS	0.00	1.30	2.17	-	-	-
Interim Dividend (Rs. 2 per share)	-	-	-	9.00	9.00	9.00
Dividend on Equity Shares	20.00	20.00	-	-	-	-
Tax on Interim/Proposed dividend paid during the year	4.07	4.36	-	1.83	1.80	1.53
Closing balance	**296.82**	**202.81**	**129.62**	**66.49**	**165.87**	**134.43**

Capital Redemption Reserve FRCPS	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Opening balance	15.00	7.50	-	-	-	-
Add: Transferred from Profit/(loss) for the year	5.63	7.50	7.50	-	-	-
Closing balance	**20.63**	**15.00**	**7.50**	**-**	**-**	**-**

Capital Redemption Reserve OCPS	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Opening balance	3.47	2.17	-	-	-	-
Add: Transferred from Profit/(loss) for the year		1.30	2.17	-	-	-
Less: Transfer to general reserve	(3.47)	-	-	-	-	-
Closing balance	**-**	**3.47**	**2.17**	**-**	**-**	**-**

Securities Premium	**As at 31 December 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Opening balance	-					-

Add: during the year	14.49					-
Closing balance	**14.49**	**-**	**-**	**-**	**-**	**-**

Nature and Purposes of other Reserves:

Nature	Purpose
General Reserve	This represents accumulated free reserves of the company
Statement of P&L[Surplus/(Deficit)]	All the profit or losses made by the company are transferred to statement of P & L from Restated Standalone statement of profit & losses
Capital Redemption Reserve-FRCPS	This reserve represents provision made out of current year profit for the purpose of redemption of fully redeemable preference shares
Capital Redemption Reserve-OCPS	This reserve represents provision made out of current year profit for the purpose of redemption of optionally convertible preference shares
Capital Reserve on Business Combination	This represents the capital reserve on account of business combination purchase of unit of Solaris Chemtech industries ltd.

Note 16: Borrowings

Secured, measured at amortized cost

Particulars	As at 31 December 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Secured						
Term loans from Banks and Financial Institutions*	292.20	228.44	218.39	19.64	34.60	5.57
Unsecured						
-From Banks		-	-	5.67	-	-
-Deposits from Related Parties		-	-	-	-	34.43
-Deposits from Inter Corporate companies	11.00	11.00	11.00	11.00	1.40	7.60
-Debt component for Fully Redeemable Preference Shares	137.43	133.94	126.73	-	-	-
-Debt component for Optionally Convertible Preference Shares	-	11.57	11.48	11.39	11.33	-
	440.62	**384.95**	**367.60**	**47.70**	**47.33**	**47.60**

**Refer Note 16(a) for details related to repayment terms, securities and interest rate. Also refer Note 39 and 41 for Company's exposure to liquidity risk and interest rate risk.*

Note 16 (a): Details of Borrowings

Sr No.	Nature of loan	Name of Lender	As at 31 December 2018		As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014		Nature of Securities	Current Interest Rate (per annum)	Effective Interest Rate (per annum)	Prepayment Penalty	Tenure of Repayment
			Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current					
1	Term Loan	State Bank of India	173.56	25.50	192.80	12.60	167.29	4.76	-	-	-	-	-	-	EM on Land and Building, Hyp of Plant & machinery, and further secured by personal guarantee /security of Directors (Charge on first pari passu basis with other lenders for their exposure of Rs.5.00 Crs)	10.75 %	11.26%	2.00%	Term loan is repayable in 84 monthly instalments
2	Term Loan	Citibank NA	24.74	12.50	35.64	12.38	46.52	3.00	-	-	-	-	-	-	EM on Land and Building, Hyp of Plant & machinery, and further secured by personal guarantee /security of Directors	11.75 %	11.98%	1.00%	Term loan is repayable in 60 monthly instalments (Incl. 12 Months moratorium)
3	Term Loan	Yes Bank	91.78	0.00											EM on Land and Building, Hyp of Plant & machinery, present and future current assets and further secured by personal guarantee /security of Directors	9.95%	9.95%	-	Term loan is repayable in 84 monthly instalments (Incl. 24 Months moratorium)
4	Term Loan	State Bank of India	-	-	-	-	-	-	-	-	-	-	0.74	5.62	EM on Land and Building, Hyp of Plant & machinery, and further secured by personal	14.65 %	14.21%	2.00%	Term loan is repayable in 51 monthly instalments(Incl. 4 Months moratorium)

															guarantee /security of Directors. The Loan is repaid fully in 31st March 2015				
5	Term Loan	State Bank of India	-	-	-	-	-	-	-	-	-	3.27	3.23	1.84	EM on Land and Building, Hyp of Plant & machinery, and further secured by personal guarantee /security of Directors. The Loan is repaid fully in 30th December 2015	14.65 %	16.29%	2.00%	Term loan amounting to INR 7.50 million is repayable in 52 monthly instalments(Incl. 8 Months moratorium)
6	Corporate Loan	State Bank of India	-	-	-	-	-	-	-	-	-	-	1.60	9.68	EM on Land and Building, Hyp of Plant & machinery, and further secured by personal guarantee /security of Directors	15.00 %	13.85%	2.00%	Term loan is repayable in 52 monthly instalments (Incl. 3 Months moratorium)
7	Corporate Loan	State Bank of India	-	-	-	-	4.58	13.62	19.64	13.60	34.60	7.93	-	-	EM on Land and Building, Hyp of Plant & machinery, and further secured by personal guarantee /security of Directors. The Loan is repaid fully in 31st March 2018	14.30 %	15.37%	2.00%	Corporate loan is repayable in 42 monthly instalments (Incl. 7 Months moratorium)
8	Business Loan	Kotak Mahindra Bank Ltd	-	-	-	-	-	-	3.28	1.39	-	-	-	-	Guarantee of Two Directors	15.00 %	15.69%	-	Term loan is repayable in 36 monthly instalments
9	Business Loan	Magma Fincorp	-	-	-	-	-	-	2.39	1.03	-	-	-	-	Guarantee of Two Directors	15.50 %	15.50%	5.00%	Term loan is repayable in 36 monthly instalments
10	Car Loan	State Bank of India	2.12	0.27											Hypothecation of Vehicle	9.40%	NA	3.00%	
11	Car Loan	HDFC Bank Ltd	-	-	-	-	-	-	-	-	-	-	-	0.20	Hypothecation of Vehicle	9.15%	NA	-	Car Loan repayable in 60 Instalments

12	Short term - Loans Repayable on Demand	State Bank of India		172.01	-	127.57	-	59.08	-	32.42	-	92.91	-	37.54	EM on Land and Building, Hyp of Plant & machinery, and further secured by personal guarantee /security of Directors	4-10%	NA	2.00%	Repayable on Demand
13	Short term - Loans Repayable on Demand	Citibank NA		125.62	-	234.37	-	152.34	-	72.62	-	44.09	-	49.81	EM on Land and Building, Hyp of Plant & machinery, and further secured by personal guarantee /security of Directors	4.75-11.75 %	NA	1.00%	Repayable on Demand
14	Cash Credit	State Bank of India		97.67	-	50.29	-	90.07	-	90.56	-	38.36	-	102.01	EM on Land and Building, Hyp of Plant & machinery, and further secured by personal guarantee /security of Directors	10%	NA	NIL	Repayable on Demand
15	Cash Credit	Citibank		242.10											EM on Land and Building, Hyp of Plant & machinery, and further secured by personal guarantee /security of Directors	11.75 %	NA	1.00%	Repayable on Demand
16	Cash Credit	Yes Bank		39.62											EM on Land and Building, Hyp of Plant & machinery, and further secured by personal guarantee /security of Directors	9.95%	NA	-	Repayable on Demand

Annexure VI: Notes to Restated Standalone Financial Statements (continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 17: Non-Current Financial Liabilities – Others

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Retention Money (measured at amortized cost)	20.00	20.00	20.00	-	-	-
Measured at Fair Value through profit and loss	-	-	-	-	-	-
Derivative Liability for Options for Optionally Convertible Preference Shares	-	1.74	1.73	1.72	1.72	-
Total	**20.00**	**21.74**	**21.73**	**1.72**	**1.72**	**-**

Note 18: Long term provisions

Provision for employee benefits (Refer Note 36)

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Gratuity	13.43	10.47	7.98	-	-	-
Compensated Absences	4.88	6.78	3.84	2.41	3.26	1.69
Total	**18.31**	**17.25**	**11.82**	**2.41**	**3.26**	**1.69**

Note 19: Current financial liabilities – Borrowings

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Secured, measured at amortized cost						
Loans repayable on demand - Banks*	677.02	412.23	301.49	195.60	175.36	189.36
Unsecured						
Deposits	-	-	-	5.00	8.00	0.60
Total	**677.02**	**412.23**	**301.49**	**200.60**	**183.36**	**189.96**

**Refer Note 16(a) for details related to repayment terms, securities and interest rate. Also refer Note 39 and 41 for Company's exposure to liquidity risk and interest rate risk.*

Note 20: Trade Payables

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Micro, Small & Medium Enterprises*	4.59	0.00	0.00	0.00	0.00	0.00
Trade payables	472.77	366.72	309.80	218.36	163.57	143.55
Total	**477.36**	**366.72**	**309.80**	**218.36**	**163.57**	**143.55**

**The Company has complied list of suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 on the basis of confirmation received from parties. Based on current information/confirmations available with the company, there are no overdues payable to suppliers who are registered under the relevant Act as at 31st March 2014,31st March 2015,31st March 2016,31st March 2017, 31st March 2018 & 9 months ended 31st December 2018.*

Annexure VI: Notes to Restated Standalone Financial Statements (continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 21: Current – Other Financial Liabilities

(measured at amortized cost)

Particulars	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Current maturities of long-term debt - Secured*	38.62	24.96	21.38	13.60	11.20	17.14
Current maturities of long-term debt - Unsecured*	-	-	-	2.42	-	0.20
Capital creditors and other payables	-	-	-	-	-	-
- total outstanding dues to MSE creditors	-	-	-	-	-	-
Total outstanding dues to other than MSE creditors	-	-	-	-	-	2.09
Advance received from customers	-	-	-	-	-	-
Other payable - Outstanding Expenses/Other Liabilities	-	-	-	-	-	-
Other payables	11.24	4.18	6.24	2.71	1.32	2.55
Salary payable	7.96	5.10	4.59	2.68	-	0.54
Other Deposits	0.10	0.14	0.14	-	-	-
Measured at Fair Value through profit and loss		-	-	-	-	-
Derivative Liability for Forwards Contracts	3.90	0.00	3.95	3.47	-	0.62
Total	**61.82**	**34.38**	**36.30**	**24.88**	**12.52**	**23.14**

**Refer Note 16(a) for details related to repayment terms, securities and interest rate. Also refer Note 39 and 41 for Company's exposure to liquidity risk and interest rate risk.*

Note 22: Other current liabilities

Particulars	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Statutory dues payables (includes TDS, PF, WCT, Others)	4.13	0.73	6.85	5.17	7.07	4.62
Provision for taxation (net of advance tax)	5.30	14.58	8.59	3.02	10.99	5.88
Total	**9.43**	**15.31**	**15.44**	**8.19**	**18.06**	**10.50**

Note 23: Short term provisions

Provision for employee benefits:

Particulars	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Gratuity (refer Note 36)	6.26	4.74	2.52	3.74	2.50	0.33
Compensated Absences (refer Note 36)	2.86	2.29	0.29	-	-	-
Total	**9.12**	**7.03**	**2.81**	**3.74**	**2.50**	**0.33**

Note 24: Deferred tax (Net)

Movement in deferred tax assets and liabilities

Particulars	As on 1 April 2013	Recognised in restated Standalone statement of profit and loss	Recognised in restated Standalone statement of assets and liabilities	As on 31 March 2014	Recognised in restated Standalone statement of profit and loss	Recognised in restated Standalone statement of assets and liabilities	As on 31 March 2015	Recognised in restated Standalone statement of profit and loss	Recognised in restated Standalone statement of assets and liabilities	As on 31 March 2016	Recognised in restated Standalone statement of profit and loss	Recognised in restated Standalone statement of assets and liabilities	As on 31 March 2017	Recognised in restated Standalone statement of profit and loss	Recognised in restated Standalone statement of assets and liabilities	As on 31 March 2018	Recognised in restated Standalone statement of profit and loss	Recognised in restated Standalone statement of assets and liabilities	As on 31 December 2018
Tax effect of items constituting deferred tax asset/(liabilities):																			
Provision for employee benefits:	0.27	0.41	-	0.69	1.27	-	1.95	0.17	-	2.13	2.98	-	5.11	3.34	-	8.45	(0.46)	-	7.99
Provision for Derivative Valuation	-	0.21	-	0.21	(1.14)	-	(0.93)	2.13	-	1.20	(7.65)	-	(6.45)	(1.55)	-	(8.00)	0.65	-	(7.35)
Long term	(0.12)	0.07	-	(0.06)	(0.67)	-	(0.73)	0.05	-	(0.68)	6.18	-	5.50	2.69	-	8.19	1.64	-	9.83

borrowing																		
Property, Plant & Equipment	(13.15)	(5.14)	-	(18.30)	(1.18)	-	(19.48)	(2.06)	-	(21.54)	(0.83)	(18.09)	(40.46)	(8.50)	-	(48.97)	(6.92)	-	(55.88)
Others	3.62	(2.80)	-	0.82	(2.02)	-	(1.20)	(1.65)	-	(2.84)	2.63	-	(0.20)	0.20	-	0.03	(0.03)	-	-
Total	(9.39)	(7.25)	-	(16.64)	(3.73)	-	(20.38)	(1.32)	-	(21.74)	3.31	(18.09)	(36.50)	(3.82)	-	(40.30)	(5.12)	-	(45.41)

Annexure VI: Notes to Restated Standalone Financial Statements (Continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 25: Revenue from operations

Particulars	For the 9 months Ended 31 December 2018	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014
Revenue from operations						
Sale of products Comprises Manufactured goods of Chemicals						
Gross Export Sales	806.34	565.90	415.41	482.72	424.87	311.38
Less: Terminal Excise duty and GST Sales Tax on Export Sales	37.63	14.81	38.29	24.72	22.32	12.22
: CST on Deemed export Sales	-	0.01	2.23	1.79	1.44	0.92
: VAT on Deemed Export Sales	-	0.38	0.73	0.01	0.25	0.70
Net Export Sales	768.71	550.69	374.16	456.21	400.86	297.53
Gross Domestic Sales	851.46	1226.32	798.01	587.24	504.75	500.17
Less: GST/Excise duty and Sales Tax on Local Sales	127.25	202.83	75.71	61.12	53.33	48.72
: CST on Domestic Sales	-	2.71	5.79	4.22	3.77	3.18
: VAT on Domestic Sales	-	6.08	25.48	17.94	15.56	15.20
Net Domestic Sales	**724.21**	**1014.70**	**691.03**	**503.95**	**432.10**	**433.08**
High seas Sales	**-**	**-**	**-**	**4.85**	**-**	**-**

Particulars	For 9 months Ended 31 Dec 2018	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014
Sale of products Comprises Manufactured goods of Chemicals						
Sales	1648.89	1,765.23	1,173.10	1,045.61	901.71	785.26
Less: GST Recovered	164.87	189.12	-	-	-	-
Net Sales (excluding GST)	1484.02	1,576.11	1,173.10	1,045.61	901.71	785.26
Other Operating Revenue						
Benefits Received on Export Sales	108.29	64.01	41.57	43.24	13.13	13.78
Other Operating Revenue	108.29	64.01	41.57	43.24	13.12	13.78
Total Net Revenue	**1592.31**	**1,640.12**	**1,214.67**	**1,088.85**	**914.84**	**799.04**

Note:

Consequent to introduction of Goods and Service Tax ('GST') with effect from July 1, 2017, central excise and value added taxes has been subsumed into GST. In accordance with IND AS 18, GST is not considered as part of revenue unlike excise duties which used including in revenue in period before 1 July 2017. Accordingly, the figures for the year ending 31 March 2018 are not strictly comparable with previous fiscal year. Further, in accordance with Ind AS 18, discount on sales including cash discount etc are adjusted from revenue. Accordingly, for the sake of comparison, revenue from operations has been presented as adjusted for excise duty and discount on sales including cash discounts as follows:

Particulars	**For 9 months Ended 31 Dec 2018**	**For the Year Ended 31 March 2018**	**For the Year Ended 31 March 2017**	**For the Year Ended 31 March 2016**	**For the Year Ended 31 March 2015**	**For the Year Ended 31 March 2014**
Sale of Products (A)	1484.02	1,576.11	1,173.10	1,045.61	901.71	785.26
Less: Excise Duty (B)	-	28.52	114.00	85.84	75.64	60.94
Sale of Products (Net of Excise Duty) (C=A-B)	1484.02	1,547.59	1,059.10	959.77	826.07	724.32
Add: Cash Discount on Sales (already deducted while arriving at sale of products (A) above (D)	8.90	17.81	6.10	5.24	6.88	6.29
Adjusted revenue from sale of products (net of excise) before discounts (E= C+D)	1492.92	1,565.40	1,065.20	965.01	832.95	730.61
Add: Benefits Received on Exports (F)	108.29	64.01	41.57	43.24	13.13	13.78
Adjusted revenue from sale of -products including other Export Benefits (G=E+F) *	**1601.21**	**1,629.41**	**1,106.77**	**1,008.25**	**846.08**	**744.39**

Total net operating revenue net off excise and including cash discount:

*Include Sale of:

Particulars	**For 9 months Ended 31 Dec 2018**	**For the Year Ended 31 March 2018**	**For the Year Ended 31 March 2017**	**For the Year Ended 31 March 2016**	**For the Year Ended 31 March 2015**	**For the Year Ended 31 March 2014**
Organic Chemicals	1259.35	1056.23	634.20	732.18	629.93	525.78
Inorganic Chemicals	341.86	573.18	472.57	276.07	216.15	218.61
Total net operating revenue net off excise & including cash discount	**1601.21**	**1,629.41**	**1,106.77**	**1,008.25**	**846.08**	**744.39**

Note 26: Other Income

Particulars	**For 9 months Ended 31 Dec 2018**	**For the Year Ended 31 March 2018**	**For the Year Ended 31 March 2017**	**For the Year Ended 31 March 2016**	**For the Year Ended 31 March 2015**	**For the Year Ended 31 March 2014**
Interest income	1.57	2.61	1.88	1.60	1.96	1.43
Other Non-Operating Income:	-					
Foreign Exchange Rate Fluctuation /Foreign currency forward cover cancellation	-	-	-	-	4.19	-
Others	1.56	-	0.29	0.02	0.47	2.67
Share of profit from Partnership Firm	1.23	0.95	0.74	-	-	-
Fair Value Gain on Derivative Contract (Preference Shares)	2.14	0.50	1.22	-	-	-
Fair Value Gain on Derivative Forwards	-	3.98	-	-	3.34	-
Total	**6.50**	**8.04**	**4.13**	**1.62**	**9.96**	**4.10**

Annexure VI: Notes to Restated Standalone Financial Statements (Continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 27: Cost of materials consumed

Particulars	For 9 months Ended 31 Dec 2018	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014
Opening stock	98.70	69.88	56.38	25.87	18.17	28.92
Purchases	1211.03	1,054.41	709.10	682.79	534.21	454.61
	1309.73	1,124.29	765.48	708.66	552.38	483.53
Less: Closing stock	199.06	98.70	69.88	56.38	25.87	18.17
Cost of raw material consumed	**1110.67**	**1,025.59**	**695.60**	**652.28**	**526.51**	**465.36**

Note 28: Changes in inventories of finished goods and work in progress

Particulars	For 9 months Ended 31 Dec 2018	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014
Opening Stock:						
Finished Goods	77.48	51.79	51.02	47.11	71.46	33.10
Work-in-Process	308.38	256.80	202.28	164.78	111.29	132.46
Less:						
Closing Stock:						
Finished Goods	35.50	77.48	51.79	51.02	47.11	71.46
Work-in-Process	521.73	308.38	256.80	202.28	164.78	111.29
Changes in Inventories:						
Changes in inventories of finished goods	(41.98)	(25.70)	(0.76)	(3.91)	24.35	(38.37)
Work-in-Process	213.35	(51.57)	(54.53)	(37.50)	(53.49)	21.18
Changes in inventories of finished goods and work in progress	(171.37)	(77.27)	(55.29)	(41.41)	(29.14)	(17.19)

Note 29: Employee benefit expense

Particulars	For 9 months Ended 31 Dec 2018	For the Year Ended 31 March 2018	For the Year Ended 31 March 2017	For the Year Ended 31 March 2016	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014
Salaries, wages and bonus	65.56	70.67	46.16	40.38	42.21	31.23
Contribution to provident and other funds (refer Note 36)	11.86	12.36	3.47	2.46	3.61	1.81
Staff welfare	3.74	3.98	4.84	2.53	1.79	1.34
Total	**81.16**	**87.01**	**54.47**	**45.37**	**47.61**	**34.38**

Annexure VI: Notes to Restated Standalone Financial Statements (Continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 30: Finance costs

Particulars	**For 9 months Ended 31 Dec 2018**	**For the Year Ended 31 March 2018**	**For the Year Ended 31 March 2017**	**For the Year Ended 31 March 2016**	**For the Year Ended 31 March 2015**	**For the Year Ended 31 March 2014**
Interest expenses on borrowings	61.35	77.06	55.55	40.30	44.08	44.03
Other finance cost and bank charges	7.30	5.63	9.05	5.97	2.42	3.72
Unwinding interest cost on FRCPS and OCPS	16.92	21.48	10.56	1.64	0.04	-
Total	**85.57**	**104.17**	**75.16**	**47.91**	**46.54**	**47.75**

Note 31: Other Expense

Particulars	**For 9 months Ended 31 Dec 2018**	**For the Year Ended 31 March 2018**	**For the Year Ended 31 March 2017**	**For the Year Ended 31 March 2016**	**For the Year Ended 31 March 2015**	**For the Year Ended 31 March 2014**
Excise Duty	**-**	**28.52**	**114.00**	**85.84**	**75.64**	**60.94**
PRODUCTION EXPENSES						
Conversion Charges	24.94	14.28	10.38	10.23	7.16	6.32
Contract Labour charges	23.21	24.58	14.97	11.45	7.00	5.24
Fuel & Power	53.61	62.09	50.83	49.37	47.10	46.35
Quality Control Expenses	18.31	14.01	8.17	6.66	4.73	3.66
Research and Development Expenses	12.03	8.91	6.02	4.61	4.23	4.88
Consumption of Packing Materials	10.45	18.74	14.11	17.40	18.72	9.47
Other Production Expenses	51.97	71.53	43.52	36.31	29.25	21.95
	194.52	**214.14**	**148.00**	**136.03**	**118.19**	**97.87**
MARKETING EXPENSES						
Exhibition Expenses	5.92	18.25	15.11	10.70	9.23	8.81
Other Marketing Expenses	17.87	1.96	1.53	2.63	1.91	1.51
	23.79	**20.21**	**16.64**	**13.34**	**11.14**	**10.32**
SELLING & DISTRIBUTION EXPENSES						
Clearing Charges	1.80	6.08	1.41	3.26	2.83	2.68
Sea & Air Freight (Export) Expenses	23.03	15.03	7.00	14.92	6.82	4.81
Other Selling & Distribution Exp	5.74	2.59	7.03	8.81	6.48	3.06
	30.57	**23.70**	**15.44**	**26.99**	**16.13**	**10.55**
ADMINISTRATIVE EXPENSES						
Profession Fees	**17.12**	**9.34**	**8.86**	**5.55**	**3.65**	**2.59**
Miscellaneous Expenses	**1.38**	**3.43**	**2.96**	**1.54**	**1.51**	**1.38**

Other Admin Expenses	31.16	13.53	10.70	14.97	17.02	17.46
CSR Expense	-	2.00	1.43	1.07	-	-
Fair Value Loss pertaining to Forward Derivative	-	-	0.48	6.19	-	0.62
Transaction cost pertaining to FRCPS Derivative	-	-	1.50	-	-	-
Fair Value Loss pertaining to OCPS Derivative	2.00	0.01	0.01	-	-	-
	51.66	**28.32**	**25.94**	**29.32**	**22.19**	**22.06**
Total	**300.54**	**314.88**	**320.02**	**291.51**	**243.28**	**201.73**

Payment to auditors (excluding applicable taxes) *(included in Professional Fees)***:**

Particulars	**For 9 months Ended 31 Dec 2018**	**For the Year Ended 31 March 2018**	**For the Year Ended 31 March 2017**	**For the Year Ended 31 March 2016**	**For the Year Ended 31 March 2015**	**For the Year Ended 31 March 2014**
Audit Fees	0.38	0.40	0.40	0.30	0.30	0.30
Tax Audit Fees	0.07	0.05	0.05	0.05	-	-
Other Fees	-	0.06	-	-	-	-
Total	**0.45**	**0.51**	**0.45**	**0.35**	**0.30**	**0.30**

Note 31 (a): Statement of other comprehensive income

Items that will not be reclassified to profit or loss:

Particulars	**For 9 months Ended 31 Dec 2018**	**For the Year Ended 31 March 2018**	**For the Year Ended 31 March 2017**	**For the Year Ended 31 March 2016**	**For the Year Ended 31 March 2015**	**For the Year Ended 31 March 2014**
(i)Remeasurements of the defined benefit plans (net of tax)	1.16	0.54	(7.19)	(0.54)	(1.68)	0.36
(ii) Income tax relating to items that will be reclassified to profit or loss	(0.34)	(0.19)	2.49	0.19	0.57	(0.12)
Total Other Comprehensive Income	**0.82**	**0.35**	**(4.70)**	**(0.35)**	**(1.11)**	**0.24**

Note 32: Earnings per share

Particulars	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Profit attributable to equity shareholders	122.88	106.00	77.49	51.80	50.85	36.43
Weighted average number of equity shares for calculation of basic and diluted earnings per share (Nos.)	2,00,78,793	2,00,00,000	2,00,00,000	2,00,00,000	45,00,000	45,00,000
Nominal value per share (INR)	10	10	10	10	10	10

Earnings per share (face value of INR 10)						
Basic (INR)	6.12	5.30	3.87	2.59	11.30	8.10
Diluted (INR)	6.12	5.30	3.87	2.59	11.30	8.10

Note 33: Contingent liabilities and commitments

	Particulars	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
	(iii) Contingent Liabilities						
(a)	In respect of Disputed demands/claim against the Company not acknowledged as debts:						
	(i) Property Tax Navi Mumbai	-	-	-	-	-	0.29
(b)	Contingent liability for Letters of Credit issued by the Bank and Bank Guarantee for Excise, Customs etc.						
	(i) Letter of credit/Bank Guarantee	29.37	14.04	9.91	6.29	74.93	72.59
	(ii) Bill discounted/Cheques Purchased	35.45	29.13	26.82	49.21	27.88	35.26
(c)	Contingent Liability towards NMMC Cess/LBT	1.60	1.60	1.60	-	-	-
	Total	**66.42**	**44.76**	**38.32**	**55.50**	**102.80**	**108.14**
	(iv) Capital commitments						
	Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	8.31	12.28	11.03	1.41	1.30	1.43

Note 34: Operating lease

The Company has taken office premises, factory land under operating lease. These are generally cancellable and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free deposits in accordance with the agreed terms.

The following rent expenses recognized:

Year Ended	**Office Premises**	**Godown**	**Other Premises**	**Amount**
31 December 2018	3.49	10.35	-	13.84
31 March 2018	4.29	10.48	0.81	15.57
31 March 2017	1.96	5.58	0.57	8.11
31 March 2016	1.86	4.65	0.48	6.99
31 March 2015	0.90	5.09	0.77	6.76
31 March 2014	0.90	4.97	0.82	6.68

Note 35: Related Party Transaction

(A) Relationships:

In accordance with the requirements of Indian Accounting Standard (Ind AS-24) on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by management are as follows:

(a) Where Joint Control exists:

Dhara Fine Chem Industries Chem Industries (Partnership Firm in which Company is holding 90% Share)

Particulars	31-Dec-18	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Dhara Fine Chem Industries	**Dhara Fine Chem Industries**	**Dhara Fine Chem Industries**	**Dhara Fine Chem Industries**	-	-	-

(b) Key Managerial Personnel:

Particulars	31-Dec-18	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Haridas Kanani	Haridas Kanani	Haridas Kanani	Haridas Kanani	Haridas Kanani	Haridas Kanani	Haridas Kanani
Harin Kanani	Harin Kanani	Harin Kanani	Harin Kanani	Harin Kanani	Harin Kanani	Harin Kanani
Shyamsundar Upadhyay	Shyamsundar Upadhyay	Shyamsundar Upadhyay	Shyamsundar Upadhyay	-	-	-
Sanjay N Mehta	Sanjay N Mehta	Sanjay N Mehta	Sanjay N Mehta	Sanjay N Mehta	Sanjay N Mehta	Sanjay N Mehta
Anurag Surana	Anurag Surana	Anurag Surana	-	-	-	-
Hitesh Reshamwala	Hitesh Reshamwala	Hitesh Reshamwala	Hitesh Reshamwala	Hitesh Reshamwala	Hitesh Reshamwala	Hitesh Reshamwala
Beena Kanani	Beena Kanani	Beena Kanani	-	Beena Kanani	Beena Kanani	Beena Kanani
Ranjan Kumar Malik	Ranjan Kumar Malik	-	-	-	-	-
Avi Sabawala	Avi Sabawala	-	-	-	-	-

(c)Relatives of key management personnel and their enterprises, where transactions have taken place.

Particulars	31-Dec-18	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Akkad Mehta & Co.	Akkad Mehta & Co.	Akkad Mehta & Co.	Akkad Mehta & Co.	Akkad Mehta & Co.	Akkad Mehta & Co.	Akkad Mehta & Co.
Kagashin Global Network (P) Ltd.	Kagashin Global Network (P) Ltd.	Kagashin Global Network (P) Ltd.	-	-	-	-

(d) Other Related Parties:

Nil

(B) Transactions with related parties

Particulars	Transaction during the year/period ended						Closing Balance					
	31 December 2018	**31 March 2018**	**31 March 2017**	**31 March 2016**	**31 March 2015**	**31 March 2014**	**31 December 2018**	**31 March 2018**	**31 March 2017**	**31 March 2016**	**31 March 2015**	**31 March 2014**
Income :												
Share of Profit - Dhara Fine Chem Industries	1.23	0.32	0.34	-	-	-	2.02	0.66	0.34			
Interest Received - Dhara Fine Chem Industries	0.74	1.14	0.73	-	-	-	0.46	-	0.73	-	-	-
Expenses :												
Job work charges - Dhara Fine Chem Industries	7.61	7.03	3.66	-	-	-	2.17	0.50	0.57	-	-	-
Purchase - Dhara Fine Chem Industries	0.50	10.86	0.96	-	-	-	-	2.94	-	-	-	-
Professional Fees												
Akkad Mehta & Co	-	0.59	0.50	0.50	0.50	0.50	-	-	-0.05	-0.05	0.45	-0.05
Kagashin Global Network (P) Ltd	3.43	2.35	-	-	-	-	0.00	0.34	-	-	-	
Sitting Fees	-											
Haridas Thakarshi Kanani	-	-	-	-	0.01	0.01	-	-	-	-	-	-
Beena Kanani	-	-	-	-	0.01	0.01	-	-	-	-	-	-
Harin Haridas Kanani	-	-	-	-	0.01	0.01	-	-	-	-	-	-
Sanjay Mehta	0.04											
Hitesh Reshamwala	0.06											
Ranjan Kumar Malik	0.05											
Avi Sabawala	0.05											
Salary												
Haridas Thakarshi Kanani	3.74	2.65	2.65	2.67	2.67	2.67	0.38	0.22	0.22	0.22	0.22	-
Beena Kanani	-	-	-	-	1.79	2.67	-	-	-	-	-	-
Harin Haridas Kanani	3.36	2.97	2.97	2.99	2.99	2.99	0.34	0.25	0.25	0.25	0.25	-
Shyamsundar R Upadhyay	3.22	3.42	2.12	1.41		0.00	0.33	0.28	0.18	0.15	-	-
Lease Rent												
Haridas Thakarshi Kanani	0.68	0.90	0.90	0.90	0.90	0.90	-	-	-	-	-	-

Harin Haridas Kanani	-	0.48	0.48	0.48	0.48	0.48	-	-	-	-	-	-
Loan :												
Dhara Fine Chem Industries, Partnership Firm	3.75	2.80	4.30	-	-	-	3.65	1.50	4.30	-	-	-
Others :												
Dividend												
Haridas Thakarshi Kanani	14.00	14.00	-	6.30	6.30	6.30	-	-	-	-	-	-
Beena Kanani	2.57	2.97	-	1.35	1.35	1.35	-	-	-	-	-	-
Harin Haridas Kanani	2.00	2.00	-	0.90	0.90	0.90	-	-	-	-	-	-
Sanjay N Mehta	0.00	0.00	-	0.00	0.00	0.00	-	-	-	-	-	-
Hitesh Reshamwala	0.00	0.00	-	0.00	0.00	0.00	-	-	-	-	-	-
Shyamsundar R Upadhyay	0.00	0.00	-	-	-	-						
Anurag Surana	0.20											
Kagashin Global Network (P) Ltd	0.20											
Payable												
Capital Advances - Haridas Thakarshi Kanani	-	-	-	-	(27.40)	27.40	-	-	-	-	-	27.40

Annexure VI: Notes to Restated Standalone Financial Statements (Continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 36: Employee benefit expenses

(i) Defined Contribution Plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Statutory Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions.

Description	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
The Company has recognized the following amounts in the Statement of Profit and Loss for the year:						
Employers' Contribution to Provident Fund	3.91	4.53	2.44	3.54	2.50	2.66
Employers' Contribution to Employees' Pension Scheme, 1995	1.42	1.88	1.53	0.14	0.51	0.45
Total	**5.33**	**6.41**	**3.97**	**3.68**	**3.01**	**3.11**

(ii) Defined Benefit Plan

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Gratuity Plan:

(a) Asset/(Liability) recognized in Restated Standalone statement of assets and liabilities

Description	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Present value of obligation at end of the year	(26.53)	23.05	18.47	10.58	10.52	8.80
Fair value of Plan Assets	6.83	7.84	7.98	6.84	8.04	8.47
Net assets/(liability) recognized in Restated Standalone statement of assets and liabilities as provision	(19.70)	(15.21)	(10.49)	(3.74)	(2.49)	(0.33)

(b) Amount recognized in the Restated Standalone statement of profit and loss is as under:

Description	**As at 31 Dec 2018**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Current Service Cost	1.23	1.28	0.62	0.52	0.47	0.45
Net Interest Cost	1.34	0.76	0.30	0.20	0.03	0.06
Past Service Cost	-	3.22	-	-	-	-
Expense Recognized in the Income Statement	2.57	5.26	0.92	0.72	0.50	0.51

(c) Amount recognized in other comprehensive income as under:

Description	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Actuarial (Gain)/Loss for the year on defined benefit obligation	2.50	0.58	7.21	0.47	1.61	(0.30)
Actuarial (Gain)/Loss for the year on plan assets	(0.12)	(1.12)	(0.03)	0.07	0.06	(0.06)
Net (Income)/Expense Recognized in the Income Statement	2.38	(0.54)	7.19	0.54	1.68	(0.36)

(d) Movement in liability recognized in the Restated Standalone statement of assets and liabilities as under:

Description	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Present Value of defined benefit obligation as at the start of the year	23.05	18.47	10.58	10.52	8.80	8.52
Current Service Cost	1.23	1.28	0.62	0.52	0.47	0.45
Interest Cost	1.34	1.34	0.85	0.83	0.82	0.69
Actuarial loss/(gain) recognized during the year	2.50	0.58	7.21	0.47	1.61	(0.30)
Benefits paid	(1.58)	(1.84)	(0.79)	(1.77)	(1.18)	(0.56)
Past Service Cost including curtailment Gain/Losses	-	3.22	-	-	-	-
Present Value of defined benefit obligation as at the end of the year	26.54	23.05	18.47	10.58	10.52	8.80

(e) Movement in plan assets recognized in the Restated Standalone statement of assets and liabilities as under:

Description	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Fair Value of plan assets at beginning of year	7.84	7.98	6.84	8.04	8.47	7.72
Interest Income	0.45	0.58	0.55	0.63	0.79	0.62
Expected return on plan assets - %	7.72%	7.73%	7.27%	7.99%	7.90%	9.36%
Employer's Contribution	-	-	1.37	-	0.02	0.62
Benefits Paid	(1.58)	(1.84)	(0.79)	(1.77)	(1.18)	(0.56)
Actuarial (Gain)/Loss on plan asset	(0.12)	(1.12)	(0.03)	(0.07)	(0.06)	0.06
Fair Value of plan assets at end of year	6.83	7.84	7.98	6.84	8.04	8.47
Actual Return on Plan assets, Excluding Interest Income	(0.12)	(1.12)	(0.03)	(0.07)	(0.06)	0.06

(f) Breakup of Actuarial (Gain)/Loss on Defined Benefit Obligation:

Description	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Actuarial (Gain)/Loss on arising from change in demographic assumption	-	-	-	-	-	-
Actuarial (Gain)/Loss on arising from change in financial assumption	0.02	(0.75)	0.93	(0.07)	0.87	(0.76)
Actuarial (Gain)/Loss on arising from change in experience adjustments	2.48	1.33	6.28	0.54	0.74	0.47
Total Actuarial (Gain)/Loss	**2.50**	**0.58**	**7.21**	**0.47**	**1.61**	**(0.30)**

(g) Actuarial Assumption:

Description	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Expected Return on Plan Assets	7.72%	7.73%	7.27%	7.99%	7.90%	9.36%
Discount Rate	7.72%	7.73%	7.27%	7.99%	7.90%	9.36%
Future Salary Increase	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Rate of Employee Turnover	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Expected Average remaining working lives of employees (years)	15	14	13	12	12	12

(h) Sensitivity analysis for gratuity liability:

Description	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Impact of the change in discount rate						
Present value of obligation at the end of the year	26.53	23.05	18.47	10.58	10.52	8.80
- Impact due to increase of 1 %	(1.81)	(1.49)	(1.27)	(0.72)	(0.61)	(0.51)
- Impact due to decrease of 1 %	2.05	1.69	1.45	0.82	0.70	0.58
Impact of the change in Salary increase						
Present value of obligation at the end of the year	26.53	23.05	18.47	10.58	10.52	8.80
- Impact due to increase of 1 %	1.72	1.55	1.17	0.61	0.51	0.43
- Impact due to decrease of 1 %	(1.62)	(1.46)	(1.09)	(0.58)	(0.47)	(0.39)
Impact of the change in Employee Turnover						
Present value of obligation at the end of the year	26.53	23.05	18.47	10.58	10.52	8.80
- Impact due to increase of 1 %	0.46	0.38	0.31	0.25	0.21	0.26
- Impact due to decrease of 1 %	(0.52)	(0.42)	(0.35)	(0.27)	(0.23)	(0.29)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(i) Maturity Profile of defined benefit obligation: (from the fund)

Description	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Within next 12 months	2.87	3.93	1.90	1.11	2.66	1.31
Between 1-5 years	12.51	6.43	6.12	3.86	2.27	2.82
Beyond 5 years	41.42	35.40	27.97	16.96	15.14	15.18

(j) Category of Plan Assets:

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014

Insurance Fund	6.83	7.84	7.98	6.84	8.04	8.47
	[100%]	[100%]	[100%]	[100%]	[100%]	[100%]
Total	**6.83**	**7.84**	**7.98**	**6.84**	**8.04**	**8.47**

(iii) Other long-term employee benefits

Compensated Absences:

Provision in respect of leave encashment benefits has been made based on actuarial valuation carried out by an independent actuary at the Balance sheet date using Projected Unit Credit method. During the year following is recognized as expense in statement of profit & loss a/c.

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Expense/(Income) to be recognized in Profit & Loss A/c	(1.33)	4.93	1.73	(0.85)	1.57	(0.59)
Total	**(1.33)**	**4.93**	**1.73**	**(0.85)**	**1.57**	**(0.59)**

Note 37: Capital Management

For the purpose of the entity's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the company.

The primary objective of the entity's capital management is to maximise the shareholder value.

The entity manages its capital structure and make adjustments in light of changes in economic conditions and the requirements of the financial covenants.

To maintain or adjust the capital structure, the entity may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The entity monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The entity's policy is to keep an optimum gearing ratio.

The entity includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

Particulars	As at 31 Dec 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Long Term Borrowings	440.62	384.95	367.60	47.70	47.33	47.59
Current maturities of Long-Term Borrowings	38.62	24.96	21.38	13.60	11.20	17.14
Short Term Borrowings	677.02	412.23	301.49	200.60	183.36	189.96
Total Borrowings	**1156.26**	**822.14**	**690.48**	**261.91**	**241.89**	**254.70**
Less:						
Less:						
Cash and cash equivalents	1.84	3.17	5.77	5.18	6.89	2.70
Other bank balances	8.12	15.00	24.99	19.54	17.14	15.22
Investments	-	-	-	-	-	-
Net debt	1146.30	803.97	659.71	237.19	217.86	236.78
Total Equity*	617.22	502.31	420.32	275.49	234.87	195.93
Net debt to Equity Ratio	1.86	1.60	1.57	0.86	0.93	1.21

**Equity includes capital and all reserves of the Company managed as Capital*

In order to achieve this overall objective, the entity's capital management, amongst other things, aims to ensure that it needs financial covenants and attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current period.

Note 38: Financial Instruments

(i) Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the Restated Standalone financial information and are entitled into three levels of a fair value hierarchy.

The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(ii) Financial assets and liabilities measured at fair value – recurring fair value measurements

31 December 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Derivative Asset for Early Redemption Right for Fully Redeemable Preference Shares	-	-	25.23	25.23
Derivative Asset for Forward Cover	-	-	-	-
Total financial asset	-	-	25.23	25.23
Financial liabilities				
Derivative Liability for Options for Optionally Convertible Preference Shares	-	-	-	-
Derivative Liability for Forward Cover	-	3.90	-	3.90
Total financial asset	**-**	**3.90**	**-**	**3.90**

31 March, 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Derivative Asset for Early Redemption Right for Fully Redeemable Preference Shares	-	-	23.09	23.09
Derivative Asset for Forward Cover	0.02	-	-	0.02
Total financial asset	0.02	-	23.09	23.11
Financial liabilities				
Derivative Liability for Options for Optionally Convertible Preference Shares	-	-	1.74	1.74

Total financial asset	**-**	**-**	**1.74**	**1.74**

31 March, 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative Asset for Early Redemption Right for Fully Redeemable Preference Shares	-	-	22.59	22.59
Derivative Asset for Forward Cover	-	-	-	-
Total financial asset	-	-	22.59	22.59
Financial liabilities				
Derivative Liability for Options for Optionally Convertible Preference Shares	-	-	1.73	1.73
Derivative Liability for Forward Cover	-	3.95	-	4.00
Total financial asset	**-**	**3.95**	**1.73**	**5.73**

31 March 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative Asset for Forwards Cover	-	-	-	-
Total financial asset	-	-	-	-
Financial liabilities				
Derivative Liability for Options for Optionally Convertible Preference Shares	-	-	1.72	1.72
Derivative Liability for Forward Cover	-	3.47	-	3.47
Total financial asset	**-**	**3.47**	**1.72**	**5.19**

31 March 2015	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative Asset for Forwards Cover	-	2.72	-	2.72
Total financial asset	-	2.72	-	2.72
Financial liabilities				
Derivative Liability for Options for Optionally Convertible Preference Shares	-	-	1.72	1.72
Total financial asset	**-**	**-**	**1.72**	**1.72**

31 March 2014	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative Asset for Forwards Cover	-	-	-	-
Total financial asset	**-**	**-**	**-**	**-**
Financial liabilities				
Derivative Liability for Options for Optionally	-	0.62	-	0.62

Convertible Preference Shares				
Total financial asset	**-**	**0.62**	**-**	**0.62**

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

As per Valuation techniques and valuation report obtained from Valuers.

Note 39: Financial Risk Management

(i) Financial instruments by category

Particulars	31 December 2018		31 March 2018		31 March 2017		31 March 2016		31 March 2015		31 March 2014	
	Future value through profit and loss (FVTPL)	Amortized cost	Future value through profit and loss (FVTPL)	Amortized cost	Future value through profit and loss (FVTPL)	Amortized cost	Future value through profit and loss (FVTPL)	Amortized cost	Future value through profit and loss (FVTPL)	Amortized cost	Future value through profit and loss (FVTPL)	Amortized cost
Financial assets												
Investments	-	4.50	-	4.50	-	4.50	-	-	-	-	-	-
Loans - Non-Current	-	34.07	-	18.52	-	21.42	-	13.75	-	9.30	-	1.73
Loans - Current	-	3.75	-	1.50	-	4.30	-	-	-	2.90	-	6.39
Other financial assets - Non-Current	25.23	-	23.09	-	22.59	-	-	-	-	-	-	-
Other financial assets - Current	-	11.75	0.02	2.27	-	2.57	-	2.55	2.72	2.75	-	1.80
Trade receivable	-	424.65	-	413.63	-	321.61	-	158.49	-	179.68	-	165.87
Cash and cash equivalents	-	1.84	-	3.17	-	5.77	-	5.18	-	6.89	-	2.70
Other bank balances	-	8.12	-	15.00	-	24.99	-	19.54	-	17.14	-	15.22
Total financial assets	25.23	488.68	23.11	458.59	22.59	385.16	0.00	199.51	2.72	218.67	0.00	193.70
Financial liabilities												
Borrowings - Long Term	-	440.62	-	384.95	-	367.60	-	47.70	-	47.33	-	47.59

Borrowings - Short Term	-	677.02	-	412.23	-	301.49	-	200.60	-	183.36	-	189.96
Other financial liabilities - Long Term	-	20.00	1.74	20.00	1.73	20.00	1.72	-	1.72	-	-	-
Other financial liabilities - Short Term	3.90	57.91	-	34.38	3.95	32.34	3.47	21.41	-	12.52	0.62	22.52
Trade payables	-	-	-	366.72	-	309.80	-	218.36	-	163.57	-	143.55
Total financial liabilities	**3.90**	**1195.55**	**1.74**	**1218.28**	**5.68**	**1031.24**	**5.19**	**488.07**	**1.72**	**406.79**	**0.62**	**403.62**

The carrying amount of trade receivables, trade payables, capital creditors and cash and cash equivalent are considered to be the same as their fair values, due to short-term in nature.

The fair value of forwards is based on the forward rate prevailing at the year end.

The carrying value of the amortized financial assets and liabilities approximate to the fair value on the respective reporting dates.

(ii) Financial risk management objectives and policies

The entity's activities expose it to market risk, liquidity risk and credit risk. The entity board of directors has overall responsibility for the establishment and oversight of the entity's risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the Restated Standalone financial information.

(a) Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the entity.

The entity's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortized cost.

The entity continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

None of the financial instruments of the Company result in material concentrations of credit risk. The company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure.

Financial assets:

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

Trade receivables

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables is low.

Note 40: Liquidity Risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The entity's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the entity's liquidity position and cash and cash equivalents on the basis of expected cash flows. The entity takes into account the liquidity of the market in which the entity operates.

The tables below analyse the entity's financial liabilities into relevant maturity entitling based on their contractual maturities.

31 December 2018	Less than 1 year	1- 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	677.02	343.66	107.00	1068.51
Trade payable	477.36	-	-	398.72
Other financial liabilities	61.82	-	-	64.22

Total	**1216.20**	**343.66**	**107.00**	**1531.45**

31 March, 2018	Less than 1 year	1- 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	412.23	239.44	145.50	797.18
Trade payable	366.72	-	-	366.72
Other financial liabilities	34.38	-	-	34.38
Total	**813.33**	**239.44**	**145.50**	**1,198.28**

31 March 2017	Less than 1 year	1- 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	301.49	229.39	138.21	669.09
Trade payable	309.80	-	-	309.80
Other financial liabilities	36.30	-	-	36.30
Total	**647.59**	**229.39**	**138.21**	**1,015.19**

31 March 2016	Less than 1 year	1- 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	200.60	36.31	11.40	248.31
Trade payable	218.36	-	-	218.36
Other financial liabilities	24.88	-	-	24.88
Total	**443.84**	**36.31**	**11.40**	**491.54**

31 March 2015	Less than 1 year	1- 5 years	More than 5 years	Total
Non-derivatives				
Borrowings	189.96	47.59	-	237.56
Trade payable	143.55	-	-	143.55
Other financial liabilities	23.14	-	-	23.41
Total	**356.65**	**47.59**	**-**	**404.24**

Note 41: Market Risk

(a) Foreign exchange risk

The entity has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (Exports & Imports).

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency. The Company as per its overall strategy uses forward contracts and swaps to mitigate its risks associated with fluctuations in foreign currency and such contracts are not designated as hedges under Ind AS 109.

The company does not use forward contracts and swaps for speculative purposes.

The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as each balance sheet date are as follows:

Particulars	Nature of Foreign currency	As at 31 December 2018		Nature of Foreign currency	As at 31 March 2018		Nature of Foreign currency	As at 31 March 2017		Nature of Foreign currency	As at 31 March 2016		Nature of Foreign currency	As at 31 March 2015		Nature of Foreign currency	As at 31 March 2014		Nature of Foreign currency
		Amount in foreign currency	Amount in INR		Amount in foreign currency	Amount in INR		Amount in foreign currency	Amount in INR		Amount in foreign currency	Amount in INR		Amount in foreign currency	Amount in INR		Amount in foreign currency	Amount in INR	
Assets	USD	-	-	USD	-	-	USD	0.37	24.32	USD	-	-	USD	0.35	22.19	USD	0.19	11.17	USD
	EURO	-	-	EURO	-	-	EURO	-	-	EURO	-	-	EURO	-	-	EURO	0.01	0.87	EURO
Liabilities	USD	-	-	USD	-	-	USD	-	-	USD	-	-	USD	1.31	80.97	USD	1.35	81.17	USD

Foreign currency sensitivity

Particulars	As at 31 Dec 2018		As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015		As at 31 March 2014	
	Effect on profit before tax	Effect on pre-tax equity	Effect on profit before tax	Effect on pre-tax equity	Effect on profit before tax	Effect on pre-tax equity	Effect on profit before tax	Effect on pre-tax equity	Effect on profit before tax	Effect on pre-tax equity	Effect on profit before tax	Effect on pre-tax equity
Change in USD rate (+0.5%)	**-**		**-**	**-**	**0.12**	**0.12**	**-**	**-**	**0.52**	**0.52**	**0.46**	**(0.46)**
Change in USD rate (+0.5%)	**-**		**-**	**-**	**(0.12)**	**(0.12)**	**-**	**-**	**(0.52)**	**(0.52)**	**(0.46)**	**0.46**
Change in Euro rate (+0.5%)	**-**				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Change in Euro rate (+0.5%)	**-**				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Annexure VI: Notes to Restated Standalone Financial Statements (Continued)

(Currency: Indian Rupees in Millions, unless stated otherwise)

Note 42: Interest Rate Risk

Liabilities:

The entity's policy is to minimise interest rate cash flow risk exposures on long-term financing.

At 31 March 2018, the entity is exposed to changes in market interest rates through borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the entity to interest rate risk:

Particulars	31 Dec 2018	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Variable rate borrowing	980.21	651.68	530.88	236.91	219.37	237.56
Fixed rate borrowing	137.43	145.50	138.21	11.40	11.32	-
Total borrowings	**1117.64**	**797.18**	**669.09**	**248.31**	**230.69**	**237.56**

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	31 Dec 2018	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Interest sensitivity*						
Interest rates - increase by 100 basis points	(9.82)	(6.52)	(5.31)	(2.37)	(2.19)	(2.38)
Interest rates - decrease by 100 basis points	9.82	6.52	5.31	2.37	2.19	2.38

*Holding *all other variables constant*

Price Risk

The Company does not have exposure to price risk

Note 43: Business Combination

The Company has purchased business unit of Solaris Chemtech Industries Ltd. situated at Karakhadi of Padra Taluka, district Vadodara, Gujarat during the financial year 2016-17 through business transfer agreement dated 21st October 2016.

Total Purchase Consideration paid for acquiring unit is Rs.331.6 million.

Fair Value of Assets & Liabilities is as follows:	**INR in Mn**
Non-Current Assets	
Land	263.56
Factory Buildings	42.52

Plant & Machineries	37.57
R & D Equipments	3.95
Quality Control Instruments	6.66
Safety Equipments	1.58
M.S. Structure& FRP Gratings	5.53
Effluent Treatment Equipments	3.75
Current Assets	
Trade receivables	60.61
Inventories	47.33
Other Short-Term Loan & Advances	32.80
Less: Net Liabilities	
Trade Payables	(23.64)
Other Current Liabilities	(2.13)
Long Term Provisions	(4.82)
Provisions for Obsolete Items	(53.55)
Net Assets Taken Over	421.72
Less: Purchase Consideration	(331.59)
Less: Deferred Tax Asset/(Liability)	(18.09)
Balance Amount of Capital Reserve	72.04

Note 44: Capitalisation of Expenditure

The expenditure incidental to the setting up of the project is included in capital work in progress (CWIP) which is apportioned to the assets on completion of the project and commencement of commercial operations. The entity has capitalized the following expenses to the cost of fixed asset/ capital work-in-progress (CWIP):

Particulars	31 Dec 2018	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Other Expenses	2.54	-	23.61	-	-	-
Total amount capitalized	**2.54**	**-**	**23.61**	**-**	**-**	**-**

Note 45: Statement on adjustment to audited standalone financial statements

The accounting policies set out in Note 2 of Annexure V have been applied in preparing the Restated Standalone financial information for the year ended 31 March 2018, the comparative information presented in this Restated Standalone financial information for the year ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014. An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

(A) Ind AS Optional Exemption:

1. Deemed cost of property, plant and equipment and intangible assets

Ind AS 101 permits to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the Restated Standalone financial information as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying value.

(B) Ind AS mandatory exemption:

1. Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.
Ind AS estimates for comparative periods as at each reporting year end are consistent with the estimates as at the same date made in conformity with previous GAAP except for computation of expected credit losses, which were not required to be estimated as per previous GAAP.

2. Classification and measurement

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.
Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

- The effects of the retrospective application or retrospective restatement are not determinable;
- The retrospective application or restatement requires assumptions about what management's intent would have been in that period;
- The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

3. De-recognition of financial assets and liabilities

Ind AS 101 requires a to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(C) Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.

1. Reconciliation of total equity

Particulars	31 December 2018	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Total equity (shareholders fund) as per Previous GAAP	659.28	557.76	474.08	291.37	247.24	195.43
Adjustments due to restatement and remeasurement	(57.40)	(70.36)	(69.56)	(14.51)	(12.70)	0.24
Income tax effect of Ind AS adjustments	15.34	14.91	15.81	(1.37)	0.32	0.26
Total adjustments	(42.06)	(55.45)	(53.76)	(15.88)	(12.37)	0.50

Total equity as per Ind AS	617.22	502.31	420.32	275.49	234.87	195.93

2. Reconciliation of total comprehensive income for the year

Particulars	31 Dec 2018	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Profit after tax as per Previous GAAP	139.00	126.19	80.47	58.90	49.61	36.16
Financial assets and liabilities accounted for at fair value	(17.24)	(21.95)	(10.35)	(1.76)	0.26	(0.20)
Remeasurement of defined benefits obligations	(1.16)	(2.57)	9.55	1.89	(0.96)	0.61
Depreciation and Amortisation	2.63	2.75	0.02	0.14	(0.77)	0.62
Others	(0.35)	1.58	(2.19)	(7.37)	2.71	(0.76)
Total adjustments	(16.12)	(20.20)	(2.98)	(7.10)	1.24	0.27
Profit after tax as per Ind AS	122.88	106.00	77.49	51.80	50.85	36.43
Remeasurement of defined benefits obligations	1.16	0.54	(7.19)	(0.54)	(1.68)	0.36
Income tax relating to items that will not be reclassified to profit and loss	(0.34)	(0.19)	2.49	0.19	0.57	(0.12)
Total comprehensive income as per Ind AS	**123.70**	**106.35**	**72.79**	**51.45**	**49.74**	**36.67**

3. Reconciliation of the assets and liabilities presented in the standalone statement of assets and liabilities prepared as per previous GAAP and as per Ind AS at 31st December 2018 is as follows:

Column (1) represents financial information prepared under previous GAAP framework, which has been reclassified to conform to Ind AS presentation for the purpose of this note.

Column (2) represents adjustments on account of transition from previous GAAP to Ind AS, and restatement adjustments made to the comparative information presented in the audited standalone financial statements for the respective years, as explained in notes below:

Particulars	Previous GAAP	Ind AS adjustments	Per Ind AS
	(1)	**(2)**	**(3)**
(1) Non-current assets			
(a) Property, plant and equipment	728.34	82.09	810.43
(b) Capital work-in-progress	0.49	-	0.49
(c) Intangible assets	0.68	0.18	0.86
(d) Intangible assets under development			
(e) Financial assets			
(i) Investments	6.86	(2.36)	4.50
(ii) Loans	37.82	(3.76)	34.06
(iii) Other financial assets	0.00	25.23	25.23
(f) Other non-current assets	24.43	(17.56)	6.87
Total Non-current Assets	**798.61**	**83.83**	**882.44**
(2) Current Assets			
(a) Inventories	772.17	-	772.17
(b) Financial assets			
(i) Trade receivables	424.65	-	424.65
(ii) Cash and cash equivalents	1.84	-	1.84
(iii) Bank balances other than (ii) above	8.12	-	8.12
(iv) Loans	6.69	(2.94)	3.75
(v) Other current financial assets	116.92	(105.17)	11.75
(c) Other current assets	137.73	133.86	271.59
Total Current Assets	**1468.12**	**25.75**	**1493.87**
TOTAL ASSETS	**2266.73**	**109.58**	**2376.31**

EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	307.79	(107.00)	200.79
(b) Other equity	351.50	64.94	416.43
Total Equity	**659.28**	**(42.06)**	**617.22**
(2) Non-current liabilities			
(a) Financial liabilities			
- Borrowings	304.72	135.90	440.62
- Other Financial Liabilities	20.10	(0.10)	20.00
(b) Provisions	18.31	-	18.31
(c) Deferred tax liabilities (net)	30.07	15.34	45.41
Total Non-current Liabilities	**373.20**	**151.14**	**524.34**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	677.02	-	677.02
(ii) Trade payables	477.36	-	477.36
(iii) Other financial liabilities	38.62	23.20	61.82
(b) Other current liabilities	19.27	(9.84)	9.43
(c) Short-term provisions	21.98	(12.86)	9.12
Total Current liabilities	**1234.24**	**0.50**	**1234.74**
Total Liabilities	**1607.45**	**151.64**	**1759.09**
TOTAL EQUITY AND LIABILITIES	**2266.73**	**109.58**	**2376.31**

4. Reconciliation statement of profit and loss prepared as per previous GAAP and as per Ind AS at 31 December 2018 is as follows:

Particulars	**Previous GAAP**	**Ind AS adjustments**	**Per Ind AS**
	(1)	**(2)**	**(3)**
Income			
I. Revenue from operations	1601.21	(8.90)	1592.31
II. Other income	4.36	2.14	6.50
Total Income (I+II)	1605.57	(6.76)	1598.81
III. Expenses			
Cost of materials consumed	1110.67	-	1110.67
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(171.37)	-	(171.37)
Employee benefits expense	80.00	1.16	81.16
Finance costs	68.33	17.24	85.57
Depreciation and Amortization Expenses	23.72	(2.63)	21.09
Other Expense	307.43	(6.90)	300.54
Total Expenses	**1418.78**	**8.87**	**1427.66**
IV. Profit/(loss) before taxes	**186.78**	**(15.63)**	**171.15**
Comprising of:			
Profit			
V. Income tax			
1. Current Tax	43.10	0.40	43.50
2. Deferred Tax	4.68	2.02	4.78
3. Prior Period Tax	-	-	-

VI. Profit/(loss) for the period	139.00	(16.12)	122.88
VII. Other comprehensive income	-	-	-
Items that will not be reclassified restated statement of profit or loss	-	-	-
Statement of other comprehensive income	0.00	1.16	1.16
Income tax related to items that will be reclassified to profit or loss	-	(0.34)	(0.34)
Other comprehensive (expense)/ income, net of tax	-	0.82	0.82
VIII. Total comprehensive income for the year	**139.00**	**(15.30)**	**123.70**

5. Reconciliation of the assets and liabilities presented in the restated standalone statement of assets and liabilities prepared as per Previous GAAP and as per Ind AS at 31 March 2018 is as follows:

Particulars	**Previous GAAP**	**Ind AS adjustments**	**Per Ind AS**
	(1)	**(2)**	**(3)**
(1) Non-current assets			
(a) Property, plant and equipment	584.77	81.65	666.42
(b) Capital work-in-progress	13.79	0.00	13.79
(c) Intangible assets	0.44	0.11	0.55
(d) Intangible assets under development			0.00
(e) Financial assets			
(i) Investments	5.16	(0.66)	4.50
(ii) Loans	20.02	(1.50)	18.52
(iii) Other financial assets	0.00	23.09	23.09
(f) Other non-current assets	6.29	0.00	6.29
Total Non-current Assets	**630.46**	**102.69**	**733.15**
(2) Current Assets			
(a) Inventories	499.93	0.00	499.93
(b) Financial assets			
(i) Trade receivables	413.63	0.00	413.63
(ii) Cash and cash equivalents	3.17	0.00	3.17
(iii) Bank balances other than (ii) above	15.00	0.00	15.00
(iv) Loans	0.00	1.50	1.50
(v) Other current financial assets	1.61	0.68	2.29
(c) Other current assets	133.55	0.00	133.55
Total Current Assets	**1066.89**	**2.18**	**1069.07**
TOTAL ASSETS	**1697.35**	**104.87**	**1802.22**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	200.00	0.00	200.00
(b) Other equity	357.76	(55.45)	302.31
Total Equity	557.76	(55.45)	502.31
(2) Noncurrent liabilities			
(a) Financial liabilities			
- Borrowings	240.87	144.07	384.95
- Other Financial Liabilities		21.74	21.74
(b) Provisions	37.39	(20.14)	17.25
(c) Deferred tax liabilities (net)	25.38	14.91	40.30
Total Non-current Liabilities	**303.64**	**160.59**	**464.23**
(3) Current liabilities			

(a) Financial liabilities			
(i) Borrowings	412.23	0.00	412.23
(ii) Trade payables	366.72	0.00	366.72
(iii) Other financial liabilities	25.37	9.01	34.38
(b) Other current liabilities	4.91	10.40	15.31
(c) Short-term provisions	26.71	(19.68)	7.03
Total Current liabilities	835.95	(0.27)	835.67
Total Liabilities	**1139.59**	**160.32**	**1299.91**
TOTAL EQUITY AND LIABILITIES	**1697.35**	**104.87**	**1802.22**

Reconciliation of the statement of profit and loss prepared as per previous GAAP and as per Ind AS at 31st March 2018 is as follows:

Particulars	Previous GAAP	Ind AS adjustments	Per Ind AS
	(1)	**(2)**	**(3)**
Income			
I. Revenue from operations	1629.41	10.71	1640.12
II. Other income	3.57	4.48	8.04
Total Income (I+II)	1632.98	15.19	1648.17
III. Expenses			
Cost of materials consumed	1025.59	0.00	1025.59
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(77.27)	0.00	(77.27)
Employee benefits expense	84.43	2.57	87.01
Finance costs	82.21	21.95	104.17
Depreciation and Amortization Expenses	22.18	(2.75)	19.43
Other Expense	304.16	10.72	314.88
Total Expenses	**1441.30**	**32.49**	**1473.79**
IV. Profit/(loss) before taxes			
Comprising of:			
Profit	**191.68**	**(17.31)**	**174.38**
V. Income tax			
1. Current Tax	60.80	0.00	60.80
2. Deferred Tax	4.69	(1.08)	3.61
3. Prior Period Tax	0.00	3.97	3.97
VI. Profit/(loss) for the year	**126.19**	**(20.20)**	**106.00**
VII. Other comprehensive income			
Items that will not be reclassified restated statement of profit or loss			
Remeasurement of post-retirement benefit obligation	0.00	0.54	0.54
Income tax related to items that will be reclassified to profit or loss	0.00	(0.19)	(0.19)
Other comprehensive (expense)/ income, net of tax	**0.00**	**0.35**	**0.35**
VIII. Total comprehensive income for the year	**126.19**	**(19.85)**	**106.35**

6. Reconciliation of the assets and liabilities presented in the restated standalone statement of assets and liabilities prepared as per Previous GAAP and as per Ind AS at 31 March 2017 is as follows:

Particulars	Previous GAAP	Ind AS adjustments	Per Ind AS
	(1)	**(2)**	**(3)**
(1) Non-current assets			
(a) Property, plant and equipment	452.35	110.85	563.20
(b) Capital work-in-progress	3.13	9.47	12.59
(c) Intangible assets	0.03	0.00	0.03
(d) Intangible assets under development	0.00		0.00
(e) Financial assets			0.00
(i) Investments	5.24	(0.74)	4.50
(ii) Loans	25.71	(4.30)	21.42
(iii) Other financial assets	9.47	13.12	22.59
(f) Other non-current assets	33.11	(31.84)	1.27
Total Non-current Assets	**529.03**	**96.56**	**625.59**
(2) Current Assets			
(a) Inventories	400.13	0.00	400.13
(b) Financial assets			0.00
(i) Trade receivables	321.61	0.00	321.61
(ii) Cash and cash equivalents	5.77	0.00	5.77
(iii) Bank balances other than (ii) above	24.99	0.00	24.99
(iv) Loans	0.00	4.30	4.30
(v) Other current financial assets	1.83	0.74	2.57
(c) Other current assets	138.85	0.00	138.85
Total Current Assets	**893.18**	**5.04**	**898.22**
TOTAL ASSETS	**1422.21**	**101.60**	**1523.81**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	200.00	0.00	200.00
(b) Other equity	274.08	(53.76)	220.32
Total Equity	**474.08**	**(53.76)**	**420.32**
(2) Noncurrent liabilities			
(a) Financial liabilities			
- Borrowings	231.22	136.39	367.60
- Other Financial Liabilities	0.00	21.73	21.73
(b) Provisions	36.50	(24.68)	11.82
(c) Deferred tax liabilities (net)	20.70	15.81	36.50
Total Non-current Liabilities	**288.41**	**149.25**	**437.66**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	301.49	0.00	301.49
(ii) Trade payables	309.80	0.00	309.80
(iii) Other financial liabilities	21.88	14.42	36.30
(b) Other current liabilities	13.08	2.36	15.44
(c) Short-term provisions	13.47	(10.68)	2.80
Total Current liabilities	**659.72**	**6.10**	**665.83**
Total Liabilities	**948.13**	**155.35**	**1103.49**
TOTAL EQUITY AND LIABILITIES	**1422.21**	**101.60**	**1523.81**

Reconciliation statement of profit and loss prepared as per previous GAAP and as per Ind AS as at 31 March 2017 is as follows:

Particulars	**Note**	**Previous GAAP**	**Ind AS adjustments**	**Per Ind AS**
		(1)	**(2)**	
Income				
I. Revenue from operations	9	1,106.77	107.90	1,214.67
II. Other income	7	2.90	1.22	4.12
Total Income (I+II)		1,109.67	109.12	1,218.79
III. Expenses				
Cost of materials consumed		695.60	-	695.60
Changes in inventories of finished goods, work-in-progress and stock-in-trade		(55.29)	-	(55.29)
Employee benefits expense	4	64.02	(9.55)	54.47
Finance costs	1	64.81	10.35	75.16
Depreciation and Amortization Expenses		13.13	(0.02)	13.12
Other Expense	9	210.28	109.74	320.02
Total Expenses		**992.54**	**110.53**	**1,103.07**
IV. Profit/(loss) before tax		**117.13**	**(1.41)**	**115.72**
V. Income tax				
1. Current Tax		38.15	0.90	39.05
2. Deferred Tax	5	(2.40)	1.57	(0.82)
3.Prior Period Tax		0.90	(0.90)	-
VI. Profit/(loss) for the year		**80.47**	**(2.98)**	**77.49**
VII. Other comprehensive income				
Items that will not be reclassified restated statement of profit or loss				
Remeasurement of post-retirement benefit obligation	4	-	(7.19)	(7.19)
Income tax related to items that will be reclassified to profit or loss	5	-	2.49	2.49
Other comprehensive (expense)/ income, net of tax		-	(4.70)	(4.70)
VIII. Total comprehensive income for the year		**80.47**	**(7.68)**	**72.79**

Reconciliation of the assets and liabilities presented in the Restated Standalone statement of assets and liabilities prepared as per Previous GAAP and as per Ind AS at 31 March 2016 is as follows:

Particulars	Note	Previous GAAP	Ind AS adjustments	Per Ind AS
		(1)	(2)	(3)
(1) Non-current assets				
(a) Property, plant and equipment	1,2 &3	143.05	31.17	174.21
(b) Capital work-in-progress	8	0.69	6.18	6.87
(c) Intangible assets		0.05	0.00	0.05
(d) Intangible assets under development		-	-	-
(e) Financial assets		-		
(i) Investments	8	-	-	-
(ii) Loans	8	13.75	-	13.75
(iii) Other financial assets	8	-	-	-
(f) Other non-current assets	7	32.30	(31.54)	0.76
Total Non-current Assets		**189.84**	**5.81**	**195.65**
(2) Current Assets				
(a) Inventories		317.57	-	317.57
(b) Financial assets		-		
(i) Trade receivables		158.49	-	158.49
(ii) Cash and cash equivalents		5.18	-	5.18
(iii) Bank balances other than (ii) above		19.54	-	19.54
(iv) Loans	8	6.18	(6.18)	-
(v) Other current financial assets	8	2.86	(0.31)	2.55
(c) Other current assets		105.84	-	105.84
Total Current Assets		**615.66**	**(6.49)**	**609.17**
TOTAL ASSETS		**805.50**	**(0.68)**	**804.82**
EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital		200.00	-	200.00
(b) Other equity		91.37	(15.87)	75.50
Total Equity		**291.37**	**(15.87)**	**275.50**
(2) Noncurrent liabilities				
(a) Financial liabilities				
- Borrowings	1,6 & 7	36.47	11.24	47.70
- Other financial liabilities	7 & 8	-	1.72	1.72
(b) Provisions	4	4.45	(2.04)	2.41
(c) Deferred tax liabilities (net)	5	23.09	(1.37)	21.72
Total Non-current Liabilities		**64.01**	**9.55**	**73.56**
(3) Current liabilities				
(a) Financial liabilities				
(i) Borrowings		200.60	-	200.60

(ii) Trade payables		218.36	-	218.36
(iii) Other financial liabilities	1,7 & 8	16.21	8.67	24.88
(b) Other current liabilities	8	7.88	0.31	8.19
(c) Short-term provisions	4	7.08	(3.33)	3.74
Total Current liabilities		**450.12**	**5.65**	**455.77**
Total Liabilities		**514.13**	**15.20**	**529.33**
TOTAL EQUITY AND LIABILITIES		**805.50**	**(0.68)**	**804.82**

Reconciliation statement of profit and loss prepared as per previous GAAP and as per Ind AS at 31 March 2016 is as follows:

Particulars	Note	Previous GAAP	Ind AS adjustments	Per Ind AS
		(1)	**(2)**	**(3)**
Income				
I. Revenue from operations	9	1,008.25	80.60	1,088.85
II. Other income	7	1.62	-	1.62
Total Income (I+II)		1,009.87	80.60	1,090.46
III. Expenses				
Cost of materials consumed		652.28	-	652.28
Changes in inventories of finished goods, work-in-progress and stock-in-trade		(41.41)	-	(41.41)
Employee benefits expense	4	47.26	(1.89)	45.37
Finance costs	1	46.16	1.76	47.91
Depreciation and Amortization Expenses		10.13	(0.14)	9.98
Other Expense	**9**	**202.04**	**89.48**	**291.51**
Total Expenses		**916.45**	**89.20**	**1,005.65**
IV. Profit/(loss) before taxes				
Comprising of:				
Profit		93.42	(8.61)	84.81
V. Income tax				
1. Current Tax		30.00	1.47	31.47
2. Deferred Tax	5	3.05	(1.51)	1.54
3.Prior Period Tax		**1.47**	**(1.47)**	**-**
VI. Profit/(loss) for the year		**58.90**	**(7.10)**	**51.80**
VII. Other comprehensive income				
Items that will not be reclassified restated statement of profit or loss				
Remeasurement of post-retirement benefit obligation	4	-	(0.54)	(0.54)
Income tax related to items that will be reclassified to profit or loss	5	-	0.19	0.19
Other comprehensive (expense)/ income, net of tax		-	(0.35)	(0.35)
VIII. Total comprehensive income for the year		**58.90**	**(7.45)**	**51.45**

Reconciliation of the assets and liabilities presented in the Restated Standalone statement of assets and liabilities prepared as per Previous GAAP and as per Ind AS at 31 March 2015 is as follows:

Particulars	**Note**	**Previous GAAP**	**Ind AS adjustments**	**Per Ind AS**
		(1)	**(2)**	**(3)**
(1) Non-current assets				
(a) Property, plant and equipment	1,2 &3	132.28	(0.52)	131.76
(b) Capital work-in-progress	8	0.37	0.88	1.25
(c) Intangible assets		0.09	0.00	0.09
(d) Intangible assets under development		-		-
(e) Financial assets		-		
(i) Investments	8	-	-	-
(ii) Loans	8	9.30	-	9.30
(iii) Other financial assets	8	0.39	(0.39)	-
(f) Other non-current assets	7	14.01	0.39	14.40
Total Non-current Assets		**156.44**	**0.37**	**156.81**
(2) Current Assets				
(a) Inventories		242.97	-	242.97
(b) Financial assets		-		
(i) Trade receivables		179.68	-	179.68
(ii) Cash and cash equivalents		6.89	-	6.89
(iii) Bank balances other than (ii) above		17.14	-	17.14
(iv) Loans	8	3.79	(0.88)	2.90
(v) Other current financial assets	8	2.75	2.72	5.48
(c) Other current assets		75.69	-	75.69
Total Current Assets		**528.91**	**1.84**	**530.75**
TOTAL ASSETS		**685.35**	**2.21**	**687.56**
EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital		45.00	-	45.00
(b) Other equity		202.24	(12.37)	189.87
Total Equity		**247.24**	**(12.37)**	**234.87**
(2) Non-current liabilities				
(a) Financial liabilities				
- Borrowings	1,6 & 7	36.28	11.05	47.33
- Other financial liabilities	7 & 8	-	1.72	1.72
(b) Provisions	4	4.07	(0.81)	3.26
(c) Deferred tax liabilities (net)	5	20.04	0.32	20.38
Total Non-current Liabilities		**60.39**	**12.29**	**72.67**
(3) Current liabilities				
(a) Financial liabilities				

(i) Borrowings		183.36	-	183.36
(ii) Trade payables		163.57	-	163.57
(iii) Other financial liabilities	1,7 & 8	11.39	1.14	12.52
(b) Other current liabilities	8	8.39	9.67	18.06
(c) Short-term provisions	4	10.99	(8.50)	2.49
Total Current liabilities		**377.71**	**2.30**	**380.01**
Total Liabilities		**438.11**	**14.59**	**452.70**
TOTAL EQUITY AND LIABILITIES		**685.35**	**2.21**	**687.56**

Reconciliation statement of profit and loss prepared as per previous GAAP and as per Ind AS at 31 March 2015 is as follows:

Particulars	**Note**	**Previous GAAP**	**Ind AS adjustments**	**Per Ind AS**
		(1)	**(2)**	**(3)**
Income				
I. Revenue from operations	9	846.08	68.76	914.84
II. Other income	7	6.61	3.34	9.96
Total Income (I+II)		852.69	72.10	924.80
III. Expenses				
Cost of materials consumed		526.51	-	526.51
Changes in inventories of finished goods, work-in-progress and stock-in-trade		(29.14)	-	(29.14)
Employee benefits expense	4	46.66	0.96	47.61
Finance costs	1	46.80	(0.26)	46.54
Depreciation and Amortization Expenses		8.57	0.77	9.34
Other Expense	9	174.53	68.76	243.28
Total Expenses		**773.92**	**70.23**	**844.15**
IV. Profit/(loss) before taxes				
Comprising of:				
Profit		**78.77**	**1.88**	**80.65**
V. Income tax				
1. Current Tax		25.50	-	25.50
2. Deferred Tax	5	3.66	0.64	4.30
3.Prior Period Tax		-		-
VI. Profit/(loss) for the year		**49.61**	**1.24**	**50.85**
VII. Other comprehensive income				
Items that will not be reclassified restated statement of profit or loss				
Remeasurement of post-retirement benefit obligation	**4**	**-**	**(1.68)**	**(1.68)**
Income tax related to items that will be reclassified to profit or loss	**5**	**-**	**0.57**	**0.57**
Other comprehensive (expense)/ income, net of tax		**-**	**(1.11)**	**(1.11)**
VIII. Total comprehensive income for the year		**49.61**	**0.13**	**49.74**

Reconciliation of the assets and liabilities presented in the Restated Standalone statement of assets and liabilities prepared as per Previous GAAP and as per Ind AS as at 31 March 2014 is as follows:

Particulars	Note	Previous GAAP	Ind AS adjustments	Per Ind AS
		(1)	(2)	(3)
(1) Non-current assets				
(a) Property, plant and equipment	1,2 &3	135.99	0.25	136.24
(b) Capital work-in-progress	8	0.37	-	0.37
(c) Intangible assets		0.13	0.00	0.13
(d) Intangible assets under development		-	-	-
(e) Financial assets		-		
(i) Investments	8	-	-	-
(ii) Loans	8	1.73	-	1.73
(iii) Other financial assets	8	1.62	(1.62)	-
(f) Other non-current assets	7	0.33	29.02	29.34
Total Non-current Assets		**140.15**	**27.65**	**167.81**
(2) Current Assets				
(a) Inventories		212.31	-	212.31
(b) Financial assets		-		-
(i) Trade receivables		165.87	-	165.87
(ii) Cash and cash equivalents		2.70	-	2.70
(iii) Bank balances other than (ii) above		15.22	-	15.22
(iv) Loans	8	33.79	(27.40)	6.39
(v) Other current financial assets	8	1.80	-	1.80
(c) Other current assets		57.23	-	57.23
Total Current Assets		**488.92**	**(27.40)**	**461.52**
TOTAL ASSETS		**629.07**	**0.25**	**629.33**
EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital		45.00	-	45.00
(b) Other equity		150.43	0.50	150.93
Total Equity		**195.43**	**0.50**	**195.93**
(2) Non-current liabilities				
(a) Financial liabilities				
- Borrowings	1,6 & 7	47.61	(0.02)	47.59
- Other Financial Liabilities	7 & 8	-	-	-
(b) Provisions	4	2.98	(1.29)	1.69
(c) Deferred tax liabilities (net)	5	16.38	0.26	16.64
Total Non-current Liabilities		**66.97**	**(1.05)**	**65.92**
(3) Current liabilities				
(a) Financial liabilities				
(i) Borrowings		189.96	-	189.96

(ii) Trade payables		143.55	-	143.55
(iii) Other financial liabilities	1,7 & 8	19.57	3.57	23.14
(b) Other current liabilities	8	7.18	3.32	10.50
(c) Short-term provisions	4	6.41	(6.08)	0.33
Total Current liabilities		**366.67**	**0.81**	**367.48**
Total Liabilities		**433.64**	**(0.24)**	**433.40**
TOTAL EQUITY AND LIABILITIES		**629.07**	**0.25**	**629.33**

Reconciliation statement of profit and loss prepared as per previous GAAP and as per Ind AS as at 31 March 2014 is as follows:

Particulars	Note	Previous GAAP	Ind AS adjustments	Per Ind AS
		(1)	**(2)**	
Income				
I. Revenue from operations	9	744.39	54.65	799.04
II. Other income	7	4.10	-	4.10
Total Income (I+II)		**748.49**	**54.65**	**803.14**
III. Expenses				
Cost of materials consumed		465.36	-	465.36
Changes in inventories of finished goods, work-in-progress and stock-in-trade		(17.19)	-	(17.19)
Employee benefits expense	4	34.99	(0.61)	34.38
Finance costs	1	47.56	0.20	47.75
Depreciation and Amortization Expenses		9.83	(0.62)	9.22
Other Expense	9	146.46	55.27	201.73
Total Expenses		**687.01**	**54.24**	**741.25**
IV. Profit/(loss) before taxes				
Comprising of:				
Profit		61.48	0.41	61.89
V. Income tax				
1. Current Tax		18.33	-	18.33
2. Deferred Tax	5	6.99	0.14	7.13
3.Prior Period Tax		-	-	-
VI. Profit/(loss) for the year		**36.16**	**0.27**	**36.43**
VII. Other comprehensive income				
Items that will not be reclassified restated statement of profit or loss				
Remeasurement of post-retirement benefit obligation	4	-	0.36	0.36
Income tax related to items that will be reclassified to profit or loss	5	-	(0.12)	(0.12)
Other comprehensive (expense)/ income, net of tax		**-**	**0.24**	**0.24**
VIII. Total comprehensive income for the year		**36.16**	**0.51**	**36.67**

Note 45A: Statement on adjustment to audited standalone financial statements

Note 1: Financial assets and liabilities accounted for at amortized cost

Under previous GAAP, all financial assets and liabilities were carried at cost.

Under Ind AS, certain financial assets and financial liabilities are initially recognized at fair value and subsequently measured at amortized cost which involves the application of effective interest/amortisation cost method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the fair value amount on the date of recognition of financial asset or financial liability.

Note 2: Leasehold Land

Under Ind AS, lease hold lands have been treated as finance lease as per lease agreement and hence recorded as finance lease. In IGAAP, the same was not forming part of finance lease.

Note 3: Business Combination

Under Ind AS, business combination transaction has been recognized at fair value and hence all acquired assets and liabilities have been recognized at fair value at initial recognition and difference between purchase consideration and net asset at fair value has been recorded as capital reserve. In IGAAP, the same business combination were recorded at book value of acquiree.

Note 4: Remeasurement of defined benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

Note 5: Income tax effects of Ind AS adjustments

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period.
Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various Ind AS adjustments have also lead to recognition of deferred taxes on new temporary differences.

Note 6: Equity under Previous GAAP classified as Borrowings

Compulsorily Redeemable Preference Shares issue by the Company have been classified as part of borrowings, as against part of equity under the previous GAAP. Under Ind AS an instrument is classified and accounted as debt or equity in accordance with its substance rather than its legal form.

Note 7: Derivative contracts

As per Ind AS, embedded derivative which forms part of host contract have been segregated from host contract and the said derivative contracts have been measured at fair value through profit and loss. As per IGAAP, the same segregation was not required.

Note 8: Reclassification

Reclassifications have been done in compliance with Ind AS schedule III requirement.

Note 9: Revenue (gross vs net presentation)

As per Ind AS, excise duty should be presented as expense and revenue presented gross of excise duty. Cash and trade discounts have been shown as net of revenue. As per IGAAP, excise duty was shown as net of revenue and cash and trade discounts have been shown as gross revenue.

Annexure VII

Note 46: Notes to Restated Standalone Statement of Accounting Ratios
(Currency: Indian Rupees in Millions, unless stated otherwise)

Particulars	**31 Dec 2018**	**31 March 2018**	**31 March 2017**	**31 March 2016**	**31 March 2015**	**31 March 2014**
Net Worth	617.22	502.30	420.31	275.49	234.87	195.93
Profit attributable to the owners of the company	122.88	106.00	77.49	51.80	50.85	36.43
Weighted average number of equity shares outstanding during the year						
For Basic Earnings per share(Nos)	20.08	20.00	20.00	20.00	4.50	4.50
For Diluted Earnings per share(Nos)	20.08	20.00	20.00	20.00	4.50	4.50
Number of shares outstanding at the end of year	2,00,78,793	2,00,00,000	2,00,00,000	2,00,00,000	45,00,000	45,00,000
Restated basic earnings per share (IN INR)	6.12	5.30	3.87	2.59	11.30	8.10
Restated diluted earnings per share (IN INR)	6.12	5.30	3.87	2.59	11.30	8.10
Return on net worth %	19.91	21.10	18.44	18.80	21.65	18.60
Net Asset value per share of Rs.10 each	30.74	25.12	21.02	13.77	52.19	43.54
Face Value (IN INR)	10	10	10	10	10	10

Notes:

The Ratio has been computed as below:

Basic EPS = $\dfrac{\text{Net Profit attributable to the owners of the company, as restated}}{\text{Weighted average no. of equity shares o/s during the year}}$

Diluted EPS = Net Profit attributable to the owners of the company, as restated

Weighted average no. of equity shares o/s during the year

Return on Net Worth (%) = Net Profit attributable to the owners of the company, as restated
Net worth as restated as at year end

Net Asset Value per share = Net Worth, as restated
No. of equity shares o/s as at year end

Earnings per share (EPS) calculation is in accordance with the notified Indian Accounting Standard(IND AS) 33 'Earning per Share' prescribed by the Companies (Indian Accounting Standards) Rules, 2015

The amounts disclosed above are based on the Restated Financial Information of the Company.

Net Worth means the aggregate value of the paid-up share capital of the company and all reserves created out of profits and securities premium account as per Restated Standalone Financial Statement of Assets & Liabilities of the Company.

Annexure VIII: Note 47: Notes to Restated Standalone Statement of Capitalisation
(Currency: Indian Rupees in Millions, unless stated otherwise)

Particulars	Pre-Issue (As at 31 Dec 2018)	Post Issue*
		Refer Note 3
Short Term Borrowings	715.64	
Long Term Borrowings(A)	440.62	
Total Debt (B)	1156.26	
Shareholders Fund (Net Worth)		
Share Capital	200.79	
Reserve & Surplus	416.43	
Total Shareholders' fund (Net Worth) (C)	617.22	
Long Term Borrowings/Shareholders Fund (Net Worth) Ratio (A/C)	0.71	
Total Borrowings/Shareholders Fund (Net Worth) Ratio (B/C)	1.87	

Notes:
1. Short term borrowings and current maturities of long-term borrowings are debts which are due for repayment within 12 months from 31 December 2018

2. Long term borrowings is considered as borrowings other than short term borrowings

3. The amount disclosed above are based on the Restated Standalone Financial Information of the Company

**These amounts (as adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished*

Annexure IX: Note 48: Notes to Restated Standalone Statement of Dividend
(Currency: Indian Rupees in Millions, unless stated otherwise)

Particulars	31 Dec 2018	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Equity Shares						
Number of Shares	2,00,78,793	2,00,00,000	2,00,00,000	2,00,00,000	45,00,000	45,00,000
Face Value (Rs.)	10	10	10	10	10	10

Amount	200.79	200.00	200.00	200.00	45.00	45.00
Final Dividend						
Rate of Dividend (%)	10	10	-	-	-	-
Dividend Per Share (Rs)	1.00	1.00	-	-	-	-
Amount of Dividend(Rs)	20.00	20.00	-	-	-	-
Corporate dividend tax(Rs)	4.07	4.36	-	-	-	-
Interim Dividend						
Rate of Dividend(%)	-	-	-	4.50	20.00	20.00
Dividend Per Share (Rs)	-	-	-	0.45	2.00	2.00
Amount of Dividend (Rs)	-	-		9.00	9.00	9.00
Corporate dividend tax(Rs)	-	-	-	1.83	1.80	1.53

Note 49: Notes to Restated Statement of Tax Shelter

Below is the reconciliation of tax expense and accounting profit multiplied by applicable tax rate:

Details of tax expense	**31 Dec 2018**	**31 March 2018**	**31 March 2017**	**31 March 2016**	**31 March 2015**	**31 March 2014**
Current tax	43.50	64.77	39.05	31.47	25.50	18.33
Deferred tax	4.78	3.61	(0.82)	1.54	4.30	7.13
Total	48.28	68.38	38.22	33.01	29.80	25.45
Deferred tax impact on other comprehensive income	0.34	0.19	(2.49)	(0.19)	(0.57)	0.12
Total tax expense	**48.62**	**68.56**	**35.74**	**32.83**	**29.23**	**25.58**

Particulars	**31 Dec 2018**	**31 March 2018**	**31 March 2017**	**31 March 2016**	**31 March 2015**	**31 March 2014**
Profit before tax	171.15	174.38	115.72	84.81	80.65	61.89
Tax rate applicable for Company	29.12%	34.61%	34.61%	34.61%	33.99%	33.99%
Tax as per applicable rate	49.84	60.35	40.05	29.35	27.41	21.04
Tax effect of disallowances	7.99	0.69	0.49	0.37	0.20	0.06
Income not chargeable to tax	(0.36)	(0.33)	(0.26)	-	-	-
Others	(8.85)	7.85	(4.55)	3.10	1.62	4.47
Tax Expense	48.62	68.56	35.74	32.83	29.23	25.58

Components of deferred tax asset and (deferred tax liabilities)	**31 Dec 2018**	**31 March 2018**	**31 March 2017**	**31 March 2016**	**31 March 2015**	**31 March 2014**
Property, plant & equipment	(55.88)	(48.97)	(40.46)	(21.54)	(19.48)	(18.30)
Employee benefits	7.99	8.45	5.11	2.13	1.95	0.69
Borrowing	9.83	8.19	5.50	(0.67)	(0.73)	(0.06)
Derivative contracts	(7.35)	(8.00)	(6.45)	1.20	(0.93)	0.21
Others	-	0.03	(0.20)	(2.80)	(1.19)	0.82
	45.41	**(40.30)**	**(36.50)**	**(21.69)**	**(20.37)**	**(16.64)**

Movement in Statement of profit and **loss:**

Particulars	**31 Dec 2018**	**31 March 2018**	**31 March 2017**	**31 March 2016**	**31 March 2015**	**31 March 2014**
Property, plant & equipment	(6.92)	(8.50)	18.92	(2.06)	(1.18)	(5.14)
Employee benefits	(0.46)	3.34	2.98	0.17	1.27	0.41
Borrowing	1.64	2.69	6.18	0.05	(0.67)	0.07
Derivative contracts	0.65	(1.55)	(7.65)	2.13	(1.14)	0.21
Others	(0.03)	0.20	2.60	(1.61)	(2.01)	(2.80)
Total	**(5.12)**	**(3.82)**	**(14.81)**	**(1.32)**	**(3.73)**	**(7.25)**

Movement through Capital redemption reserve:

Particulars	**31 Dec 2018**	**31 March 2018**	**31 March 2017**	**31 March 2016**	**31 March 2015**	**31 March 2014**
Property, plant & equipment			18.09			

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

Ind AS comprises of accounting standards notified under the Companies (Indian Accounting Standards) Rules, 2015. Indian GAAP comprises accounting standards issued by the Institute of Chartered Accountants of India notified under the Companies (Accounting Standards) Rules, 2006 as amended and to the relevant requirements of the Companies Act, 2013, together with the Guidance Notes and other authoritative pronouncements issued by the Institute of Chartered Accountants of India.

Many differences exist between Indian GAAP and Ind AS that might be material to the financial information of our Company. Ind AS being the exhaustive sets of standards, rules and interpretations, there can be no assurance that the differences listed below cover all possible differences. The matters described below summarize certain key differences between Indian GAAP and Ind AS. No numerical reconciliation of the financial position and results of operations under Indian GAAP and under Ind AS have been included.

As mentioned above, please note that the differences indicated below is not an exhaustive list of differences between Ind AS and Indian GAAP; rather, it indicates only those key differences which are considered to be more relevant to the financial position and results of operations of the Company and does not cover all differences regarding presentation, classification and disclosure requirements applicable under Ind AS and Indian GAAP.

The following table summarizes certain areas in which differences between Indian GAAP and Ind AS could be significant to the Company's financial position and results of operations.

Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
Ind AS 1	Presentation of Financial Statements	Other Comprehensive Income: Statement of Other Comprehensive Income is not applicable under Indian GAAP. Some items, such as revaluation surplus, that are treated as 'other comprehensive income' under Ind AS are recognised directly under Reserves and Surplus under Indian GAAP. There is no concept of other comprehensive income under Indian GAAP.	Other Comprehensive Income: The statement of profit and loss and other comprehensive income includes all items of income and expense (i.e. all non-owner' changes in equity) including (a) components of profit or loss and (b) other comprehensive income (i.e. items of income and expense that are not recognised in profit and loss as required or permitted by other accounting standards under Ind AS). An entity is required to present all items of income and expenses including components of other comprehensive income in a period in a single statement of profit and loss.
	Statement of Changes in Equity	A statement of changes in equity is currently not presented. Movements in share capital, retained earnings and other reserves are to be presented in the notes to accounts.	The statement of changes in equity includes the following information: total comprehensive income for the period; the effects on each component of equity of retrospective application or retrospective restatement in accordance with Ind AS 8; and for each component of equity, a reconciliation between the opening and closing balances, separately disclosing each change.

Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
	Extraordinary items	Extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.	Presentation of any items of income or expense as extraordinary is prohibited.
	Change in Accounting Policies	Under Indian GAAP, Changes in accounting policies should be made only if they are required by statute, for compliance with an Accounting Standard or for a more appropriate presentation of the financial statements on a retrospective basis together with a disclosure of the impact of the same in the current year. If a change in the accounting policy is expected to have a material effect in the later periods, the same should be appropriately disclosed.	Ind AS-1 requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.
	Dividends	Schedule III requires disclosure of proposed dividends in the notes to accounts. However, as per the requirements of AS 4, which override the provisions of Schedule III, dividends stated to be in respect of the period covered by the financial statements, which are proposed or declared after the balance sheet date but before approval of the financial statements will have to be recorded as a provision. Further, as per recent amendment in Accounting Standard 4, dividends declared subsequent to the balance sheet are to be considered as a non-adjusting event, which is similar to the Ind AS requirement.	Liability for dividends declared to holders of equity instruments are recognised in the period when declared. It is a non-adjusting event, which is an event after the reporting period that is indicative of a condition that arose after the end of the reporting period.
	Errors	Prior period items are included in determination of net profit or loss of the period in which the error pertaining to a prior period is discovered and are separately disclosed in the statement of profit and loss in a manner that the impact on current profit or loss can be perceived.	Material prior period errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening balance sheet.
	Presentation of profit or loss attributable to non-controlling	Profit or loss attributable to minority interests is disclosed as deduction from the profit or loss for the period as an item of income or expense	Profit or loss attributable to non-controlling interests and equity holders of the parent is disclosed in the statement of profit or loss and

Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
	interests (minority interests)		Other comprehensive income as allocation of profit or loss and total comprehensive income for the period.
	Reclassification	Under Indian GAAP, a disclosure is made in financial statements that comparative amounts have been reclassified to conform to the presentation in the current period without additional disclosures for the nature, amount and reason for reclassification.	Ind AS requires, when comparative amounts are reclassified, the nature, amount and reason for reclassification to be disclosed.
Ind AS 7	Statement of cash flow	Interest and dividends received are required to be classified as investing activity. Interest and dividends paid are required to be classified as financing activity.	May be classified as operating, investing or financing activity in a manner consistent from period to period.
Ind AS 12	Income taxes	Deferred taxes are computed for timing differences in respect of recognition of items of profit or loss.	Deferred taxes are computed for all temporary differences between the accounting base and the tax base of assets and liabilities.
Ind AS 16	Depreciation	Property, plant and equipment are not required to be componentised as per AS-10. However, the Companies Act, 2013 requires the company to adopt component accounting. The Companies Act sets out the estimated useful lives of assets based on the nature of the asset and the useful life used for depreciation ordinarily should not differ these. However, a different useful life may be used based on technical analysis and requires disclosure in financial statements. Further, as per recent amendment in Accounting Standard 10, the standard is made in line with the requirements of Ind AS.	Property, plant and equipment are componentised and are depreciated separately. There is no concept of minimum statutory depreciation under Ind AS.
Ind AS 17	Leases: Interest in leasehold land	Interests in leasehold land are recorded and classified as a fixed asset.	Interests in leasehold land are recorded and classified as operating leases or finance leases as per set definition and classification criteria. An important consideration is that the land has an indefinite economic life.
Ind AS 19	Employee Benefits	All actuarial gains and losses are recognised immediately in the statement of profit and loss.	Actuarial gains and losses representing changes in the present value of the defined benefit obligation resulting from experience adjustment and effects of changes in actuarial assumptions are recognised in other comprehensive income and not reclassified to profit or loss in a subsequent period.
Ind AS 32	Classification of Equity and	Under Indian GAAP, financial instruments are classified as a	Under Ind AS, financial instruments are classified as a liability or equity

Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
	Financial Liabilities	liability or equity based on legal form.	according to the substance of the contractual arrangement (and not its legal form) and the definitions of financial liabilities and equity instruments. This is determined by analysing whether the issuer has a contractual obligation to deliver cash or another financial asset to the holder of the instrument. The existence of such an obligation would result in an instrument being classified as a financial liability. Only instruments that allow the issuer to unconditionally avoid making any payment are considered to be equity instruments. Dividends on financial instruments classified as financial liability are recognised as an interest expense in the statement of profit or loss and other comprehensive income.
Ind AS 37	Provisions, Contingent Liabilities and Contingent Assets	Discounting of liabilities is not permitted and provisions are carried at their full values.	When the effect of time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects the current market assessment of the time value of money and risks specific to the liability.
Ind AS 108	Determination of Segments	Under Indian GAAP, companies are to identify two sets of segments (business and geographical), using a risks and rewards approach, with the company's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.	Under Ind AS, operating segments are identified based on the financial information that is regularly reviewed by the chief operating decision-maker (CODM) in deciding how to allocate resources and in assessing performance.
Ind AS 109	Financial Assets	Financial assets are not defined in Indian GAAP and no specific guidance is provided.	All financial assets are classified as measured at amortised cost or measured at fair value through profit and loss or fair value through other comprehensive income.
	Financial Liabilities	Financial liabilities are not defined in Indian GAAP and no specific guidance is provided.	Financial liabilities held for trading are subsequently measured at fair value through profit and loss and all other financial liabilities are measured at amortised cost using the effective interest method.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

This discussion contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including factors set forth in the section 'Risk Factors' and chapter 'Forward Looking Statements' on pages 19 and 15, respectively. Unless otherwise stated, the financial information in this section has been derived from the Restated Consolidated Financial Statements of our Company.

Our Company's Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year or a Fiscal are to the twelve months ended March 31 of that year. In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Neogen Chemicals Limited, our Company.

Overview

We are one of India's leading manufacturers of bromine-based, and lithium-based, specialty chemicals. Specialty chemicals are those chemicals that impart different properties to a variety of products (i.e. the effect that specialty chemicals have varies based on the product) and have a high degree of value addition. Specialty chemicals are, also generally, in the Indian context, manufactured in smaller volumes when compared to non-specialty chemicals. Specialty chemicals, including bromine and lithium-based compounds, comprise pharmaceutical intermediates, agrochemical intermediates, engineering fluids, electronic chemicals, polymers additives, water treatment chemicals, construction chemicals and flavours and fragrances.

Specialty chemicals are widely used for specialised applications to meet industry-specific requirements and can be classified based on application industries. Additionally, certain specialty chemicals find application in multiple industries.

We manufacture specialty organic bromine-based chemical compounds (**Bromine Compounds**) and other specialty organic chemical compounds as well as specialty inorganic lithium-based chemicals compounds (**Lithium Compounds** and together with the Bromine Compounds the **Products**). We commenced our business operations in 1991, at our Mahape, Navi Mumbai manufacturing with a few Bromine Compounds and Lithium Compounds. Over the years we have expanded our range of products and, presently, manufacture an extensive range of specialty chemicals which find application across various industries in India and globally. As on February 28, 2019, we have manufactured an aggregate of 198 products comprising 181 organic chemicals and 17 inorganic chemicals.

Our specialty chemicals product offerings comprise:

1. **Organic chemicals** – these are chemicals containing carbon in combination with hydrogen, and, or, other elements with a covalent bond (i.e. a chemical bond atom sharing at least one pair of electrons between them). Our product offering in this segment comprises Bromine Compounds and other organic compounds containing chlorine, fluorine and iodine-based and combinations thereof. In addition, we also manufacture niche products such as Grignard reagents. Our specialty organic chemical compounds find use in application industries such as pharmaceutical, agrochemical, flavor and fragrance and electronic-chemical. We market and sell our Products in India and export our Products primarily to Europe, USA and Japan.

2. **Inorganic chemicals** – these are chemicals with an ionic bond (i.e. a chemical bond between a non-metal and a metal ion involving transfer of electron from one element to another, creating positively and negatively charged ions with together form the compound). Our product offering in this segment primarily comprises Lithium Compounds. The Lithium Compounds manufactured by us are used in eco-friendly Vapor Absorption Machines (**VAM**) for cooling air/water/process equipment and find application in industries such as heating ventilation and air-conditioning (**HVAC**) and refrigeration, construction chemicals, pharmaceutical and specialty polymer. We market and sell the Lithium compounds in India and export our Products, in particular, to the USA, Europe and Japan.

In addition to manufacturing our standard products, we also undertake custom synthesis and contract manufacturing. In custom synthesis the product is developed and customized primarily for a specific customer, but process know-how and technical specifications are developed in-house by us. Further, we have, more recently, also commenced contract manufacturing where, the product is developed under confidentiality for a single customer using the process know-how and the technical specifications provided by the customer. Contract manufacturing has enabled us to increase our bouquet of product offering. We differentiate ourselves in the contract manufacturing space by additionally offering process innovation, which, generally, reduces the overall operating costs for our customers.

We operate out of our manufacturing facilities located in Mahape, Navi Mumbai in Maharashtra (**Mahape Facility**) and Karakhadi, Vadodara in Gujarat (**Vadodara Facility**). Our corporate office is located in Thane, Maharashtra. We are, presently, developing a green-field manufacturing unit in Dahej SEZ, in Gujarat (**Proposed Dahej Facility**) and are also proposing to expand our operations in Karakhadi, Vadodara (**Proposed Vadodara Facility**). Our manufacturing facilities in aggregate are spread across approximately 40 acres with an additional 12 acres of leased property in Dahej SEZ. Our manufacturing units at Vadodara and Mahape also contain our research and development (**R&D**) units comprising a dedicated 20 member in-house team.

Our aggregate manufacturing capacity, and a break-up of our capacity, across our manufacturing units is set out below:

1. Aggregate manufacturing capacity of organic chemicals – approximately 1,30,400 litres (reactor volume); and

2. Aggregate manufacturing capacity of inorganic chemicals – 1,200,000 Kg. per annum of products.

Manufacturing Plant	Product	Unit of Capacity Measurement	Capacity
Mahape, Navi Mumbai*	Organic chemicals	Reactor volume in litres	**45,000**
Karakhadi, Vadodara**	Organic chemicals	Reactor volume in litres	**85,400**
Mahape, Navi Mumbai*	Inorganic chemicals	Kg. production per annum	**1,200,000**

** As per certificate dated September 4, 2018 issued by M/s Anukul Associates, Consultants and Engineers.*

*** As per certificate dated September 19, 2018 issued by Mukund M. Patki, Chartered Chemical Engineer.*

Our capacity utilization at each of our manufacturing units for the immediately preceding 3 Fiscals is set out below.

Facility	Nature of the product	Unit for capacity measurement	Capacity utilisation (%)			
			9 month period ended December 31, 2018	Fiscal 2018	Fiscal 2017	Fiscal 2016
Mahape	Organic chemicals	Reactor volume in Litres	85.10	78.66	79.64	94.01
Vadodara	Organic chemicals	Reactor volume in Litres	67.51	56.01	28.85	-
Mahape	Inorganic chemicals	Kg. production per annum	74.10	93.85	91.19	81.39

As on February 28, 2019, we employed 152 full time, 45 fixed term contract employees (generally a 5-year contract) and 4 retainers.

Significant factors affecting our results of operations

Product mix

Set out below is break-up of our Revenue from Operations from the sale of organic and inorganic chemicals, based on the presence or absence of bromine content, along with end use industries for the 9 month period ended December 31, 2018, Fiscals 2018, 2017 and 2016 and, on consolidated basis:

(₹ in million)

Particulars	9-month period ended December 31, 2018		Fiscal 2018		Fiscal 2017		Fiscal 2016	
	Revenue from Operations	%	Revenue from Operations	%	Revenue from Operation	%	Revenue from Operations	%
Organic chemicals	1,259.35	78.65	1,056.23	64.82	634.20	57.30	732.18	72.62
Inorganic chemicals	341.86	21.35	573.18	35.18	472.57	42.70	276.07	27.38
Total	**1,601.21**	**100.00**	**1,629.41**	**100.00**	**1,106.77**	**100.00**	**1,008.25**	**100.00**

Cost of raw materials

Our business is significantly affected by the availability, supply, cost and quality of raw materials, in particular bromine and lithium, which exposes us to market demand and supply fluctuations.

During the 9-month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, our cost of materials consumed was ₹ 1,110.67 million, ₹1,025.59 million, ₹695.60 million and ₹652.28 million, which was 69.75%, 62.53%, 57.27% and 59.91% of our Revenue from Operations on a consolidated basis, respectively.

We purchase raw materials from both the domestic and international market. Set out below is a break-up of our domestic and international raw materials consumed on a consolidated basis.

(₹ in million)

Source of raw materials	9 month period ended December 31, 2018		Fiscal 2018		Fiscal 2017		Fiscal 2016	
	Cost (in ₹ million)	% of total cost of material consumed	Cost (in ₹ million)	% of total cost of material consumed	Cost (in ₹ million)	% of total cost of material consumed	Cost (in ₹ million)	% of total cost of material consumed
Domestic	553.37	49.82	432.19	42.14	344.07	49.46	385.55	59.11
Import	557.30	50.18	593.40	57.86	351.53	50.54	266.73	40.89
Total	**1,110.67**	**100.00**	**1,025.59**	**100.00**	**695.60**	**100.00**	**652.28**	**100.00**

The price and the supply of the raw materials depend on factors beyond our control, which include economic conditions, consumer demand, production levels, and transportation costs. Such variations in the cost structure affect our operations. Further, we usually do not enter into long-term supply contracts i.e. for a period of more than one year with any of our raw material suppliers. Moreover, the price of raw materials, to the extent they are imported, are also affected by customs duties, if any, imposed by the Indian governments and governments of exporting nations, and foreign exchange currency fluctuations. For instance, in Fiscal 2019, the Indian Rupee had depreciated significantly against the dollar (from 1 USD = ₹ 65.02 on April 1, 2018 to 1 USD = ₹ 73.43 on October 20, 2018) (*Source: RBI reference rate)*, which increases our cost of materials consumed.

Capacity Utilisation

As on February 28, 2019, our aggregate manufacturing capacity of organic and inorganic chemical compounds is 130,400 litres of glass lined reactor capacity (equivalent to materials undergoing transformation at any given point of time at full utilisation) and 1,200,000 kg per annum, respectively. This is inclusive of the manufacturing capacity at our Vadodara Facility, which we acquired from Solaris Chemtech Industries Limited in Fiscal 2017. However, due to certain renovation / refurbishment work that was required on the facility we were unable to utilise the maximum capacity until Fiscal 2019.

Our capacity utilization at each of our manufacturing units for the 9 month period ended December 31, 2018, and the immediately preceding 3 Fiscals is set out below.

Facility			Capacity utilisation (%)

	Nature of the product	Unit for capacity measurement	9 month period ended December 31, 2018	Fiscal 2018	Fiscal 2017	Fiscal 2016
Mahape	Organic chemicals	Reactor volume in Litres	85.10	78.66	79.64	94.01
Vadodara	Organic chemicals	Reactor volume in Litres	67.51	56.01	28.85	-
Mahape	Inorganic chemicals	Kg. production per annum	74.10	93.85	91.19	81.39

Our revenues and, consequently, our profits are dependent on our ability of optimise and maximise our capacity utilisation. Further, we are in the process of setting up a greenfield facility for the manufacture of inorganic compounds at Dahej, Gujarat, which will further increase our capacity. When fully operational, the Proposed Dahej Facility will increase our total manufacturing capacity of inorganic chemicals to 2,400,000 kg per annum. Further, once complete the Proposed Vadodara Facility will increase our total manufacturing capacity of organic chemicals to 256,400 litres of glass lined reactor capacity.

Competition

The competition from domestic producers of organic and inorganic specialty chemicals may lower the market price of our products in future. Our business, prospects, results of operation and financial condition could be adversely affected if our competitors gain significant market share at our expense. Further, any consolidation amongst our competitors could have an impact on the level of competition. Moreover, low cost import of raw material in India may also lower the market price of our products and affect our business, prospects, results of operation and financial condition. Further, in the international markets, especially in Europe, Japan and North America, we compete with global operators who may have significantly larger size of operations and, consequently, may benefit from economies of scale.

Other factors

In addition to the above factors, the following factors could cause actual results to differ materially from our expectations:

- Increased capacity due to future capacity augmentation;
- Loss of one or more of our significant customers or a significant reduction in production and sales of, or demand for our production from our significant customers;
- Strict quality checks and a consequent requirement to incur significant expenses to maintain such product quality;
- Absence of any firm commitment long-term agreements with our customers;
- Significant reliance on certain select customers and customers in application industries, in particular customers in the sectors such as pharmaceutical, agro-chemicals, refrigeration and construction chemicals;
- Availability of raw materials on commercially acceptable terms.
- Failure to identify and understand evolving industry trends and preferences and to develop new products to meet our customers' demands;
- Volatility, or change, in the value of the Indian rupee and other currencies;
- Our inability to accurately forecast demand for our products, and accordingly manage our inventory or plan capacity increases;

- Our indebtedness and the conditions and restrictions imposed on us by our financing agreements;
- Increased costs on account of compliance with various law and regulations, in jurisdictions where we operate, including environmental and health and safety laws and regulations; and
- Dependence on a number of key management personnel and senior management personnel.

Basis of preparation of financial statements and significant accounting policies

Basis of preparation

The Restated Consolidated Statement of Assets and Liabilities of the Company as at December 31, 2018, March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, the Restated Consolidated Statement of Profit and Loss, the Restated Consolidated Statement of Cash flows and the Restated Consolidated Statement of Changes in Equity for 9 month period ended December 31, 2018 and the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and Restated Other Consolidated Financial Information (together referred as `Restated Consolidated Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 to the extent applicable. The Restated Consolidated Financial Information has been compiled by the Company from:

The audited consolidated financial statements of the Company as at and for 9 month period ended December 31,2018 and the year ended March 31, 2018, March 31, 2017, March 31, 2016 and March 31, 2015 prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, and the other relevant provisions of the Act which has been approved by the Board of Directors at their Board meeting held on March 26, 2019, May 3, 2018, June 5, 2017, June 24, 2016 and June 22, 2015 respectively.

The audited consolidated financial statements of the Company as at and for the years ended March 31, 2014, prepared in accordance with Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956, which have been approved by the Board of Directors at their Board meeting held on 15th September 2014. In accordance with requirement under Ind AS 101 First-time preparation of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of Proforma Ind AS Restated Financial Information under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”) to Ind AS of Restated Shareholders’ equity as at December 31, 2018, March 31, 2018, 2017, 2016, 2015, 2014 and April 1, 2013 and of the Restated Statement of Comprehensive Income for 9 month period ended December 31, 2018 and the years ended March 31, 2018, 2017, 2016, 2015, 2014 and April 1, 2013 as initially deemed adopted on transition date April 1, 2013 for the purpose of preparation of proforma Ind AS restated consolidated financial information.

The Restated Consolidated Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Company by way of an offer for sale by the selling shareholders, to be filed by the Company with the SEBI, Registrar of Companies, Mumbai and the concerned Stock Exchange in accordance with the requirements of:

Section 26 to the Companies Act, 2013; and The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 2016 (together referred to as the “SEBI regulations”).

These Restated Consolidated Financial Information have been compiled by the Company from the Audited Consolidated Financial Statements and: there were no audit qualifications as well as matter of emphasis on these financial statements, there were no changes in accounting policies under Previous GAAP during the years of these financial statements, material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted, adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the condensed audited standalone financial statements of the Company as at and for the 9 month period ended

December 31, 2018 prepared under Ind AS and the requirements of the SEBI Regulations, and the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate. These Restated Consolidated Financial Information and Other Consolidated Financial Information were approved by the Board of Directors of the Company on March 26, 2019.

Historical Cost Convention

The Restated Consolidated Financial Information has been prepared under historical cost convention except for the following:

- certain financial assets and liabilities that are measured at fair value; and
- defined benefit plans - plan assets measured at fair value.

The audited consolidated financial statements of the Company, referred to above, as at and for 9 month period ended December 31, 2018 and each of the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 have been converted into Ind AS to align accounting policies, exemptions and disclosures as adopted for the preparation of the first Ind AS financial statements for the year ended March 31, 2018. These Restated Consolidated Financial Information as at and for 9-month period ended December 31, 2018 and each of the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 are referred to as "the Proforma Ind AS Restated Consolidated Financial Information".

The Restated Consolidated Financial Information presented on a going concern basis and are presented in Rupees Millions and all values are rounded to the nearest Rupees in millions, except when otherwise indicated.

a) Basis of Consolidation:

The Restated consolidated financial information comprises the restated financial information of the Holding Company and its joint venture. The Holding Company does not have any subsidiaries.

b) Joint Venture:

Investment in entities in which there exists joint control over the financial and operating policies are considered as Joint Venture. Interest in joint venture are accounted for using the equity method i.e. the investment is initially recorded at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The restated consolidated statement of profit and loss includes the Group's share of the results of the operations of the investee, amounts received or receivable from joint venture are recognized as a reduction in the carrying amount of the investment.

Particulars of Joint Venture

Name of Entity	Principal Activities	Country of Incorporation	December 31, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Dhara Fine Chem Industries (Partnership Firm)	Manufacturing of Inorganic Chemicals	India	90%	90%	90%	-	-	-

c) Significant accounting policies

For the significant accounting policies please refer to the chapter 'Financial Statements' on page 208.

RESULTS OF OUR OPERATION

The following table provides certain information with respect to our results of operations for the 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016 from our Restated Consolidated Financial Statements and each item as a percentage of total income for the periods indicated:

(₹ in million)

Particulars	**9 month period ended December 31, 2018**		**Fiscal**					
			2018		**2017**		**2016**	
	Amount	**% of total income**	**Amount**	**% of total income**	**Amount**	**% of total income**	**Amount**	**% of total income**
Income								
Revenue from operations	1,592.31	99.71	1,640.12	99.60	1,214.67	99.75	1,088.85	99.85
Other Income	4.56	0.29	6.63	0.40	3.08	0.25	1.62	0.15
Total income	**1,596.87**	**100.00**	**1,646.75**	**100.00**	**1,217.75**	**100.00**	**1,090.47**	**100.00**
Expenses								
Cost of materials consumed	1,110.67	69.55	1,025.59	62.28	695.60	57.12	652.28	59.82
Changes in inventories of finished goods, work-in-progress and stock in trade	(171.37)	(10.73)	(77.27)	(4.69)	(55.29)	(4.54)	(41.41)	(3.80)
Employee benefits expense	81.16	5.08	87.01	5.28	54.47	4.47	45.37	4.16
Other expenses	300.54	18.82	314.88	19.12	320.02	26.28	291.51	26.73
EBIDTA*	***271.31***	***16.99***	***289.91***	***17.60***	***199.87***	***16.41***	***141.10***	***12.93***
Finance costs	85.57	5.36	104.17	6.32	75.16	6.17	47.91	4.39
Depreciation and amortization expense	21.09	1.32	19.40	1.18	13.11	1.08	10.00	0.92
Total expenses	**1,427.66**	**89.40**	**1,473.78**	**89.50**	**1,103.07**	**90.58**	**1,005.66**	**92.22**
Profit / (loss) before, share of profit of investment accounted for using equity method and taxes	**169.21**	**10.60**	**172.97**	**10.50**	**114.68**	**9.42**	**84.81**	**7.78**
Share of Profit / (loss) of investments accounted for using equity method	1.28	0.08	0.38	0.02	0.38	0.03	-	-
Profit before tax	**170.49**	**10.68**	**173.35**	**10.53**	**115.06**	**9.45**	**84.81**	**7.78**
Tax expenses:								
Income Tax	43.50	2.72	64.77	3.93	39.05	3.21	31.47	2.89
Deferred Tax	4.78	0.30	3.61	0.22	(0.82)	(0.07)	1.54	0.14
Profit for the year	**122.21**	**7.65**	**104.97**	**6.37**	**76.83**	**6.31**	**51.80**	**4.75**
Other comprehensive income								
Items that will not be reclassified to								

Particulars	9 month period ended December 31, 2018		Fiscal					
			2018		2017		2016	
	Amount	% of total income	Amount	% of total income	Amount	% of total income	Amount	% of total income
restated to profit or loss								
Statement of other comprehensive income	1.16	0.07	0.54	0.33	(7.19)	(0.59)	(0.54)	(0.05)
Income tax related to items that will be reclassified to profit or loss	(0.34)	(0.02)	(0.19)	(0.01)	2.49	0.20	0.19	0.02
Other comprehensive income, net of tax	0.82	0.05	0.35	0.02	(4.70)	(0.39)	(0.35)	(0.03)
Total comprehensive income for the year	**123.04**	**7.70**	**105.32**	**6.40**	**72.13**	**5.92**	**51.45**	**4.72**

**EBITDA is equal to Revenue from Operations less cost of materials consumed, less purchase of stock-in-trade, less change in inventories of manufactured goods, less excise duty/goods and service tax expenses, less employee benefits and less other expenses.*

Principal components of our statement of profit and loss account

Income

Our total income on a consolidated basis for the 9 month period ended December 31, 2018 and for Fiscal 2018, Fiscal 2017 and Fiscal 2016, was ₹ 1,596.87 million, ₹1,646.75 million, ₹1,217.75 million and ₹1,090.47 million, respectively. Our total income consists of:

Revenue from Operations - Our Revenue from Operations comprises principally of revenue from sale of our organic chemicals such as such as Bromine Compounds, Other Chemical Compounds and Inorganic Chemicals and are adjusted for GST, cash discount and export benefit.

Other income - Other income consisting of interest received on deposits with banks and miscellaneous income.

Expenses

Our total expense on a consolidated basis for the 9 month period ended December 31, 2018 and for Fiscal 2018, Fiscal 2017 and Fiscal 2016 was ₹1,427.66 million, ₹1,473.78 million, ₹1,103.07 million and ₹1,005.66 million, respectively. Our expenses primarily comprised cost of raw materials consumed, depreciation and amortisation expenses, employee benefit expenses, finance cost, excise duty, power and fuel expenses, contract labour charges and marketing charges.

Cost of raw material consumed - This comprises the landed cost of the raw materials consumed such as Bromine Source and Lithium Source, other organic raw materials and inorganic acids.

Changes in inventories of finished goods and work-in-progress - This relates to adjustment to our income statement which reflects increases or decreases in our inventory of finished goods and work-in-progress.

Employee benefits expense - This comprises salaries, wages, bonus and contribution to provident fund and other fund(s) and staff welfare expenses.

Finance costs - This comprises interest related expenses, borrowing costs and unwinding interest cost on 10% OCPS and 9.8% FRCPS.

Depreciation and amortization expense - This comprises depreciation on fixed assets of the Company.

Other expenses - Our other expenses primarily include excise duty, power and fuel charges, contract labour charges, research and development expenses, quality control charges and marketing expenses.

Results of operation for the 9 month period ended December 31, 2018

Income

Our total income for the 9 month period ended December 31, 2018 was ₹ 1,596.87 million. The primary reasons for this are discussed below.

Revenue from operations

Set out below are the elements comprising our Revenue from Operations.

(in ₹ million)

Particulars	9 month period ended December 31, 2018
Sale of products comprises manufactured goods of chemicals	
Gross Export Sales	**806.34**
Less: Terminal excise duty and GST, sales tax on export sales	37.63
CST on deemed export sales	-
VAT on deemed export sales	-
Net export sales	**768.71**
Gross domestic sales	**851.46**
Less: GST/excise duty and sales tax on local sales	127.25
CST on domestic sales	-
VAT on domestic sales	-
Net domestic sales	**724.21**
High seas sales	-
Sales	**1,648.89**
Less: GST recovered	164.87
Net sales (excluding GST)	**1,484.02**
Other operating revenue:	
Benefits received on export sales	108.29
Duty drawback for exports	-
Export benefit	-
Focus market / product benefit	-
Other Operating Revenue	**108.29**
Total Net Operating Revenue	**1,592.31**

Expenses

Our total expenses in the 9 month period ended December 31, 2018 was ₹ 1,427.66 million. The primary reasons for this are set out below.

Cost of material consumed

The table below sets forth our cost of materials consumed.

(in ₹ million)

Particulars	9 month period ended December 31, 2018
Opening stock	**98.70**
Purchases	**1,211.03**
Sub-total	1,309.73
Less: Closing stock	**199.06**
Cost of raw material consumed	1,110.67

Our cost of raw material consumed in the 9 month period ended December 31, 2018 was ₹ 1,110.67 million constituting 69.75% of our total Revenue from Operations, and 77.80% of our total expenses, during the period.

Change in inventories of finished goods and work in progress

Set out below is the change in inventories of finished goods and works in progress.

(in ₹ million)

Particulars	9 month period ended December 31, 2018]
Opening stock:	
Finished goods	**77.48**
Work-in-process	**308.38**
Less:	
Closing stock:	
Finished goods	**35.50**
Work-in-process	**521.73**
Changes in inventories:	
Changes in inventories of finished goods	**(41.98)**
Work-in-process	**213.35**
Changes in inventories of finished goods and work in progress	(171.37)

The increase in inventories of finished goods and work in progress in the 9 month period ended December 31, 2018 was ₹ 171.37 million in line with the increase in the products manufactured as reflected by the increase in the sale of products.

Employee benefit expense

Our employees benefit expense in the 9 month period ended December 31, 2018 was ₹ 81.16 million since the number of employees did not increase or decrease significantly.

Finance costs

Our finance cost in the 9 month period ended December 31, 2018 was ₹ 85.57 million.

Depreciation and amortisation expenses

Our depreciation and amortisation expense in the 9 month period ended December 31, 2018 was ₹ 21.09 million.

Other expenses

Our other expenses in the 9 month period ended December 31, 2018 comprising primarily production expenses and administrative expenses was ₹ 300.54 million.

Tax expenses

Current tax expenses

On account of higher profits of our Company, the current tax expenses in the 9 month period ended December 31, 2018 was ₹ 43.50 million.

Deferred tax expenses

Our deferred tax expenses in the 9 month period ended December 31, 2018 was ₹ 4.78 million.

Profit for the period (after tax)

As a result of the foregoing factors, our profit for the period was ₹ 122.21 million.

Results of operation for Fiscal 2018 compared to Fiscal 2017

Income

Our total income for the Fiscal 2018 increased by 35.23% from ₹ 1,217.75 million in Fiscal 2017 to ₹ 1,646.75 million in Fiscal 2018. The increase was primarily due to increase in sale of organic chemical products mostly since this was the first time where the full year revenues from the Vadodara Facility were available.

Revenue from operations

Our Revenue from Operations increased by 35.03% from ₹ 1,214.67 million in Fiscal 2017 to ₹ 1,640.12 million in Fiscal 2018. The increase was primarily due to increase in sale of organic chemical products mostly since this was the first time where the full year revenues from the Vadodara Facility were available.

Other income

Our other income increased by 115.26% from ₹ 3.08 million in Fiscal 2017 to ₹ 6.63 million in Fiscal 2018. This was due to fair value gain on derivative forwards. We, typically, enter into forward contracts with a tenure of less than 12 months.

Expenses

Our total expenses increased by 33.61% from ₹ 1,103.07 million in Fiscal 2017 to ₹ 1,473.78 million in Fiscal 2018. This increase was primarily due to higher consumption of raw materials due to an increase in production of organic chemical products reflected in the increase in revenue. In addition, the benefit from the reduction in the excise duty was off-set by an increase in the production expenses.

Cost of material consumed

Our expenditure on materials consumed increased by 47.44% from ₹ 695.60 million in Fiscal 2017 to ₹ 1,025.59 million in Fiscal 2018 primarily due to an increase in production of organic chemical products as reflected in the increase in revenue.

Change in inventories of finished goods and work in progress

Our inventories of finished goods and work in progress changed from ₹ (55.29) million in Fiscal 2017 to ₹ (77.27) million in Fiscal 2018.

Employee benefit expense

Our employees benefit expense increased by 59.74% from ₹ 54.47 million in Fiscal 2017 to ₹ 87.01 million in Fiscal 2018. This increase was primarily due to increase in number of employees pursuant to acquisition of Vadodara Facility and routine annual increase in salaries, wages and other benefits.

Finance costs

Our finance cost increased by 38.60% from ₹ 75.16 million in Fiscal 2017 to ₹ 104.17 million in Fiscal 2018, primarily, due to increase in interest expenses on borrowings and unwinding interest cost on 10% OCPS and 9.8% FRCPS.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses increased by 47.98% from ₹ 13.11 million in Fiscal 2017 to ₹ 19.40 million in Fiscal 2018 mostly due to these expenditures being charged for a full year on our assets acquired in the Vadodara Facility.

Other expenses

Our other expenses decreased from ₹ 320.02 million in Fiscal 2017 to ₹ 314.88 million in Fiscal 2018 primarily due to the benefit from the reduction in the excise duty but the decrease was marginal *viz*. 1.61%, which was off-set by an increase in the production expenses.

Tax expenses

Current tax expenses

On account of higher profits of our Company during Fiscal 2018, the current tax expenses increased from ₹ 39.05 million in Fiscal 2017 to ₹ 64.77 million in Fiscal 2018.

Deferred tax expenses

Our deferred tax expenses increased from ₹ (0.82) million in Fiscal 2017 to ₹ 3.61 million in Fiscal 2018 primarily due to acquisition of assets.

Profit for the year

As a result of the foregoing factors, our profit for the year increased from ₹ 76.83 million in Fiscal 2017 to ₹ 104.97 million in Fiscal 2018 i.e. by 36.63%.

Total comprehensive income

Our total comprehensive income increased by 46.01% from ₹ 72.13 million in Fiscal 2017 to ₹ 105.32 million in Fiscal 2018. Our other comprehensive income was a profit of ₹ 0.35 million in Fiscal 2018 as compared to a loss of ₹ 4.70 million in Fiscal 2017.

Further, our Company's reserves & surplus increased from Fiscal 2017 to Fiscal 2018 for the reasons set out below:

- Increase in profit & loss surplus from ₹ 128.95 million to ₹ 201.11 million; and

- Increase in capital redemption reserve towards (a) 9.8% FRCPS from ₹ 7.50 million to ₹ 15 million and (b) the 10% OCPS from ₹ 2.17 million to ₹ 3.47 million.

Results of operation for Fiscal 2017 compared to Fiscal 2016

Income

Our total income for the Fiscal 2017 increased by 11.67% from ₹ 1,090.47 million in Fiscal 2016 to ₹ 1,217.75 million in Fiscal 2017. The increase was primarily due to higher realisation per kg of sale of inorganic chemicals which was partially driven by the increase in cost of raw material used in such inorganic chemicals. Further, in Fiscal 2017, the mix of organic products manufactured had significantly higher proportion of molecules which typically realise a lower revenue per litre of operation but yield higher profitability. Moreover, the Vadodara Facility was not fully operational for certain periods due to refurbishment and modifications undertaken.

Revenue from operations

Our Revenue from Operations increased by 11.56% from ₹ 1,088.85 million in Fiscal 2016 to ₹ 1,214.67 million in Fiscal 2017. The increase was primarily due to an increase higher realisation per kg of sale of inorganic chemicals which was partially driven by the increase in cost of raw material used in such inorganic chemicals.

Other income

Our other income increased by 90.12% from ₹ 1.62 million in Fiscal 2016 to ₹ 3.08 million in Fiscal 2017. This was due to fair value gain on derivative contracts.

Expenses

Our total expenses increased by 9.69% from ₹ 1,005.66 million in Fiscal 2016 to ₹ 1,103.07 million in Fiscal 2017. This increase was primarily due to higher cost per kg of raw materials consumed in the manufacture of inorganic chemical products and due to an increase in finance cost.

Cost of material consumed

Our expenditure on materials consumed increased by 6.64% from ₹ 652.28 million in Fiscal 2016 to ₹ 695.60 million in Fiscal 2017 primarily due to higher cost per kg of raw materials consumed in the manufacture of inorganic chemical products due to an increase in the global price of Lithium Source which was commensurate with an increase in production of inorganic chemical products as reflected in the increase in revenue.

Change in inventories of finished goods and work in progress

Our inventories of finished goods and work in progress changed from ₹ (41.41) million in Fiscal 2016 to ₹ (55.29) million in Fiscal 2017.

Employee benefit expense

Our employees benefit expense increased by 20.06% from ₹ 45.37 million in Fiscal 2016 to ₹ 54.47 million in Fiscal 2017. This increase was primarily due to increase in number of employees pursuant to acquisition of Vadodara Facility and routine annual increase in salaries, wages and other benefits.

Finance costs

Our finance cost increased by 56.88% from ₹ 47.91 million in Fiscal 2016 to ₹ 75.16 million in Fiscal 2017, primarily, due to increase in interest expenses on borrowings and unwinding interest cost on 10% OCPS and 9.8% FRCPS.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses increased by 31.10% from ₹ 10.00 million in Fiscal 2016 to ₹ 13.11 million in Fiscal 2017, primarily, due to these expenditures being charged on the assets acquired in the Vadodara Facility.

Other expenses

Our other expenses increased by 9.78% from ₹ 291.51 million in Fiscal 2016 to ₹ 320.02 million in Fiscal 2017 primarily due to an increase in production and marketing expenses.

Tax expenses

Current tax expenses

On account of higher profits of our Company during Fiscal 2017, the current tax expenses increased from ₹ 31.47 million in Fiscal 2016 to ₹ 39.05 million in Fiscal 2017.

Deferred tax expenses

Our deferred tax expenses decreased from ₹ 1.54 million in Fiscal 2016 to ₹ (0.82) million in Fiscal 2017 primarily due to acquisition of the Vadodara Facility.

Profit for the year

As a result of the foregoing factors, our profit for the Fiscal 2017 increased from ₹ 51.80 million in Fiscal 2016 to ₹ 76.83 million in Fiscal 2017 i.e. by 48.32%.

Total comprehensive income

Our total comprehensive income increased by 40.19% from ₹ 51.45 million in Fiscal 2016 to ₹ 72.13 million in Fiscal 2017.

Liquidity and capital resources

Historically, our primary liquidity requirements have been to finance the working capital and capital expenditure. We have met these requirements through cash flows from operations as well as through borrowings. As on December 31, 2018, we had a sum of ₹ 9.96 million in cash and cash equivalent comprising bank balance (current and deposit accounts). In addition, as on December 31, 2018, we had long term borrowings from banks and financial institutions aggregating ₹ 292.20 million.

We believe that our anticipated cash flow from operations, committed debt facilities, together with the proceeds from the Fresh Issue and our existing cash, will be sufficient to meet our operating and capital expenditure for Fiscal 2020.

Cash flows

The following table sets forth certain information in relation to our cash flows with respect to operating activities, investing activities and financing activities for the 9 month period ended December 31 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016:

(in ₹ million)

Particulars	**9 month period ended December 31, 2018**	**Fiscal**		
		2018	**2017**	**2016**
Net cash generated from (used in) operating activities	(62.68)	118.49	2.06	85.90
Net cash generated from (used in) investing activities	(172.96)	(126.76)	(329.24)	(44.09)
Net cash generated from (used in) financing activities	227.43	(4.33)	333.23	(41.13)
Net increase / decrease in cash and cash equivalents	(8.21)	(12.60)	6.05	0.69

Operating activities

Net cash flow from operating activities comprises cash consumed / generated from operations and increase / decrease in working capital.

Net cash flow used in from operating activities in 9 month period ended December 31, 2018 was ₹ (62.68) million due to an increase in inventories and other current and non-current assets and in trade receivable. Net cash flow generated from operating activities in Fiscal 2018 increased to ₹ 118.49 million from ₹ 2.06 million in Fiscal 2017 primarily due to increase in 'trade receivables' and decrease in 'trade payables'. Further, Net cash flow generated from operating activities in Fiscal 2017 decreased to ₹ 2.06 million from ₹ 85.90 million in Fiscal 2016, primarily due to increase in net current assets.

Investing activities

Net cash flow from investing activities comprises proceeds from purchase and sale of fixed assets including capital work in progress and capital advances, receipt of interest and other income and investment in partnership firm.

Net cash used in investing activities in 9 month period ended December 31, 2018 was ₹ (172.96) million due to purchase of property *'purchase of property, plant and equipment'* due to refurbishment of existing reactors systems and ancillary systems at both the Mahape and Vadodara Facilities. Net cash used in investing activities decreased to ₹ (126.76) million in Fiscal 2018 from ₹ (329.24) million in Fiscal 2017 due to decrease in '*purchase of property, plant and equipment*'. Further, net cash used in investing activities increased to ₹ (329.24) million in Fiscal 2017 from ₹ (44.09) million in Fiscal 2016 primarily due to '*purchase of property, plant and equipment*', more particularly the acquisition of the Vadodara Facility.

Financing activities

Net cash flow from financing activities comprises proceeds / repayment of loans, payment of finance expenses and proceeds from issue of fully redeemable preference shares.

Net cash generated from financing activities in 9 month period ended December 31, 2018 was ₹ 227.43 million due to increase in 'long-term borrowings' and 'short-term borrowings'. Net cash generated from financing activities decreased to ₹ (4.33) million in Fiscal 2018 from ₹ 333.23 million in Fiscal 2017 due to increase in 'finance cost' and 'dividends paid'. Further, net cash generated from financing activities increased to ₹ 333.23 million in Fiscal 2017 from ₹ (41.13) million in Fiscal 2016 due to increase in 'long term borrowings' and 'short term borrowings'.

Key performance indicators

Set out below are certain key performance indicators pertaining to our Company.

(amount ₹ in million, except EPS)

Particulars	9 month period ended December 31, 2018	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
Gross Revenue	1,757.18	1,829.24	1,214.67	1,088.85	914.83	799.04
EBIT	250.22	270.48	186.75	131.12	117.23	105.54
EBIT (%) of Gross Sales	14.24	14.79	15.37	12.04	12.82	13.21
PAT	122.22	104.97	76.83	51.80	50.85	36.43
PAT (%) of Gross Sales	6.95	5.74	6.33	4.76	5.56	4.56
CAGR (4-year sales)		23.01%				
DE Ratio	1.82	1.59	1.59	0.90	0.98	1.21
EBDITA	271.31	289.91	199.87	141.10	126.58	114.76
EBDITA (%) of Gross Sales	15.44	15.85	16.45	12.96	13.84	14.36
EPS	6.09	5.25	3.84	2.59	11.30	8.10
Interest Coverage	2.92	2.60	2.48	2.74	2.52	2.21

Financial Indebtedness

Set out below are details of our outstanding secured financial indebtedness as on February 28, 2019.

(in ₹ million)

Particulars	Outstanding as on February 28, 2019
Working capital limits (Fund based)	662.12
Working capital limits (Non-fund based)	26.67
Total working capital limits (A)	**688.79**
Term loan	425.36
Total term loan (B)	**425.36**
Total secured indebtedness (A+B)	**1,114.15**

As of February 28, 2019, we had long-term borrowings of ₹ 425.36 million (including current maturities of long term debt) and short-term borrowings ₹ 688.79 million. The following table sets forth certain information relating to our outstanding indebtedness as of February 28, 2019.

Particulars	Payment Due by Period		
	Less than 1 year	More than 1 year	Total
Long Term Borrowings			
Secured	40.99	384.37	425.36
Unsecured	-	11.00	11.00
Short Term Borrowings			
Secured	688.79	-	688.79
Unsecured	-	-	-

* Excluding the outstanding on 9.8% FRCPS.

For more information regarding our financial indebtedness please refer to the chapter '*Financial Indebtedness*' and '*Financial Statements*' on pages 417 and 208, respectively.

Contingent Liabilities and commitments

Contingent liabilities

(in ₹ million)

Particulars	As at	
	December 31, 2018	March 31, 2018
Contingent liability for letter of credit issued by the bank and bank guarantee for excise, customs etc.		
(i) Bill discounted / cheques purchased	35.45	29.13
(ii) Letter of credit/bank guarantee	29.37	14.04
Contingent liability towards NMMC Cess / LBT	1.60	1.60
Total	**66.42**	**44.77**

Capital commitments

(in ₹ million)

Particulars	9 month period ended December 31, 2018	Fiscal 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	8.31	12.28
Total	**8.31**	**12.28**

For more information, please refer to the chapters '*Financial Statements*' on page 208.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, including with our Promoters and key management personnel on an arm's length basis. Such transactions could be for sales professional fees, salary etc. For further details of our related party transactions, please refer to the chapter '*Related Party Transaction*' on page 205.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationship with any entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Qualifications and matters of emphasis

Our Restated Financial Statements do not contain any qualifications, reservations and matters of emphasis by our statutory auditor in their audit report relating to the respective period.

Change in accounting policies

Our Company has not changed its accounting policies in the last five Fiscals and during the 9 month period ended December 31, 2018.

Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and commodity risk. We are exposed to commodity risk, interest rate risk and credit risk in the normal course of our business. The following discussion and analysis, which constitutes 'forward-looking statements' involves risk and uncertainties and summarise our exposure to different market risk.

Commodity price risk

Commodity prices, especially prices for our raw materials including bromine and lithium, have a significant impact on our results of operations. Commodity prices are influenced by changes in global economic conditions, related industry cycles, demand-supply dynamics and attempts by individual producers to capture market share. In addition to market fluctuations, our average selling prices can be affected by contractual arrangements.

Foreign Exchange Risk

Changes in currency exchange rates may indirectly influence our results of operations. Our Company has international operations particularly in Europe, Japan and North America. Any adverse change in foreign exchange rates may adversely affect our results of operations.

Application industry risk

A significant part of our revenues from the sale of organic chemicals is generated from sales to application industry including the pharmaceutical industry, agro-chemical, energy and engineering. While, the organic chemicals manufactured by our Company find use in varied industries, we may be unable to off-set the lack of demand in one industry by sale of our products to other industries. Accordingly, any significant downturn in the application industries could have a significant impact on our financial condition and growth prospects.

Credit Risk

We are exposed to credit risk on amounts owed to us by our customers. If our customers do not pay us promptly, or at all, it may impact our working capital cycle and/or we may have to make provisions for or write-off on such amounts.

Significant dependence on a single or few customers or suppliers

While revenue from any particular customer may vary between financial reporting periods depending on the nature and term of on-going contracts, historically, we have been dependent on a select group of customers for majority of our revenue. During the 9 month period ended December 31, 2018, Fiscal 2018, Fiscal 2017 and Fiscal 2016, sales to our top ten customers represented, 60.19%, 44.15%, 45.04% and 48.90% respectively, of our total income, as per the Restated Consolidated Financial Statements.

Interest Rate Risk

As of February 28, 2019, our Company had outstanding secured loans of ₹ 1,114.15 million on a consolidated basis, all of which bore interest at floating rates. Therefore, fluctuations in interest rates could have the effect of increasing the interest due on our Company's outstanding debt and increases in such rates could make it more difficult for our Company to procure new debt on attractive terms.

Competitive Conditions

We operate in a competitive environment, both in domestic and international markets. For further information, please refer to the section 'Risk Factors' on page 19 and the chapters '*Industry Overview*', '*Our Business – Competition*' and '*Significant factors affecting our results of operations*' on pages 122, 169 and 399, respectively.

Seasonality of business

Our Company's business is not subject to seasonal changes.

Cyclical nature of business

Our Company's business is not cyclical in nature.

Unusual or infrequent events or transaction

Except as set out in this Red Herring Prospectus, there have been, to our knowledge, no unusual or infrequent events or transactions that have in the past, or may in the future, affect our business operations or future financial performance.

Significant economic changes

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations. These have been identified in this chapter under the sub-heading '*Significant factors affecting our results of operations*', and the section '*Risk Factors*', on page 399 and 19. In particular, we derive a significant part of our Revenue from Operations from the pharmaceutical industry, and, consequently, any significant change affecting that industry would have an impact on our Company.

Known Trends or Uncertainties

Our business has been impacted and we expect will continue to be impacted by the trends identified above under '*Significant factors affecting our results of operations*' and the uncertainties described in the section '*Risk Factors*' on page 19. To our knowledge, except as we have described in this Red Herring Prospectus, there are no known factors, which are expected to have a material adverse impact on our revenues and results of operation.

Future Relationships between Costs and Income

Other than as described in the section '*Risk Factors*', on page 19 and the chapters '*Our Business*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' on pages 154 and 398, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

Significant Developments after December 31, 2018

Except as otherwise disclosed below and elsewhere in this Red Herring Prospectus, there are no significant developments after the date of the last financial statements contained in this Red Herring Prospectus which materially and adversely affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

In this section, unless otherwise specified all references to 'our Company', 'us', 'our' or 'we' are to our Company on an unconsolidated basis.

Secured and Unsecured Indebtedness

As on February 28, 2019, we had sanctioned working capital facilities aggregating ₹ 848.00 million of which ₹ 688.79 million was outstanding, all of which was secured. Further, our Company has sanctioned term loan facilities aggregating ₹ 615.50 million, of which ₹ 425.36 million was outstanding as of February 28, 2019, all of which was secured.

As on February 28, 2019, we had availed of unsecured loan of ₹ 11 million.

For further details of the outstanding loan obligations of our Company for the last five Fiscals, please refer to the chapter '*Financial Statements'* on page 208.

Working Capital Limits

Our Company has availed of working capital loan facilities from various lenders. As on February 28, 2019, our Company had an aggregate sanctioned limit of ₹ 848.00 million comprising a fund based limit of up to ₹ 775.00 million and non-fund based limit of up to ₹ 73 million, to meet our working capital requirements. As on February 28, 2019, the amounts outstanding under the fund based facility and non-fund based facility are ₹ 662.12 million and ₹ 26.67 million, respectively.

The brief details of our working capital facilities as on February 28, 2019 are set out below:

Sr. no.	Name of Lender	Nature of borrowing	Amount sanctioned (₹ in million)	Amount outstanding as on February 28, 2019 (in ₹ million)#	Rate of Interest / Commission (p.a.)	Tenure	Repayment
1.	YES Bank Limited (**YES Bank**)	***Fund based limit***					
		Cash credit with the following sub-limits:	50.00	10.49	0.50% p.a. over and above 1 year Yes Bank MCLR	Maximum tenor of 12 months.	On demand
		i. Working capital demand loan (in INR or foreign currency)	{50.00}	Nil	As mutually agreed	Maximum tenor of 3 months.	
		ii. Pre-shipment credit (in INR or foreign currency)	{50.00}	Nil	As mutually agreed	Maximum tenor of 3 months.	

Sr. no.	Name of Lender	Nature of borrowing	Amount sanctioned (₹ in million)	Amount outstanding as on February 28, 2019 (in ₹ million)#	Rate of Interest / Commission (p.a.)	Tenure	Repayment
		iii. Post-shipment credit (in INR or foreign currency)	{50.00}	Nil	As mutually agreed	Maximum tenor of 3 months.	
		Non fund based limit					
		Letter of credit (inland / import) under the sub-limit of cash credit of ₹ 50.00 million	{50.00}	Nil	Commission - 1.00%	Maximum tenor of 180 days.	On demand
		Bank guarantee under the sub-limit of cash credit of ₹ 50.00 million	{20.00}	Nil	Commission - 1.00% along with applicable taxes	Maximum tenor of 12 months along with a 3 month claim period	
	Security	Fund based limit and Non fund based limit	1. Pari passu first charge on: i. The entire current assets of our Company, present and future; ii. Office premise of our Company at 115, 1st floor, Vardhaman Industrial Complex Thane, and Residential Flat No. 802, B-wing, Siddhi Towers, Thane; and iii. All fixed assets of our Company, present and future, at: (a) Plot No. 43. MIDC, Mahape, Navi Mumbai; (b) Plot No. 526 at Karakhadi, Baroda; (c) Dahej SEZ. 2. Personal guarantee of Haridas Thakarshi Kanani, and Harin Haridas Kanani.				
2.	Citibank N.A. (**Citi Bank**)	***Fund based limit***					
		Export finance / cash credit / usance letter of credit / buyer's credit / bills discounted	425.00	365.72	11.75%	Cash Credit: Revolving basis for 12 months Export finance/ usuane letter of credit	On demand

Sr. no.	Name of Lender	Nature of borrowing	Amount sanctioned (₹ in million)	Amount outstanding as on February 28, 2019 (in ₹ million)#	Rate of Interest / Commission (p.a.)	Tenure	Repayment
						/buyer's credit/ bills discounted: upto 180 days.	
		Working capital demand loan	{350.00}	Nil		Upto 365 days	
		Sight letter of credit	{300.00}	Nil		Upto 180 days	
		Non fund based limit					
		Bank guarantee under the sub-limit of above fund based limited of ₹ 425.00 million	{60.00}	-	As mutually agreed	Up to 3 years	On demand
	Security	**Fund based limit and Non fund based limit**	1. Pari passu first charge on: i. Stock and future books debts of our Company; ii. Office premises at 115, 1st Floor, Vardhaman Industrial Complex, LBS Road, Thane; iii. Residential Flat No. 802, B-Wing, Siddhi Towers, Bhakthi Mandir Road, Thane (West) iv. Present and future land and building at Plot No. 43, MIDC Industrial Area, Mahape, Navi Mumbai, 400710; v. Present and future plant and machinery and other moveable fixed assets in the factory premises Plot No. 43, MIDC Industrial Area, Mahape, Navi Mumbai – 400710; vi. Present and future land and building at Plot No. 526, at PO Karakhadi, Taluka – Padra, Baroda District, Gujarat – 391450; vii. Present and future plant and machinery at Plot No. 526 at PO Karkahadi, Taluka – Padra, District – Baroda, Gujarat – 391450. viii. Present and future moveable and immoveable fixed assets of the Company at Dahej SEZ 2. Personal guarantee of Haridas Thakarshi Kanani and Harin Haridas Kanani.				

Sr. no.	Name of Lender	Nature of borrowing	Amount sanctioned (₹ in million)	Amount outstanding as on February 28, 2019 (in ₹ million)#	Rate of Interest / Commission (p.a.)	Tenure	Repayment
				3. Cash margin of 10% on guarantees and letter of credit.			
3.	State Bank of India (**SBI**)	***Fund based limits***					
		Cash credit with the following sub-limits:	300.00	141.08	2% above 1 year MCLR with a concession of 0.50%.	Revolving basis for 12 months	On demand
		i. Book debts	{300.00}	Nil			
		ii. Export packing credit / packing credit in foreign currency	{300.00}	144.83			
		iii. EPB / EBD	{300.00}	Nil			On demand
		Non-fund based limits					
		Letter of Credit (inland and import)*	55.00	23.10	-	Revolving basis for 12 months	On demand
		Bank Guarantees within the sub-limit of letter of credit of ₹ 55.00 million	{20.00}	0.93	-	Revolving basis for 12 months	On demand
		Forward contract	18.00	2.64	-	Revolving basis for 12 months	On demand
	Security	Fund based and Non Fund based limit	**I. Primary Security:** i. Pari passu first charge on current assets of the Company **II. Collateral Security** i. First pari passu charge on 115, 1st Floor, Vardhaman Industrial Complex, LBS Road, Thane (West). ii. First pari passu charge on Flat No. 802, B-Wing, Siddhi Towers Co. Operative Housing Society, Panchpakhadi, Thane (West) iii. First pari passu charge on immoveable fixed assets (land and building, plant and machinery) of the Company both present and future located at:				

Sr. no.	Name of Lender	Nature of borrowing	Amount sanctioned (₹ in million)	Amount outstanding as on February 28, 2019 (in ₹ million)#	Rate of Interest / Commission (p.a.)	Tenure	Repayment
			a. Plot no. 43 with an area of 1842 sq mts at Mahape TTC MIDC, Navi Mumbai. b. Block No. 526, Jambusar Road, Karakhadi Village, Padra Taluka, Baroda District, Gujarat c. Plot No. Z/109 in the Dahej SEZ admeasuring 50,012 sq mts consisting of revenue Sy. No. 478/P, 479/P, 480/P, 486/P, 492, 493/P, 494/P, 502/P, 503/P, 504/P, 505/P, 506/P Village Lakhigam, Vagara, District Bharuch, Gujarat 1. Personal guarantee of Haridas Thakarshi Kanani and Harin Haridas Kanani for a sum not exceeding ₹ 612.30 million.				

#Above information is based on balance confirmations/certificate/statement received from bank and the same may not tally exactly with borrowings disclosed under note 16 of audited restated financial statements, which is mainly on account of balances as per books disclosed under note 16 after giving effect of Ind AS Adjustment entries.

* *One way interchangeability from letter of credit to cash credit to the extent of ₹ 140.00 million, subject to availability of drawing power.*

Term Loans

Set out below are brief details of our term loan facilities:

Sr. no.	Name of Lender	Nature of borrowing	Amount sanctioned (in ₹ millions)	Amount outstanding as on February 28, 2019 (in ₹ million)#	Rate of Interest / Commission (p.a.)	Tenure	Repayment
1.	YES Bank	Term Loan (In ₹ or foreign currency)	320.00	141.78	For ₹ borrowing: 0.50% over and above 1 year MCLR For foreign currency borrowing: To be decided at the time of disbursement	Door to door tenure of 84 months including a moratorium of 24 months	Payable in monthly installments
	Security	1. Pari passu first charge on: i. the entire current assets of our Company, present and future; ii. Office premise of our Company at 115, 1st floor, Vardhaman Industrial Complex Thane, and Flat No. 802, B-wing, Siddhi Towers, Thane; and iii. All fixed assets of our Company, present and future, at: (a) Plot No. 43. MIDC, Mahape, Navi Mumbai; (b) Plot No. 526 at Karakhadi, Baroda; (c) Dahej SEZ.					

Sr. no.	Name of Lender	Nature of borrowing	Amount sanctioned (in ₹ millions)	Amount outstanding as on February 28, 2019 (in ₹ million)#	Rate of Interest / Commission (p.a.)	Tenure	Repayment
		2. Personal guarantee of Haridas Kanani and Harin Kanani.					
2.	Citi Bank	Term Loan	46.00	35.41	11.75%	5 years including moratorium period of 1 year	Equal quarterly instalments after the end of the moratorium period.
		Term Loan	50.00	50.00	10.25%	5 years including moratorium period of 1 year	16 equal quarterly instalments commencing 12 months after the first drawdown (with interest debited on monthly basis.)
	Security	1. First pari passu charge on: i. Present and future land and building of the Company at Plot No. 43, MIDC Industrial Area, Mahape, Navi Mumbai – 400710. ii. Present and future plant and machinery and other moveable fixed assets, in the factory premises at Plot No. 43, MIDC Industrial Area, Mahape, Navi Mumbai – 400710. iii. Present and future land and building at Plot No. 526 at PO Karakhadi, Taluka – Padra, District – Baroda, Gujarat – 391450. iv. Present and future plant and machinery at Plot No. 526 at PO Karakhadi, Taluka – Padra, District – Baroda, Gujarat – 391450. v. Present and future stock and book debts of the Company. vi. Resdiential Flat No. 802, B-Wing, Siddhi Towers, Bhakthi Mandir Road, Thane (West). vii. Office premises at 115, 1st Floor, Vardhaman Industrial Complex, LBS Road, Thane (West) viii. Present and future moveable and immoveable fixed assets of the Company at Dahej SEZ. 2. Personal guarantee of Haridas T Kanani and Harin H Kanani.					
3.	SBI	Term loan	199.50	198.16	4.00% above 1 year MCLR – presently 12.55% with monthly rests	72 months	Monthly installments

Sr. no.	Name of Lender	Nature of borrowing	Amount sanctioned (in ₹ millions)	Amount outstanding as on February 28, 2019 (in ₹ million)#	Rate of Interest / Commission (p.a.)	Tenure	Repayment
	Security	**I. Primary Security** 1. First pari passu charge on immoveable fixed assets (land and building, plant and machinery) of the Company both present and future located at Block No. 526, Jambusar Road, Karkhadi Village, Padra Taluka, Baroda District, Gujarat. **II. Collateral Security** 1. First Pari Passu charge on current assets of the Company both present and future. 2. First pari passu charge on 115, 1st Floor, Vardhaman Industrial Complex, LBS Road, Thane (West). 3. First pari passu charge on Flat No. 802, B-Wing, Siddhi Towers Co. Operative Housing Society, Panchpakhadi, Thane (West). 4. First pari passu charge on immoveable fixed assets (land and building, plant and machinery) of the Company both present and future located at: a. Plot No. 43 with area of 1842 sq mts. at Mahape, TTC MIDC, Navi Mumbai; and b. Plot No. Z/109 in the Dahej SEZ admeasuring 50,012 sq mts consisting of revenue Sy. No. 478/P, 479/P, 480/P, 486/P, 492, 493/P, 494/P, 502/P, 503/P, 504/P, 505/P, 506/P Village Lakhigam, Vagara, District Bharuch, Gujarat. 5. Personal guarantee of Harin Kanani and Haridas Kanani.					

#Above information is based on balance confirmations/certificate/statement received from bank and the same may not tally exactly with borrowings disclosed under note 16 of audited restated financial statements, which is mainly on account of balances as per books disclosed under note 16 after giving effect of Ind AS Adjustment entries.

Master Facility Agreement with YES Bank

Under the master facility agreement dated April 26, 2018 with YES Bank, our Company is bound by various terms and conditions which include that our Company may not, *inter alia,* without the prior written consent of YES Bank:

1. Make any amendments or modifications to the constitutional documents of our Company;

2. Contract, create, incur, assume or suffer to exist any indebtedness (whether incurred as principal or as surety, whether present or future, actual or contingent) or avail of any credit facility or accommodation from any bank or financial institution or any person, firm or company in any manner (other than the banks at present providing working capital facilities to our Company and as disclosed to the bank), except as otherwise permitted under the master facility agreement;

3. Change its constitution/ composition and/ or undertake or permit any merger, de-merger, consolidation, reorganization, dissolution or reconstitution scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction or dissolution or reconstitution including creation of any subsidiary or permit any company to become its subsidiary;

4. Declare or pay any dividend or authorize or make any distribution to its shareholders/members/partners or permit withdrawal of amounts brought in (i) unless it has paid all the dues in respect of the facilities up to the date on which the dividend is proposed to be declared or paid. Such distribution is to be made, or has made therefore satisfactory to the bank or (ii) if an event of default has occurred and is subsisting

or would occur as a result of such declaration or payment of dividend or authorization or making of distribution;

5. Undertake any new project, diversification, modernization, which are material in nature, or undertake substantial expansion of any of its project;

6. Change the accounting method or policies currently followed by our Company unless expressly required by law;

7. Register any transfer of shares in our Company's capital made or to be made by the promoters and their associates except as may be permitted by YES Bank;

8. Effect any change in our Company's capital structure in any manner whatsoever or issue securities, whether on a preferential basis or otherwise.

9. Buy back, cancel, retire, reduce, redeem, re-purchase or otherwise acquire any of its share capital at the time or thereafter outstanding, or set aside any fund for the foregoing purposes or

10. Delist its shares; and

11. File any application for seeking immunity under any law.

Term Loan Agreement with Citi Bank

Under the term loan agreement dated December 21, 2016 with Citi Bank, our Company is bound by various terms and conditions. Some of the more prominent covenants are set out below:

1. Our Company may not, *inter alia*, without prior written consent of Citi Bank:

    i. Create, incur or assure any further indebtedness for borrowed money or for deferred purchases except for any indebtedness which arises in the ordinary course of business;

    ii. Effect any merger, amalgamation, reconstruction or consolidation;

    iii. Sell, transfer or otherwise dispose of any of its properties or assets or undertakings;

    iv. Assume, guarantee, endorse or in any manner become directly or contingently, for or in connection with the obligation of any person other than our Company; and

    v. Declare or pay dividends in respect of any financial year if an event of default has occurred or is subsisting.

2. Terms of prepayment: The prepayment of the outstanding principal amounts, in full or part, by our Company, will be subject to a prepayment fee of 1% on the amount prepaid. The prepayment is subject to the Citi Bank not being prevent from doing so by any statutory, regulatory or contractual obligation.

Term Loan Agreement with Citi Bank dated January 11, 2019

Under the term loan agreement dated January 11, 2019 with Citi Bank, our Company is bound by various terms and conditions. Some of the more prominent covenants are set out below:

1. Our Company may not, *inter alia*, without prior written consent of Citi Bank:

    i. Create or permit to subsist any encumbrance, mortgage or charge over all or any of the future properties, assets or revenues of the Company other than those already charged in favor of other financial institutions and banks.

    ii. Create, incur or assure any further indebtedness for borrowed money or for deferred purchases except for any indebtedness which arises in the ordinary course of business;

iii. Effect any merger, amalgamation, reconstruction or consolidation;

iv. Sell, transfer or otherwise dispose of any of its properties or assets or undertakings;

v. Assume, guarantee, endorse or in any manner become directly or contingently, for or in connection with the obligation of any person other than our Company;

vi. Grant any loans or credit (except in ordinary course of business) to or for the benefit of any person other than itself;

vii. Declare or pay dividends in respect of any financial year if an event of default has occurred or is subsisting; and

viii. Appoint / permit appointment of any person as the director or senior executive of the Company who has been a director / promoter of any other company or entity that has been held to be a wilful defaulter by any bank, financial institution or other entity in accordance with guidelines or circulars issued by the RBI from time to time.

2. Prepayment is not permitted.

Agreement of loan for overall limits with SBI

Under the agreement of loan for overall limits dated December 7, 2016 with SBI, as amended by the supplemental loan agreement dated December 29, 2016 executed by and between our Company and SBI and the letter regarding the grant of individual limits within the overall limits dated April 10, 2018, our Company is bound by various terms and conditions which include that our Company may not, *inter alia* without prior written consent of SBI:

1. Change the shareholding of our Company's directors and promoters;

2. Change in any way/ alter the capital structure of our Company;

3. Effect any scheme of amalgamation or reconstitution;

4. Implement a new scheme of expansion or take up an allied line of business;

5. Declare a dividend or distribute profits after deduction of taxes, except where the installments of principal and interest payable to SBI in respect of the facilities are being paid regularly and there is no irregularity;

6. Withdraw or allow to be withdrawn any money brought in by our Company's promoters and directors or relative and friends of our Company's promoters or directors; and

7. Invest any fund by way of deposits, or loans or in share capital of any other concern, so long as money is outstanding with SBI. However, the Company is free to deposit fund by way of security, with third parties in normal course of business.

<u>Unsecured Indebtedness</u>

Short Term Loans

Sr.no.	Name of Lender	Nature of borrowing	Amount sanctioned (₹ in million)	Amount outstanding as of February 28, 2019 (in ₹ million)	Rate of Interest / Commission (p.a.)	Tenure
1.	Saguna Finstock Private Limited*	Inter Corporate Deposits	3.00	3.00	12%	Payable on demand

Sr.no.	Name of Lender	Nature of borrowing	Amount sanctioned (₹ in million)	Amount outstanding as of February 28, 2019 (in ₹ million)	Rate of Interest / Commission (p.a.)	Tenure
2.	Neoline Enterprises Private Limited	Inter Corporate Deposits	8.00	8.00	15%	Payable on demand

** The name of the company has been changed to Saguna Property Management and Trading Pvt. Ltd.*

Further, otherwise than stated in the chapter '*Related Parties Transactions*' on page 205, as of August 31, 2018, our Company has neither given any loan to nor taken any loan from our Group Companies and related parties.

SECTION VII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section there are no outstanding: (i) criminal proceedings; (ii) actions by statutory / regulatory authorities; (iii) indirect and direct tax cases; and (iv) other material litigations, involving our Company, Directors, Promoters and Group Companies.

Further, except as stated in this section, there are no:(i) pending proceedings initiated against our Company for economic offences; (ii) default and non - payment of statutory dues by our Company; (iii) inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last five (5) years, against our Company; (iv) material frauds committed against our Company in the last 5 years; (v) overdue to banks or financial institutions by our Company and action taken by the Company; (vi) prosecutions filed (whether pending or completed) in the last 5 years preceding this Red Herring Prospectus; and (vii) fines imposed or compounding of offences done in last 5 years immediately preceding the year of this Red Herring Prospectus.

All terms defined in a particular litigation are for that particular litigation only. In this chapter, the next of date of hearing of all matters has been provided, where such date has been notified to our Company, absent which the status of the matter has been simply disclosed as pending.

1. Litigation involving our Company

Litigations against our Company

a. *Criminal Proceedings:* Nil

b. *Actions by Statutory and Regulatory Authorities:* Nil

c. *Tax Cases:*

Provided below is a summary of direct and indirect taxation proceedings pending against our Company:

(in ₹ million)

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings
Direct tax		
Sub-total (A)	3	2.70*
Indirect tax		
Sub-total (B)	4	4.46**
Total (A+B)	**7**	**7.16***

** To the extent quantifiable.*
*** To the extent quantifiable. In one of the matters, our Company has deposited an amount of ₹ 1.48 million, in protest, with the office of Commissioner of Customs.*

d. *Other material pending litigations:* Nil

Litigations by our Company

a. *Criminal Proceedings:* Nil

b. *Civil and other material pending litigations:*

1. Neogen Corporation (**Petitioner**), a corporation incorporated in the United States of America had published a cautionary notice in India dated November 26, 2013 stating that they are the owners of the trade mark 'NEOGEN' (**Impugned Mark**). Our Company submitted a reply to the said cautionary notice stating that it uses the Impugned Mark as its trade mark and has registered trademarks in India with the said Impugned Mark. The Petitioner sent a reply dated January 30, 2014 to our Company stating that they are willing to come to an understanding to decide mutually separate

areas of interest concerning the Impugned Mark. The Petitioner had filed various applications under the Trade Marks Act, 1999 to register the Impugned Mark as its trade mark in India. Our Company filed notices of opposition to the said applications dated July 18, 2018. The Petitioner has subsequently filed a commercial intellectual property suit (COMIP (L) 1705 of 2018) against our Company dated November 28, 2018 (**Suit**) and a notice of motion ((L) No. 3087 of 2018) in the High Court of Bombay (**High Court**), *inter alia* seeking a permanent injunction, and an injunction during the pendency of the Suit to prevent our Company from using the mark 'NEOGEN' *inter alia* to manufacture, market, trade or sell the products of our Company, to do an initial public offer (**IPO**) using the impugned mark as the name of our Company. The Petitioner has further prayed to the High Court that a Receiver be appointed to take charge and possession of all materials and goods belonging to our Company bearing the Impugned Mark (**Marked Goods**) during the pendency of the suit that our Company be directed to deliver to the Petitioner, Marked Goods to be destroyed. The Petitioner has also sought ₹ 5 million in damages along with an interest of 21% per annum, from the date of filing of the Suit or that our Company be ordered to render a true and faithful account of the profits earned using the Impugned Mark and be ordered to pay such amount. Our Company has filed a reply dated January 14, 2019 seeking a dismissal of the Suit and has filed a written statement on April 9, 2019. The Hon'ble High Court passed orders dated February 12, 2019 and February 27, 2019, *inter alia* directing the Petitioner to remove office objections. The Suit is currently pending before the High Court for hearing.

2. Our Company sent a notice dated July 24, 2018 to Neogen Enterprise LLP (**Neogen Enterprise**) situated in Vadodara, Gujarat with respect to infringement of our Company's registered trademarks (**Trademarks**) by Neogen Enterprise (**Notice**). Vide the Notice, our Company has stated that Neogen Enterprise, by registering itself as a limited liability partnership with the name 'Neogen Enterprise LLP' has infringed our Company's Trademarks and has *inter alia* asked Neogen Enterprise to cease and desist from infringing the Trademarks and have asked for compensation of ₹0.25 million. Vide letter dated August 1, 2018, Neogen Enterprise has replied to the Notice denying that it is infringing the Trademarks *inter alia* on the ground that it does not use the Trademarks for any of its product and business activities. The matter is currently pending.

2. Outstanding dues to small scale undertakings and other creditors by our Company

Our Board at its meeting dated September 21, 2018, approved our policy of material creditors as those creditors to whom an amount exceeding 10% of our total trade payables was outstanding, as per our Restated Standalone Financial Statements and Restated Consolidated Financial Statements.

As of December 31, 2018, on standalone and consolidated basis, our Company does not owe any amount to any material creditor (more than an amount exceeding 10 % of our outstanding trade payables), other than as decribed below:

Particulars (Standalone & Consolidated as on 31st December 2018)	No. of Creditors	Amount involved (in ₹ Millions)
MSME Creditors	11	4.59
Material Creditors	1	107.29
Other creditors	449	365.48
Total Creditors	**461**	**477.36**

The aggregate amount outstanding to such creditors as on December 31, 2018 was ₹ 477.36 million out of which ₹ 4.59 million is outstanding to micro and small enterprises.

Complete details of outstanding dues to our creditors as on February 28, 2019, are available on our website at http://neogenchem.com/creditors/.

Information provided on the website of our Company is not a part of this Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.neogenchem.com, would be doing so at their own risk.

3. Details of default and non - payment of statutory dues by our Company

Nil

4. Details of pending litigation involving any other person whose outcome could have material adverse effect on the position of our Company

Nil

5. Pending proceedings initiated against our Company for economic offences

Nil

6. Inquiries, investigations etc. instituted under the Companies Act in the last five (5) years against our Company

Nil

7. Litigations involving our Directors

(a) Criminal Complaints

i. Nirmal Singh, the Insecticides Inspector, Ludhiana (**Complainant**) filed a criminal complaint (Criminal Complaint Number 4151 of 2017) in the Court of Chief Judicial Magistrate, 1st Class, Ludhiana (**CJM Court**) on April 20, 2017 accusing PI Industries Limited (**Company**) of misbranding certain insecticides having a manufacturing date of June 18, 2014 and an expiry date of December 17, 2015 (**Complaint**). Anurag Surana, the then whole-time director of the Company, was mentioned as a co-accused in the Complaint and was accused of *inter alia* violating Sections 3k (1), 17, 18, 29 and 33 of the Insecticides Act, 1968 (**Insecticides Act**), on account of being a responsible official of the Company. Thereafter, vide an order dated April 20, 2017, the CJM Court noted that from perusal of the Complaint, there were sufficient grounds for proceeding against *inter alia* Anurag Surana for violating provisions of the Insecticides Act. Aggrieved by the Complaint, Anurag Surana filed a petition (CRM-M-7078 of 2018) in the High Court of Punjab and Haryana (**High Court**) on February 12, 2018 praying for quashing the Complaint and to grant a stay on the proceedings before the CJM Court *inter alia* on the ground that at the time of the alleged offence, Anurag Surana was not a director of the Company and had resigned from the Company on September 1, 2012 (**Petition**). Thereafter, on May 21, 2018, the State of Punjab through the Complainant filed a reply to the Petition. The High Court vide its order dated October 12, 2018, has directed the CJM Court to adjourn the dates of hearing in the Complaint till the next date of hearing of the Petition before the High Court. The matter is currently pending before the High Court.

ii. Nirmal Singh, the Insecticides Inspector, Ludhiana (**Complainant**) filed a criminal complaint (Criminal Complaint Number 5132 of 2017) in the Court of Chief Judicial Magistrate, 1st Class, Ludhiana (**CJM Court**) on May 5, 2017 accusing PI Industries Limited (**Marketing Company**) and Saraswati Agro Chemicals India Private Limited (**Manufacturing Company**) of misbranding certain insecticides having a manufacturing date of May 17, 2014 and an expiry date of May 15, 2016 (**Complaint**). Anurag Surana, the then whole-time director of the Marketing Company, was mentioned as a co-accused in the Complaint and was accused of *inter alia* violating Sections 3k (1), 17, 18, 29 and 33 of the Insecticides Act, 1968 (**Insecticides Act**), on account of being a responsible official of the Marketing Company. Thereafter, vide an order dated May 5, 2017, the CJM Court noted that from perusal of the Complaint, there were sufficient grounds for proceeding against *inter alia* Anurag Surana for violating provisions of the Insecticides Act. Aggrieved by the Complaint, Anurag Surana filed a petition (CRM-M-

7122 of 2018) in the High Court of Punjab and Haryana (**High Court**) on February 12, 2018 praying for quashing the Complaint and to grant a stay on the proceedings before the CJM Court *inter alia* on the ground that at the time of the alleged offence, Anurag Surana was not a director of the Marketing Company and had resigned from the Marketing Company on September 1, 2012 (**Petition**). Thereafter, on May 21, 2018, the State of Punjab through the Complainant filed a reply to the Petition. The High Court vide its order dated October 12, 2018, has directed the CJM Court to adjourn the dates of hearing in the Complaint till the next date of hearing of the Petition before the High Court. The matter is currently pending before the High Court.

iii. Mangal Dass, the Insecticides Inspector, Mansa (**Complainant**) filed a criminal complaint (Criminal Complaint Number 0000018 of 2015) in the Court of Sub Divisional Judicial Magistrate, Budhlada (**SDJM Court**) on August 13, 2015 accusing Geetu Pesticides and Khad Store (**Dealers**) and PI Industries Limited (**Manufacturing Company**) of misbranding certain insecticides having a manufacturing date of May 13, 2012 and an expiry date of May 12, 2014 (**Complaint**). Anurag Surana, the then whole time director of the Manufacturing Company, was mentioned as a co-accused in the Complaint and was accused of *inter alia* violating Sections 3k (1), 17, 18, 29, 30 and 33 of the Insecticides Act, 1968 (**Insecticides Act**), on account of being a responsible official of the Manufacturing Company. Thereafter, vide an order dated September 8, 2015 the SDJM Court issued summons against *inter alia* Anurag Surana for violating provisions of the Insecticides Act. Aggrieved by the Complaint, Anurag Surana filed a petition (CRM-M-35666 of 2016) in the High Court of Punjab and Haryana (**High Court**) on September 30, 2016 praying for quashing the Complaint and to grant a stay on the proceedings before the SDJM Court *inter alia* on the ground that at the time of the alleged offence, Anurag Surana was not a director of the Manufacturing Company and had resigned from the Company on September 1, 2012 (**Petition**). The matter is currently pending.

(b) *Actions by Statutory and Regulatory Authorities:* Nil

(c) *Tax Cases:* Nil

(d) *Other material pending litigations:* Nil

Litigations by our Directors

(a) *Criminal Complaints:* Nil

(b) *Other material pending litigations:* Nil

8. Litigations involving our Promoters

a. *Criminal Complaints:* Nil

b. *Actions by Statutory and Regulatory Authorities:* Nil

c. *Tax Cases:*

Haridas Thakarshi Kanani

(in ₹ million)

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings
Direct tax*	1	0.1

**To the extent quantifiable*

Harin Haridas Kanani

Nil

9. Litigations involving our Group Companies

There are no criminal complaints, actions by statutory and regulatory authorities, tax cases or material pending litigations by/against our Group Company.

10. Material Developments after December 31, 2018

For further details of material developments, please refer to the chapter '*Management's Discussion and Analysis of Financial Condition and Results of Operations'* on page 398.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary material consents, licenses, permissions, registrations and approvals from various governmental agencies and other statutory and / or regulatory authorities, required for carrying out its present business and, except as mentioned below, no further material approvals are required by our Company for carrying out its existing business operations or to undertake the offer. Unless otherwise stated, these approvals or licenses are valid as of date of this Red Herring Prospectus.

The main objects clause, objects incidental or ancillary to the attainment of the main objects of the Memorandum of Association of our Company enables our Company to undertake its existing business activities.

For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter '*Regulations and Policies*' on page 173.

1. Approvals in relation to the Offer

For details in connection with the approvals relating to the Offer, please refer to the chapter '*Other Regulatory and Statutory Disclosures - Authority for the Offer*' on page 441.

2. Approvals in relation to our business and operations

i. Certificate of incorporation, dated March 7, 1989, issued by the ROC, to our Company upon incorporation as 'Neogen Chemicals Private Limited'.

ii. Fresh certificate of incorporation dated July 2, 1998 issued by the ROC, to our Company upon conversion from a private limited company to a public limited company pursuant to a special resolution passed by the Shareholders of our Company on May 2, 1998. The name of our Company was also changed to 'Neogen Chemicals Limited' on July 2, 1998.

iii. Our Company is required to obtain various registrations and approvals in relation to our business. The registrations and approvals obtained by our Company in respect of our business operations include the following:

Manufacturing unit situated at Industrial Plot No. 526, Karakhadi, Taluka: Padra, District: Vadodara, Gujarat

Description	Reference No.	Date of Issue / Renewal	Expiry Date	Issuing Authority
Licence to work a factory	11481	February 2, 2018	December 31, 2022	Joint Director Industrial Safety and Health, Baroda Region, Government of Gujarat
Provisional Consent Order to operate and discharge effluents and emissions for the manufacturing unit	AWH-96192	October 1, 2018	June 30, 2023	Member Secretary, Gujarat Pollution Control Board, Government of Gujarat
Certificate for use of a boiler	GT-5340	July 17, 2018	June 13, 2019	Assistant Director of Boilers, Vadodara, Gujarat Boiler Inspection Department, Government of Gujarat
Certificate of Stability under the Gujarat Factories Rules, 1963	-	September 14, 2018	5 years from the date of issue	Mayoor J Vaghela, Chartered Engineer, Competency Certificate No. GUJ/DISH/CPT/A/0077/2014
Licence to import and store petroleum	P/HQ/GJ/15/4445 (P20148)	January 1, 2019	December 31, 2023	Chief Controller of Explosives, Nagpur, Petroleum and Explosives Safety

Description	Reference No.	Date of Issue / Renewal	Expiry Date	Issuing Authority
				Organisation, Ministry of Commerce and Industry, Government of India
Registration for purchase, possession, storage, consumption, others of Acetic Anhydride	AHCD0100790	June 5, 2017	Valid until cancelled	Zonal Director, Ahmedabad, Narcotics Control Bureau, Government of India
Membership of Nandesari Environment Control Ltd. for use of common facility for hazardous waste disposal	-	February 15, 2017	Valid until cancelled	Nandesari Environment Control Ltd.
Membership Certificate of Saurashtra Enviro Projects Ltd for the Integrated Hazardous Waste Management Facility	1200001001	October 4, 2015	October 3, 2020	Saurashtra Enviro Projects Ltd
Provisional Certificate of Membership of Recycling Solutions Pvt. Ltd for the Waste Mix Processing Facility	-	March 26, 2019	Valid for 6 months from the date of issuance of the Provisional Certificate	Recycling Solutions Pvt. Ltd
Membership Certificate of Enviro Infrastructure Company Ltd for the Effluent Treatment Plant	-	September 18, 2018	September 17, 2019	Enviro Infrastructure Company Ltd
Membership Certificate of Novel Spent Acid Management for the discharge of spent sulphuric acid	-	January 30, 2017	Valid until cancelled	Novel Spent Acid Management
Membership Certificate of Bharuch Enviro Infrastructure Limited for the common incineration facility	-	January 31, 2017	Valid until cancelled	Bharuch Enviro Infrastructure Limited
Membership Certificate of Bharuch Enviro Infrastructure Limited for the common solid waste disposal facility	-	December 2, 2017	Valid until cancelled	Bharuch Enviro Infrastructure Limited

Description	Reference No.	Date of Issue / Renewal	Expiry Date	Issuing Authority
License for purchase storage and usage of Methyl Alcohol	192/2017-18	April 1, 2018	March 31, 2020	Superintendent, Narcotics & Excise, Gujarat State, Ahmedabad, Government of India
Verification Certificate for 3 storage tanks used for storing solvents (T-607), distilled methanol (T-804), recovered methanol (T-829)	Book No.: 33 Sr. No.: 4	May 12, 2017	May 16, 2022	Ju. Inspector, Legal Metrology and Consumer Protection, Vadodara, Government of Gujarat
Verification Certificate for 3 storage tanks used for storing sulphuric acid (T-604), solvents (T-605) and solvents (T-606)	Book No.: 33 Sr. No.: 3	May 12, 2017	May 15, 2022	Ju. Inspector, Legal Metrology and Consumer Protection, Vadodara, Government of Gujarat
Verification Certificate for 4 storage tanks used for storing bromine (T-501A), bromine (T-501B), solvents (T-608), caustic-lay (T-603)	Book No.: 33 Sr. No.:2	May 12, 2017	May 15, 2022	Ju. Inspector, Legal Metrology and Consumer Protection, Vadodara, Government of Gujarat
Verification Certificate for storage tank used for storing methanol (T-601)	Book No.: 32 Sr. No.: 85	March 28, 2017	March 28, 2022	Ju. Inspector, Legal Metrology and Consumer Protection, Vadodara, Government of Gujarat
Verification Certificate for storage tank used for storing caustic lye (T-602)	Book No.: 33 Sr. No.: 10	May 29, 2017	May 29, 2022	Ju. Inspector, Legal Metrology and Consumer Protection, Vadodara, Government of Gujarat
Verification Certificate for an ‘Avery’ make Electric Weighbridge	627658	May 25, 2018	May 25, 2019	Ju. Inspector, Legal Metrology and Consumer Protection, Vadodara, Government of Gujarat
Verification Certificate for 2 bullion weights of 2 Kg and 1 Kg and 4 Iron Hexagonal weights of 20 Kg, 10 Kg, 5 Kg and 1 Kg	497364	May 15, 2019	May 14, 2019	Ju. Inspector, Legal Metrology and Consumer Protection, Vadodara, Government of Gujarat
Verification Certificate for 4 flowmeters with a capacity of 25000 litres/hour, 40000 litres/hour, 22m3/hour and 36m3/hour.	648867	August 7, 2018	August 7, 2019	Ju. Inspector, Legal Metrology and Consumer Protection, Vadodara, Government of Gujarat

Description	Reference No.	Date of Issue / Renewal	Expiry Date	Issuing Authority
Verification certificate for 10 types of weighing scales including both electronic and platform weighing scales	652233	August 18, 2018	August 18, 2019	Ju. Inspector, Legal Metrology and Consumer Protection, Vadodara, Government of Gujarat
Fire Safety Certificate	162FES18190000000	October 4, 2018	Valid for a period of 1 year	Chief Fire Officer, Padra Nagarpalika, Government of Gujarat

Manufacturing unit situated at Plot No. 43/44, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Thane, Maharashtra, 400710

Description	Reference No.	Date of Issue / Renewal	Expiry Date	Issuing Authority
Licence to work a factory	211653	November 14, 2017	December 31, 2021	Deputy Director Industrial Safety and Health, Directorate of Industrial Safety and Health, Maharashtra, Government of Maharashtra
Consent to operate and discharge effluents and emissions for the manufacturing unit	Format 1.0/AST/RO-NM/EIC No. NM-5810-15/R/CC-12345	September 23, 2015	May 31, 2020	Assistant Secretary, Maharashtra Pollution Control Board, Government of Maharashtra
Certificate for use of a boiler	MR/15594 and MR/15595	July 4, 2018	July 1, 2019	Deputy Director, Directorate of Steam Boilers, Mumbai, Government of Maharashtra
Certificate of Stability under the Maharashtra Factories Rules, 1963	-	August 8, 2018	Five years from the date of issue	Pramod Kamble, Structural Consultant, Membership No. 59659, Institute of Engineers
Licence issued by Maharashtra State Electricity Distribution Company Limited	SE/VC/TECH/HT/V-31/2012/No, 4679	July 18, 2012	-	Superintending Engineer, Vashi Circle, MSED Co. Ltd., Maharashtra
Membership certificate of Trans Thana Creek Waste Management Association for the common hazardous waste treatment storage disposal facility.	-	May 21, 2008	Valid until cancelled	Trans Thana Creek Waste Management Association
Verification certificate for 5 electronic weighing scales	0563434	May 15, 2018	May 15, 2019	Inspector, Legal Metrology Department,

Description	Reference No.	Date of Issue / Renewal	Expiry Date	Issuing Authority
				Government of Maharashtra
Verification certificate for 2 electronic weighing scales	9120180923687	December 26, 2018	December 26, 2019	Inspector, Legal Metrology Department, Government of Maharashtra
Verification certificate for 6 C.I. Weights	9120180922642	October 24, 2018	October 24, 2020	Inspector, Legal Metrology Department, Government of Maharashtra
Verification certificate for 6 C.I. Weights of different capacities	9120180922643	October 24, 2018	October 24, 2020	Inspector, Legal Metrology Department, Government of Maharashtra
Provisional No-Objection Certificate for PNG Gas Pipe connection	MIDC/FIRE/D30229	October 4, 2018	1 year from date of issue	Dy. Chief Fire Officer, MIDC, Government of Maharashtra

Proposed Manufacturing facility at Plot No. Z-109, Dahej SEZ, Dahej SEZ, Lakhigam, , Taluka – Vagra, District – Bharuch - 392130, Gujarat

Description	Reference No.	Date of Issue / Renewal	Expiry Date	Issuing Authority
Consent to Establish under the Water (Prevention and Control of Pollution) Act, 1974, Air Act, 1981, Environment (Protection) Act, 1986	NO: GPCB/BRCH-B/CTE-540/ID-65231	March 14, 2019	December 14, 2025	Senior Environmental Engineer

Tax Related Approvals

Description	Reference No.	Date of Issue / Renewal	Expiry Date	Issuing Authority
Permanent Account Number (**PAN**)	AAACN5836E	March 7, 1989	Valid until cancelled	Income Tax Department, Government of India
Tax deduction and collection account number (**TAN**)	MUMN10061C	N.A.	Valid until cancelled	Income Tax Department, Government of India
Registration Certificate as a manufacturer under the Central Sales Tax Act, 1956 for Gujarat	24692401696	December 30, 2016	Valid until cancelled	Commissioner of Commercial Tax, Commercial Tax Department, Gujarat

Description	Reference No.	Date of Issue / Renewal	Expiry Date	Issuing Authority
Registration Certificate as a dealer under the Maharashtra Value Added Tax Act, 2002	27690001169 V	April 1, 2006	Valid until cancelled	Registration Officer, Sales Tax Department, Government of Maharashtra
Registration Certificate as a dealer under the Gujarat Value Added Tax Act, 2003	24692401696	December 30, 2016	Valid until cancelled	Commissioner of Commercial Tax, Commercial Tax Department, Gujarat, Government of Gujarat
Central Excise Registration Certificate for the manufacturing unit situated at Industrial Plot No. 526, Karakhadi, Taluka: Padra, District: Vadodara	AAACN5836EEM004	January 2, 2017	Valid until cancelled	Central Board of Excise and Customs, Ministry of Finance – Department of Revenue, Government of India
Central Excise Registration Certificate for the manufacturing unit situated at Plot No. 43/44, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Thane, Maharashtra, 400710	AAACN5836EXM001	October 1, 2002	Valid until cancelled	Assistant Commissioner, Central Excise, Belapur, Central Board of Excise and Customs, Ministry of Finance – Department of Revenue, Government of India
GST Registration Certificate under the Maharashtra Goods and Services Tax Act, 2017 for Maharashtra	27AAACN5836E1ZJ	November 30, 2017	Valid until cancelled	The Central & State Goods & Service Tax Department, Government of Maharashtra
GST Registration Certificate under the Gujarat Goods and Services Tax Act, 2017 for Gujarat	24AAACN5836E2ZO	September 22, 2017	Valid until cancelled	The Central & State Goods & Service Tax Department, Government of Gujarat
Registration Certificate as a manufacturer, importer, exporter and buyer of plant and machinery under the Central Sales Tax Act, 1956 for Maharashtra	27690001169 C	April 1, 2006	Valid until cancelled	Registration Officer, Sales Tax Department, Government of Maharashtra

General

Description	Reference No.	Date of Issue / Renewal	Expiry Date	Issuing Authority
Certificate of Importer Exporter Code	0391130544	June 25, 1991	Valid until cancelled	Office of Joint Director General of Foreign Trade, Mumbai, Ministry of Commerce, Government of India
Certificate of registration under the Contract Labour (Regulation and Abolition) Act, 1970 for the manufacturing unit situated at Industrial Plot No. 526, Karakhadi, Taluka: Padra, District: Vadodara, Gujarat	BRD/2017/CLRA/100/262/95	July 17, 2017	Valid until cancelled	Assistant Labour Commissioner, Labour Commissioner Office, Baroda, Government of Gujarat
Certificate of registration under the Contract Labour (Regulation and Abolition) Act, 1970 for the manufacturing unit situated at Plot No. 43/44, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Thane, Maharashtra, 400710	1810200710013581	November 14, 2018	December 31, 2019	Assistant Commissioner of Labour, Labour Commissioner Office, Thane-2, Government of Maharashtra
Allotment of code number under the Employees Provident Fund and Miscellaneous Provisions Act, 1976 for the manufacturing unit situated at Plot No. 43/44, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Thane, Maharashtra, 400710	THVSH0038755000	-	Valid until cancelled	Regional Provident Fund Commissioner, Maharashtra and Goa, Government of India
Allotment of code number under the Employees Provident Fund and Miscellaneous	VDBRD0020711000	December 19, 2017	Valid until cancelled	Regional Provident Fund Commissioner, Gujarat,

Description	Reference No.	Date of Issue / Renewal	Expiry Date	Issuing Authority
Provisions Act, 1976 for the manufacturing unit situated at Industrial Plot No. 526, Karakhadi, Taluka: Padra, District: Vadodara, Gujarat				Government of Gujarat
Registration certificate under the Employee State Insurance Act, 1948 for the unit situated at Plot No. 43/44, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Thane, Maharashtra, 400 710	31-25509-34	December 18, 1991	Valid until cancelled	Deputy Regional Director, Employee State Insurance Corporation, Regional Office, Maharashtra, Government of India
Entrepreneurs Memorandum filed for registration as a small-scale industry under the Micro, Small and Medium Enterprises Development Act, 2006.	27-021-12-01900-Part II	April 8, 2010	Valid until cancelled	District Industries Centre, Thane Udyog Setu, Thane, Government of Maharashtra
Registration certificate for the establishment situated at 1002, 10th Floor, Dev Copora Building, Opp. Cadbury Company, Off Pokhran Road, No. 2, Khopat, Thane (West) – 400601, Maharashtra, India under the Maharashtra Shops and Establishments (Regulation of Employment and Services Regulation) Act, 2017	1810200312564342	October 29, 2018	Valid until cancelled	Office of the Deputy Commissioner of Labour, Thane, Government of Maharashtra
Registration of the Establishment under the National	E01182700179	January 22, 2018	Valid until cancelled	Ministry of Skill Development and Entrepreneurship,

Description	Reference No.	Date of Issue / Renewal	Expiry Date	Issuing Authority
Apprenticeship Promotion Scheme				Government of India
Registration certificate for the establishment situated at 115, 1st Floor, Vardhaman Industrial Complex, Old Agra Road, Next to Golden Palace, Thane 400601, Maharashtra, India under the Maharashtra Shops and Establishments (Regulation of Employment and Services Regulation) Act, 2017	106030111803	January 15, 2019	January 15, 2022	Office of the Deputy Commissioner of Labour, Thane, Government of Maharashtra

Application for issue/renewal of approvals and licences for our Company

Description	Reference No.	Expiry Date	Date of application	Authority
Renewal of License for possession and use of ordinary denatured spirit for bonafide purpose of art, industry or profession – Ethyl Alcohol	License No. D-5: 96/18-19	31 March 2019	30 March 2019	Superintendent, Prohibition & Excise Department, Vadodara, Government of Gujarat

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

Our Board has authorised the Offer under Section 62(1)(c) pursuant to a resolution passed at its meeting held on September 21, 2018. Further, it has approved the Draft Red Herring Prospectus pursuant to its resolution dated November 5, 2018 and approved this Red Herring Prospectus pursuant to its resolution dated April 11, 2019.

Our Shareholders have approved the Offer by a special resolution passed in accordance with Section 62(1)(c) of the Companies Act, 2013, at the EGM held on October 16, 2018.

In-Principle Listing Approvals

Our Company has received in-principle approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated December 6, 2018 and December 19, 2018, respectively.

Approval from Selling Shareholders

Promoter Selling Shareholder and Promoter Group Selling Shareholder have each vide their letters dated September 20, 2018 confirmed and authorised their respective participation in the Offer for Sale. The Selling Shareholders, vide the said letters, have also confirmed that the Offered Shares, have been held by it for a period of at least 1 year prior to filing of this Red Herring Prospectus with SEBI or such Equity Shares have resulted from a bonus issue on Equity Shares held for a period of at least one year prior to the filing of this Red Herring Prospectus, and are eligible for being offered for sale in the Offer, as required by Regulation 26(6) of the SEBI ICDR Regulations. Therefore, the Offered Shares are eligible to be offered for sale in the Offer.

Prohibition by SEBI or other Governmental authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group, our Group Companies or the persons in control of our Promoters have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoters, our Directors or persons in control of our Company are or were associated as promoters, directors or persons in control have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

The Selling Shareholders specifically confirm that they have not been prohibited from accessing or operating in the capital market under any order or direction passed by SEBI or any other governmental authority in India. Further, the Selling Shareholders confirm that they have not been declared as wilful defaulters, as defined under the SEBI ICDR Regulations.

Except as disclosed under the chapter '*Our Management*' on page 181, none of our Directors are in any manner associated with the securities market, including any securities market related business and no action has been taken by the SEBI against our Directors or any entity in which our Directors are involved as promoters or directors. Neither our Company, our Promoters nor any of their relatives (as defined under the Companies Act), any member of our Promoter Group, our Directors and our Group Companies are or have been declared as wilful defaulters, as defined by the SEBI ICDR Regulations.

Prohibition by RBI

Neither our Company, nor our Promoters, Directors, Group Companies, have been categorized as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 26(1) of the SEBI ICDR Regulations as set forth below:

- Our Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each) of which not more than 50% of net tangible assets are monetary assets;

- Our Company has a minimum average pre-tax operating profit of ₹ 150 million, calculated on a restated and consolidated basis during the 3 most profitable years out of the immediately preceding 5 years;

- Our Company has a net worth of at least ₹ 10 million in each of the 3 preceding full years (of 12 months each);

- The proposed size of the Offer and all previous issues made in the same Fiscal is not expected to exceed 5 times the pre-Offer net worth of our Company as per the audited balance sheet of the preceding Fiscal; and

- Our Company has not changed its name during the last year.

Set forth below are our Company's pre-tax operating profit, net tangible assets, monetary assets, monetary assets as a percentage of our net tangible assets and net worth, derived from our Restated Consolidated Financial Statements included in this Red Herring Prospectus.

(in ₹ million except percentage values)

Particulars		**Fiscal**				
	9 month period ended December 31, 2018	**2018**	**2017**	**2016**	**2015**	**2014**
Net Tangible Assets (1)	2,373.20	1,799.98	1,523.12	804.77	687.47	629.20
Monetary Assets (2)	9.96	18.17	30.76	24.72	24.03	17.92
Pre-tax Operating Profit (3)	251.50	270.89	187.14	131.10	117.23	105.54
Net Worth (4)	614.87	500.62	419.66	275.49	234.87	195.93
Monetary assets as a percentage of the net tangible assets (%)	0.42	1.01	2.02	3.07	3.50	2.85

(1) 'Net tangible assets' means the sum of all net assets of our Company excluding intangible assets as defined in Indian Accounting Standard 38 issued under the Companies (Indian Accounting Standards) Rules, 2015.

(2) Monetary assets comprise of cash and bank balances, including public deposit accounts with the Government.

(3) 'Pre-Tax Operating Profit' means restated profit before tax excluding other income and finance costs.

(4) Net worth' means the aggregate of the paid-up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of statement of profit and loss.

Set forth below are our Company's pre-tax operating profit, net tangible assets, monetary assets, monetary assets as a percentage of our net tangible assets and net worth, derived from our Restated Standalone Financial Statements included in this Red Herring Prospectus.

(in ₹ million except percentage values)

Particulars	9 month period ended December 31, 2018	Fiscal				
		2018	2017	2016	2015	2014
Net Tangible Assets (1)	2,375.45	1,801.67	1,523.78	804.79	687.48	629.22
Monetary Assets (2)	9.96	18.17	30.76	24.72	24.03	17.92
Pre-tax Operating Profit (3)	250.22	270.51	186.76	131.10	117.23	105.54
Net Worth (4)	617.22	502.31	420.32	275.49	234.87	195.94
Monetary assets as a percentage of the net tangible assets (%)	0.42	1.01	2.02	3.07	3.50	2.85

(1) 'Net tangible assets' means the sum of all net assets of our Company excluding intangible assets as defined in Indian Accounting Standard 38 issued under the Companies (Indian Accounting Standards) Rules, 2015.

(2) Monetary assets comprise of cash and bank balances, including public deposit accounts with the Government.

(3) 'Pre-Tax Operating Profit' means restated profit before tax excluding other income and finance costs.

(4) Net worth' means the aggregate of the paid-up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of statement of profit and loss.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000 failing which the entire application money shall be refunded. If our Company does not allot Equity Shares pursuant to the Offer within 5 Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, we shall repay without interest all monies received from bidders, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI. For the avoidance of doubt, subject to applicable law, the Selling Shareholders shall not be responsible to pay interest or expenses for any delay, except to the extent such delay has been caused solely and directly attributable to an act or omission of such Selling Shareholders and to the extent of their respective portion of the Offered Shares.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI ICDR Regulations, to the extent applicable.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, INGA ADVISORS PRIVATE LIMITED AND THE CO-BOOK RUNNING LEAD MANAGER BATLIVALA & KARANI SECURITIES INDIA PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT

IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER AND THE CO-BOOK RUNNING LEAD MANAGER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER AND THE CO-BOOK RUNNING LEAD MANAGER HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 5, 2018 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGER AND THE CO-BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATIONS LIKE COMMERCIAL DISPUTES, PATENT DISPIUTES, DISPUTES WITH COLLABORATOR, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS DATED NOVEMBER 5, 2018 PERTAINING TO THE SAID OFFER.**

   ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

   i. **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**

   ii. **ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   iii. **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AS AMENDED AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

2. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.**

3. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - <u>NOTED FOR COMPLIANCE</u>;**

4. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD**

STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

5. **WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS RED HERRING PROSPECTUS - COMPLIED WITH AND NOTED FOR COMPLIANCE**

6. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. – NOTED FOR COMPLIANCE**

7. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

8. **WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKER TO THE OFFER AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE - ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.**

9. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.**

10. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

11. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    i. **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION OF THE EQUITY SHARES OF THE**

COMPANY; AND

ii. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

12. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER. - <u>NOTED FOR COMPLIANCE</u>

13. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.

14. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

15. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE OFFER)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR. THIS IS THE FIRST PUBLIC ISSUE BEING HANDLED BY INGA ADVISORS PRIVATE LIMITED. FURTHER, BATLIVALA AND KARANI SECURITIES INDIA PRIVATE LIMITED HAS NOT HANDLED ANY OUBLIC ISSUES DURING THE CURRENT FINANCIAL YEAR AND TWO FINANCIAL YEARS PRECEEDING THE CURRENT FINANCIAL YEAR.

16. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – <u>COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY, REPORTED IN ACCORDANCE WITH APPLICABLE ACCOUNTING STANDARDS, IN THE RESTATED FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS, AS CERTIFIED BY M/S JMT AND ASSOCIATES, CHARTERED ACCOUNTANTS, PURSUANT TO ITS CERTIFICATE DATED NOVEMBER 5, 2018.</u>

17. WE CERTIFY <u>THAT</u> THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS. (IF APPLICABLE). – <u>NOT APPLICABLE</u>

The filing of this Red Herring Prospectus does not, however, absolve any person who has authorised the issue of this Red Herring Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up at any point of time, with the BRLM and the CBRLM, any irregularities or lapses in this Red Herring Prospectus and the Prospectus.

All legal requirements pertaining to the Offer will be complied with by the respective parties at the time of filing of this Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with by the respective parties at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 31, 32 and 33 of the Companies Act, 2013.

Price information of past issues handled by the Book Running Lead Manager and the Co-Book Running Lead Manager

This is the first public issue being handled by Inga Advisors Private Limited. Further, Batlivala & Karani Securities India Private Limited has not handled any public issues during the current financial year and two financial years preceding the current financial year.

Disclaimer from our Company, Selling Shareholders, our Directors, the BRLM and CBRLM

Our Company, our Directors and the BRLM, the CBRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.neogenchem.com or the respective websites of any of our Promoters, Promoter Group, Group Companies or of any affiliates, would be doing so at his or her own risk. The Selling Shareholders accept no responsibility for any statements made or undertakings provided other than those statements specifically confirmed by the Selling Shareholders, and only to that extent that it specifically pertains to the Selling Shareholders and/or to the Offered Shares.

Caution

The BRLM and the CBRLM accept no responsibility, save to the limited extent as provided in the Offer Agreement entered into between the BRLM, the CBRLM, the Selling Shareholders and the Company and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, Selling Shareholders, BRLM and the CBRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither our Company, the Selling Shareholders nor any member of the Syndicate shall be liable for (i) any failure in uploading the Bids due to faults in any software/hardware system or otherwise; and (ii) the blocking of application amount by RIIs bank on receipt of instruction from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault malfunctioning or break-down in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM, CBRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders, the Promoters and Promoter Group, Group Companies and their respective directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in underwriting, commercial banking and investment banking transactions with our Company, the Selling Shareholders, the Promoters and Promoter Group, Group Companies and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, agreed compensation.

Disclaimer in respect of Jurisdiction

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts registered under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies registered with IRDAI and pension funds, permitted provident fund, insurance funds set up and managed by the army and navy of the Union of India and insurance funds set up and managed by the Department of Posts, India and to eligible non-residents including Eligible NRIs and FPIs. This Red Herring Prospectus does not, however, constitute an invitation to purchase Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of the BSE

BSE Limited ("the Exchange") has given vide its letter dated December 6, 2018 permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinised this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

a. Warrant, certify or endorse the correctness or completeness of any of the content of this offer document; or
b. Warrant that this Company's securities will be listed or will continues to be listed on this Exchange; or
c. Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/514 dated December 19, 2018 permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Offeror may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription

/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of this Red Herring Prospectus has been filed with SEBI at SEBI Bhavan, Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra.

A copy of this Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 and 32 of the Companies Act, 2013 would be delivered for registration with RoC at the Office of the ROC located at the address mentioned below.

The Registrar of Companies, Maharashtra at Mumbai
100 Everest
Marine Drive
Mumbai - 400 002
Maharashtra, India.

Listing

The Equity Shares issued under the Offer are proposed to be listed on the BSE and the NSE. Applications shall be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. Our Company received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated December 6, 2018 and December 19, 2018, respectively. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised for the Offer.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within 6 Working Days of the Bid/Offer Closing Date or such other time prescribed by SEBI. If our Company does not allot Equity Shares pursuant to the Offer within 6 Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI. For the avoidance of doubt, subject to applicable law, the Selling Shareholders shall not be responsible to pay interest or expenses for any delay, except to the extent such delay has been caused solely and directly attributable to an act or omission of such Selling Shareholders and to the extent of their respective portion of the Offered Shares.

The Selling Shareholders undertake to provide such reasonable support and extend reasonable cooperation as may be requested by our Company, to the extent applicable, and to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within 6 Working Days from the Bid/Offer Closing Date or such other time prescribed by SEBI.

Impersonation

Please refer to the chapter '*General Information – Impersonation*' on page 74.

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, auditors, legal advisors, industry sources, third parties, the BRLM, the CBRLM the Registrar to the Offer to act in their respective capacities, have been obtained and the Syndicate Members, the Public Offer Bank, the Escrow Collection Bank, Refund Banker and the Sponsor Bank to act in their respective capacities, have been obtained prior to filing of this Red Herring Prospectus with the RoC as required under Section 26 and 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with RoC.

Further, we've received the following consents from the lenders to our Company.

Name of the lender	Date of the consent letter
Citibank N.A.	September 19, 2018 and April 1, 2019
State Bank of India	October 6, 2018
Yes Bank	September 17, 2018

Our Company has received written consent dated April 11, 2019 from our Statutory Auditor, namely, JMT & Associates, Chartered Accountants for inclusion of their reports, on the Restated Standalone Financial Statements dated March 26, 2019, the Restated Consolidated Financial Statements dated March 26, 2019, in this Red Herring Prospectus and to include their name as required under Section 26 of the Companies Act, 2013 in this Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Possible Tax Benefits Available to the Company and its Shareholders dated April 11, 2019 in the form and context in which it appears in this Red Herring Prospectus. Such consent has not been withdrawn up to the time of delivery of this Red Herring Prospectus for filing with SEBI.

Expert Opinion

For details regarding expert opinion, please refer to the chapter '*General Information – Expert*' on page 74.

Offer Expenses

The expenses of the Offer include, among others, underwriting and management fees, selling commissions, bidding charges, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees, filing, auditor's fees and listing fees. For further details of Offer related expenses, please refer to the chapter '*Objects of the Offer*' on page 112.

Fees, Brokerage and Selling Commission

The total fees payable to Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Syndicate Agreement, a copy of which will be available for inspection at the Registered Office. For further details, please refer to the chapter '*Objects of the Offer*' on page 107.

Fees Payable to the Registrar to the Offer

The fees payable by our Company to the Registrar to the Offer for processing of application, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated November 3, 2018 entered into amongst our Company and the Registrar to the Offer (**Registrar Agreement**), a copy of which is available for inspection at the Registered Office. Adequate funds shall be provided to the Registrar to the Offer to enable it to send refund orders or Allotment Advice by registered post or speed post or ordinary post. For further details, please refer to the chapter '*Objects of the Offer'* on page 107.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of this Red Herring Prospectus.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCSBs, Registered Brokers, RTAs and CDPs, please refer to the chapter '*Objects of the Offer*' on page 112.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is an initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Previous issues of the Equity Shares otherwise than for cash

Except as disclosed in the chapter '*Capital Structure*' on page 85, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Previous capital issue during the previous three years by listed group companies, subsidiaries and associates of our Company

Our Company does not have and during the last 3 years, did not have any subsidiaries or associate companies. Further, none of our Group Companies are listed on any stock exchange nor have they undertaken a capital issue in the last three years preceding the date of this Red Herring Prospectus.

Performance vis-à-vis objects – Public/rights issue of our Company and/or listed group companies and subsidiaries/ associates of our Company

Our Company does not, and during the last 10 years, did not have any subsidiary or associate companies. Neither our Company nor Group Company has undertaken any public or rights issue in the past 10 years preceding this Red Herring Prospectus.

Outstanding Debentures or Bonds

Our Company does not have any outstanding debentures or bonds as of the date of this Red Herring Prospectus.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Red Herring Prospectus.

Outstanding Preference Shares

Except as disclosed in the chapter '*History and Certain Corporate Matters*' and '*Capital Structure*' on pages 175 and 80, our Company does not have any outstanding preference shares as on date of this Red Herring Prospectus.

Underwriting commission, brokerage and selling commission on previous issues

Since this is an initial public offering of our Company, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any Equity Shares since incorporation of our Company.

Stock Market Data of the Equity Shares

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

Redressal of Investor Grievances

The agreement amongst the Registrar to the Offer and our Company provides for the retention of records with Registrar to the Offer for a period of at least three years from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach Registrar to the Offer for redressal of their grievances.

All grievances other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of the Equity Shares applied for, the name and address of the Designated Intermediary where the ASBA Form was submitted by the Bidder, ASBA Account number (for Bidders other than Retail Individual Investors bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of Retail Individual Investors applying through the UPI Mechanism in which the amount equivalent to the Bid Amount is blocked.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Locations or the relevant Registered Broker if the Bid was submitted through Registered Brokers, as the case may be, giving full details such as name and address of the sole or the First Bidder, the Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of the Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Registered Broker or the Designated Branch, as the case may be, where the ASBA Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLM, the CBRLM and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs, Syndicate Members, RTA, CDPs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations and SEBI ICDR Regulations 2018, to the extent applicable.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as name of the sole or first Bidder, Anchor Investor Application Form number, Bidders DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Anchor Investor, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager and the Co-Book Running Lead Manager where the Anchor Investor Application Form was submitted by the Anchor Investor.

Our Company estimates that the average time required by our Company or Registrar to the Offer or SCSB, for the redressal of routine investor grievances shall be 30 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

For further details of the Stakeholders' Relationship Committee, please refer to the chapter '*Our Management*' on page 192.

Our Company has appointed Lalit Ashok Karne, the Company Secretary of our Company, as the Compliance Officer for the Offer and he may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

1002, 10th Floor, Dev Corpora Building,
Opp. Cadbury Junction, Off Pokhran Road No 2,
Khopat, Thane West - 400 601,
Maharashtra, India

Our Company has not received any investor complaint during the three years preceding the date of this Red Herring Prospectus.

Disposal of investor grievances by listed Group Companies

As on the date of this Red Herring Prospectus, none of our Group Companies is listed on any stock exchange, and therefore there are no investor complaints pending against any of them.

Changes in auditors

There have been no changes in the auditors of our Company during the three years preceding the date of this Red Herring Prospectus.

Capitalisation of Reserves or Profits

Except as disclosed in the chapter '*Capital Structure'* on page 80, our Company has not capitalised its reserves or profits at any time during the five years preceding the date of this Red Herring Prospectus.

Revaluation of Assets

Our Company has not revalued its assets at any time during the five years preceding the date of this Red Herring Prospectus except as required by Ind AS for the purpose of recording assets at fair value acquired through business combination.

SECTION VIII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered pursuant to this Offer are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, SEBI ICDR Regulations 2018, to the extent applicable, the SEBI Listing Regulations, our Memorandum and Articles, the terms of this Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue and Offer for sale and listing and trading of securities issued from time to time by the SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, the and/or other authorities, as in force on the date of this Offer and to the extent applicable or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Offer.

Ranking of the Equity Shares

The Equity Shares being offered and allotted in the Offer shall be subject to the provisions of the Companies Act, our Memorandum and Articles and shall rank pari passu in all respects with the existing Equity Shares including rights in respect of dividend and other corporate benefits, if any, declared by the Company after the date of Allotment. For more information, please refer to the chapters '*Dividend Policy*' and '*Main Provisions of the Articles of Association*' on pages 206 and 521 respectively.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum and Articles, the SEBI Listing Regulations and other applicable laws. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Allottees. For further details in relation to dividends, please refer to the chapters '*Dividend Policy*' and '*Main Provisions of the Articles of Association*' on pages 206 and 521 respectively.

Face Value and Offer Price

The face value of the Equity Shares is ₹ 10 each. At any given point of time there shall be only one denomination for the Equity Shares.

The Floor Price of Equity Shares is ₹10 per Equity Share and the Cap Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share. The Price Band and minimum Bid lot size for the Offer will be decided by our Company and the Selling Shareholders, in consultation with the BRLM and the CBRLM, and advertised by our Company in all editions of English newspaper the Business Standard, all editions of Hindi newspaper the Business Standard and Mumbai edition of Marathi newspaper Navshakti (Marathi being the regional language of Maharashtra, where our Company's Registered Office is located), each with wide circulation, respectively, at least 2 Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLM and the CBRLM, after the Bid/ Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

Compliance with the SEBI ICDR Regulations disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

1. The right to receive dividends, if declared;

2. The right to attend general meetings and exercise voting powers, unless prohibited by law;

3. The right to vote on a poll either in person or by proxy or 'e-voting', in accordance with the provisions of the Companies Act;

4. The right to receive offers for rights shares and be allotted bonus shares, if announced;

5. The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;

6. The right to freely transfer their Equity Shares, subject to applicable laws; and

7. Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/or consolidation/splitting, please refer to the chapter '*Main Provisions of the Articles of Association'* on page 521.

Market Lot and Trading Lot

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. Hence, the Equity Shares offered through this Offer can be applied for in the dematerialised form only. The trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of one Equity Share, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment please refer to the chapter '*Offer Procedure'* on page 462.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Mumbai, Maharashtra, India will have exclusive jurisdiction in relation to this Offer.

Nomination facility

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debenture) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale or transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

1. to register himself or herself as the holder of the Equity Shares; or

2. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If investors wish to change their nomination, they are requested to inform their respective Depository Participant.

Bid/ Offer Period*

BID/OFFER OPENS ON*	**April 24, 2019**
BID/OFFER CLOSES ON	**April 26, 2019**

**Our Company and Selling Shareholders may, in consultation with the BRLM and the CBRLM, consider participation by Anchor Investors. The Anchor Investors Bidding Date shall be 1Working Day prior to the Bid/Offer Opening Date.*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about May 3, 2019
Initiation of refunds (if any) for Anchor Investors / unblocking of funds from ASBA Account	On or about May 6, 2019
Credit of the Equity Shares to depository accounts of Allottees	On or about May 7, 2019
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about May 8, 2019

The above timetable, other than the Bid/Offer Opening and Closing Dates, is indicative in nature and does not constitute any obligation on our Company, the Selling Shareholders or the members of the Syndicate. While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 6 Working Days of the Bid/ Offer Closing Date or such period as may be prescribed by SEBI, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Company and Selling Shareholders due to revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm, severally and not jointly, that they shall extend reasonable cooperation required by our Company, to the extent applicable and the BRLM and the CBRLM for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within 6 Working Days from the Bid/Offer Closing Date, , or such procedure as may be prescribed by SEBI. Bids other than Bids from Anchor Investors for non-ASBA are liable to be rejected.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and revision in Bids	Only Between 10.00 a.m. and 5.00 p.m. (IST)
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

1. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

2. 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIIs.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by RIIs after taking into account the total number of Bids received and as reported by the BRLM and the CBRLM to the Stock Exchanges.

Except in relation to Anchor Investors, Bids and any revision in Bids will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/Offer Period at the Bidding Centres, except that on the Bid/Offer Closing Date (which for QIBs is maybe a day prior to the Bid/Offer Closing Date for non-QIBs), Bids will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. (Indian Standard Time) by QIBs and Non-Institutional Investors; and (ii) 5.00 p.m. or such extended time as permitted by the Stock Exchanges (Indian Standard Time) in case of Bids by Retail Individual Investors. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLM and the CBRLM to the Stock Exchanges. Due to limitation of time available for uploading Bids on the Bid/Offer Closing Date, Bidders are advised to submit Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. If a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Offer. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by the SCSBs, or under UPI Mechanism, would be rejected. Our Company, the Selling Shareholders and the members of Syndicate will not be responsible for any failure in uploading Bids due to faults in any hardware/software system or otherwise. Bids will be accepted only on Working Days.

Our Company and the Selling Shareholders in consultation with the BRLM and the CBRLM, reserve the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations and SEBI ICDR Regulations 2018, to the extent applicable, provided that the Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Offer Period will be extended for at least 3 additional Working Days after revision of Price Band subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges by issuing a press release and by indicating the change on the website of the Designated Intermediaries. However, in case of revision in the Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Offer, including through the devolvement to the Underwriters within 60 days from the Bid/ Offer Closing Date, as applicable, our Company shall forthwith refund the entire subscription monies received within the timelines prescribed under applicable laws, failing which, the directors of our Company who are officers in default shall, jointly and severally, be liable to repay that money with interest at the rate of 15% per annum or such other rate as prescribed by SEBI. This is further subject to the compliance with Regulation 19(2)(b) of the SCRR. Further in terms of Regulation 49(1) of the SEBI ICDR Regulations, 2018, our Company will ensure that the number of Bidders to whom the Equity Shares are Allotted in the Offer will be not less than 1,000.

In accordance with SEBI ICDR Regulations, the requirement for minimum subscription is not applicable to the Offer for Sale.

In the event of under subscription in the Offer, the Selling Shareholders, the BRLM, the CBRLM and our Company agree that Equity Shares sufficient to ensure compliance with applicable minimum subscription norms and Rule 19 (2)(b)(i) of the SCRR and 90% of the Offer shall be issued in order of priority from the Fresh Issue, prior to the sale of Equity Shares forming part of the Offer for Sale, after which the balance subscription in the Offer shall be applied towards allotment of Equity Shares offered by each Selling Shareholder in the Offer for Sale, as agreed by them.

Withdrawal of the Offer

Our Company and/or the Selling Shareholders, in consultation with the BRLM and the CBRLM, reserve the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre- Offer advertisements were published, within two days of the Bid/ Offer Closing Date, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company. The BRLM and the CRBLM, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within 1 Working Day from the date of receipt of such notification. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh red herring prospectus will be submitted again to SEBI and the Stock Exchanges.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within 6 Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC and the Stock Exchanges after the Bid/Offer Closing Date.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Offer Equity Shares, other than the minimum Promoter's contribution and Allotments made to Anchor Investors pursuant to the Offer, as detailed in the chapter '*Capital Structure*' on page 80 and except as provided in our Articles as detailed in the chapter '*Main Provisions of the Articles of Association'* on page 521 and under applicable laws, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting.

Option to receive Equity Shares in Dematerialised Form

Allotment of Equity Shares to successful Bidders will only be in dematerialised form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialised segment of the Stock Exchanges.

OFFER STRUCTURE

The Offer is up to [●] Equity Shares, at an Offer Price of ₹ [●] per Equity Share for cash, including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] million. The Offer comprises a Fresh Issue of up to [●] Equity Shares by our Company aggregating up to ₹700.00 million and an Offer for Sale of up to 2,900,000 Equity Shares by the Selling Shareholders. The Offer will constitute up to [●] % of the post-Offer paid-up Share capital of our Company and the Net Offer shall constitute [●] % of our post-Offer paid-up Share capital.

In terms of Rule 19(2)(b)(i) of the SCRR, read with Regulation 41 of the SEBI ICDR Regulations the Offer is being made through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations.

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment / Allocation	[●] Equity Shares.	Not less than [●] Equity Shares or Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than [●] Equity Shares or Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Percentage of Offer available for Allotment/Allocation[(2)]	Not more than 50% of the Offer size shall be available for allocation to QIBs. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Category will also be eligible for allocation in the Net QIB Portion. Unsubscribed portion in the Mutual Fund reservation will be added to the QIB Portion (other than Anchor Investor Portion).	Not less than 15% of the Offer, or the Offer less allocation to QIB Bidders and Retail Individual Investors shall be available for allocation.	Not less than 35% of the Offer, or the Offer less allocation to QIB Bidders and Retail Individual Investors shall be available for allocation.
Basis of Allotment if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): a) Upto [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; b) [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above; and	Proportionate	Proportionate, subject to minimum Bid Lot

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
	c) Upto [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors.		
Mode of Bidding	Through ASBA process only (except Anchor Investors)		
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000.	[●] Equity Shares.
Maximum Bid	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits.	Such number of Equity Shares not exceeding the size of the Offer (excluding the QIB Portion), subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.		
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share, subject to availability in the Retail Portion.
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply [3]	Public financial institutions specified in Section 2(72) of the Companies Act, FPIs (other than category III FPIs), scheduled commercial banks, mutual funds registered with the SEBI, venture capital funds registered with SEBI, FVCIs, Alternative Investment Funds, multilateral and bilateral development financial institutions, state industrial Development corporations, Systemically Important on-Banking Financial Companies, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India, insurance	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions societies and trusts and any category III FPIs registered with SEBI, which is a foreign corporate or foreign individual for Equity Shares such that the Bid Amount exceeds ₹ 200,000 in value	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed ₹ 200,000 in value

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
	funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India		
Terms of Payment [4]	*In case of Anchor Investors:* Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids *In case of all other Bidders*: Full Bid Amount shall be blocked by the SCSBs or under UPI Mechanism (only for RIIs), as the case may be, in the bank account of the Bidders that is specified in the ASBA Form at the time of the submission of the Bid cum Application Form		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).	Only through the ASBA process.	Only through the ASBA process.

(1) *Our Company, in consultation with the BRLM and the CBRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For further details, please refer to the chapter 'Offer Procedure' on page 468.*

(2) *Subject to valid Bids being received at or above the Offer Price, the Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more 50% of the Offer shall be available for allocation on a proportionate basis to QIBs. Our, provided that our Company may, in consultation with the BRLM and CBRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.*

Subject to valid Bids being received at or above the Offer Price, under-subscription in any category would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the CBRLM and the Designated Stock Exchange, on a proportionate basis.

(3) *The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.*

(4) *Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

(5) With respect to restrictions on participation in the Offer, please refer to the chapters '*Offer Procedure*' and '*Restrictions on Foreign Ownership of Indian Securities*' on pages 464 and 520 respectively.

OFFER PROCEDURE

*All Bidders should review the 'General Information Document for investing in public issues' prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 notified by SEBI (**General Information Document**) included below under chapter 'Part B – General Information Document' on page 476, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect various enactments and regulations as well as amendments to existing regulations, to the extent applicable to the Offer. The General Information Document is also available on the websites of the Stock Exchanges, the BRLM and the CBRLM. Please refer to the relevant portions of the General Information Document which are applicable to this Offer. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations 2018, as applicable and provisions of the Companies Act 2013, to the extent applicable to a public issue and any other enactments and regulations. The General Information Document is also available on the websites of the Stock Exchanges, the BRLM and the CBRLM.*

Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. All Designated Intermediaries in relation to the Offer should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, SEBI circular bearing reference number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and SEBI circular bearing reference number (SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018. in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.

Our Company, the Selling Shareholders and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus and the Prospectus.

This Offer is one of the first initial public offerings in which the UPI Mechanism for applicaition by RIIs is being permitted, the Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more 50% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company may, in consultation with the BRLM and the CBRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, UPI ID (for RII Bidders bidding using the UPI Mechanism) and PAN, shall be

treated as incomplete and will be rejected. Bidders will not have the option of being allotted Equity Shares in physical form.

Phased implementation of Unified Payments Interface

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 (the "**UPI Circular**") in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

a) **Phase I:** This phase has become applicable from January 1, 2019 and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, a Retail Individual Bidder would also have the option to submit the Bid cum Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

b) **Phase II:** This phase will commence upon completion of Phase I and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, submission of the Bid cum Application Form by a Retail Individual Bidder through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

c) **Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days.

Pursuant to circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50, dated April 3, 2019 issued by SEBI, the timeline for Phase I has been further extended until June 30, 2019.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI payment. The issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders into the UPI Mechanism.

For further details, refer to the General Information Document is available on the websites of the Stock Exchanges, the BRLM and CBRLM.

Bid cum Application Form

Copies of the ASBA Forms and the Abridged Prospectus will be available with the Designated Intermediaries at the Bidding Centres and at our Registered Office and Corporate Office. Electronic copies of the ASBA Forms will also be available for download on the websites of the Stock Exchanges, namely, NSE (www.nseindia.com) and BSE (www.bseindia.com), at least one day prior to the Bid/ Offer Opening Date. Anchor Investor Application Forms shall be available at the offices of the BRLM and the CBRLM at least one day prior to the Anchor Investor Bid/ Offer Period. Anchor Investor Application Forms shall be available at the respective offices of the BRLM and the CBRLM at least one day prior to the Anchor Investor Bid/ Offer Period.

All Bidders (other than Anchor Investors) shall ensure that their Bids are made on ASBA Forms bearing the stamp of a Designated Intermediary and submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Additionally, ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and ASBA Forms that do not contain such details are liable to be rejected. RIBs using UPI Mechanism, may submit their Bid cum Application Forms with Syndicate Members, Registered Brokers, RTA or Depository. RIBs using UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form not containing the UPI ID is liable to be rejected. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid. Applications made by the RIBs using third party bank account or using third party linked bank account UPI ID are liable for rejection

RIBs bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA. Forms not bearing such specified stamp are liable to be rejected. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB, or under the UPI Mechanism, as applicable, at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Form for various categories of Bidders is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis **	White
Non-Residents including Eligible NRIs, FPIs or FVCIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis. ** For restrictions on participation in the Offer, please refer to the chapter '*Restrictions on Foreign Ownership of Indian Securities*' on page 520 .	Blue
Anchor Investors***	White

* *Excluding electronic Bid cum Application Forms.*
*** Electronic Bid cum Application forms will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com).*
**** Bid cum Application Forms for Anchor Investors shall be available at the office of the BRLM and the CBRLM.*

Designated Intermediaries (other than SCSBs) shall submit/ deliver ASBA Forms (except Bids cum Application Forms from Retail Individual Investors bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or the Escrow Collection Bank. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds.

Who can Bid?

In addition to the category of Bidders set forth in the chapter '*Part B – General Information Document for Investing in Public Offers – Category of Investors Eligible to Participate in an Offer*' on page 482 the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

1. Scientific and/or industrial research organizations in India, which are authorised to invest in equity shares; and

2. Any other person eligible to Bid in this Offer, under the laws, rules, regulations, guidelines and polices applicable to them.

3. Mutual Funds registered with SEBI. Bids by asset management companies or custodians of Mutual Funds should clearly indicate the name of the concerned scheme for which the Bid is submitted;

4. Venture Capital Funds and AIFs registered with SEBI;

5. Foreign Venture Capital Investors registered with SEBI;

6. FPIs registered with SEBI, provided that any Foreign Institutional Investor ("FII") who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995;

7. public financial institutions as defined under Section 2(72) of the Companies Act 2013;

8. Indian financial institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI, the SEBI ICDR Regulations and SEBI ICDR Regulations 2018, to the extent applicable and other laws as applicable);

9. scheduled commercial banks;

10. State Industrial Development Corporations;

11. insurance companies registered with IRDA;

12. provident funds and pension funds with a minimum corpus of ₹ 250 million and who are authorised under their constitutional documents to hold and invest in equity shares;

13. National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India;

14. insurance funds set up and managed by the army, navy or air force of the Union of India or by the Department of Posts, India;

15. NRIs on a repatriation basis or on a non-repatriation basis, subject to the applicable laws;

16. companies, corporate bodies and trust/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under the respective constitutions to hold and invest in equity shares;

17. Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);

18. Bids/Applications belonging to an account for the benefit of a minor (under guardianship);

19. Hindu Undivided Families or HUFs, in the individual name of the Karta;

20. limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and

21. multilateral and bilateral development financial institutions.

Participation by associates and affiliates of the BRLM, the CBRLM and the Syndicate Members

The BRLM, the CBRLM and the Syndicate Members shall not be allowed to subscribe to the Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM, the CBRLM and the Syndicate Members may subscribe to or purchase Equity Shares in the Offer, in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLM, the CBRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.
Other than mutual funds sponsored by entities related to the BRLM, the CBRLM, the Syndicate Members, the Promoters, members of the Promoter Group and any persons related to them cannot apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid in whole or in part, in either case, without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a non-repatriation basis using Resident Forms should authorise their SCSB to block their Non-Resident Ordinary accounts for the full Bid Amount, at the time of submission of the Bid cum Application Form. Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). For details of restrictions on investment by NRIs, please refer to the chapter '*Restrictions on Foreign Ownership of Indian Securities*' on page 520.

Bids by FPIs

In terms of the Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations 2014 (**SEBI FPI Regulations**), investment in the Equity Shares by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) shall be below 10% of our post-Offer Equity Share capital.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. In terms of applicable FEMA regulations and the SEBI FPI Regulations, investments by FPIs in the capital of an Indian company under the SEBI FPI Regulations is subject to certain limits, i.e. the individual holding of an FPI is restricted to below 10% of the capital of the company and the aggregate limit for FPI investment is capped at 24% of the capital of the company. Such aggregate limit for FPI investment in a company can be increased up to the applicable sectoral cap by passing a board resolution, followed by a special resolution by the Shareholders, subject to prior intimation to the RBI.

Further, pursuant to the master directions on foreign investments in India, issued by RBI dated January 4, 2018, as amended on April 6, 2018, the investments made by a SEBI registered FPI in a listed Indian company will be re-classified as FDI, if the total shareholding increases to more than 10% of the total paid-up equity capital on a fully diluted basis or 10% or more of the paid-up value of each series of debentures or preference shares or Warrants.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions specified by the Government of India from time to time. As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments (**ODIs**). Two or more subscribers to ODIs having a common beneficial owner shall be considered together as a single subscriber to the ODI. In the event an investor has investments as an FPI and as a subscriber to ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company.

FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (White in colour).

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding in any company by any individual VCF registered with SEBI should not exceed 25% of the corpus of the VCF. Further, FVCIs and VCFs can invest only up to 33.33% of the investible funds in various prescribed instruments, by way of subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up. All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason therefor.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, , and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA Bids.

Bids by Systematically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Offer shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the BRLM and the CBRLM reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (**IRDA Investment Regulations**), as amended, based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them**.**

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPIs, AIFs, Mutual Funds, insurance companies, Systematically Important Non-Banking Financial Companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged with the Bid cum Application Form. Failing this, our Company and reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

Our Company and the Selling Shareholders in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney with the Bid cum Application Form, subject to such terms and conditions that our Company, the Selling Shareholders and the BRLM and the CBRLM deem fit, without assigning any reasons therefore.

The above information is given for the benefit of Bidders. Our Company, our Directors, the officers of our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the number of Equity Shares that can be held by them under applicable limits under laws or regulations.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations and SEBI ICDR Regulations 2018, to the extent applicable, the key terms for participation by Anchor Investors are provided below.

Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLM and the CBRLM. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the respective offices of the BRLM and the CBRLM.

The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.

One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
Bidding for Anchor Investors will open 1 Working Day before the Bid/ Offer Opening Date, i.e. the Anchor Investor Bid/ Offer Period, and will be completed on the same day.

Our Company, in consultation with the BRLM and the CBRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

1. maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;

2. minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and

3. in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum allotment of ₹ 50 million per Anchor Investor.

Allocation to Anchor Investors will be completed within the Anchor Investor Bid/ Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM and the CBRLM before the Bid/ Offer Opening Date, through intimation to the Stock Exchange.

Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e. the Anchor Investor Offer Price. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

The BRLM, the CBRLM, our Promoters, members of the Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM and the CBRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and the CBRLM, and made available as part of the records of the BRLM and CBRLM for inspection by SEBI.

Bids made by QIBs under both the Anchor Investor Portion and the Net QIB Portion will not be considered multiple Bids.

For more information, please refer to the chapter '*Offer Procedure - Part B: General Information Document for Investing in Public Issues*' on page 476.

Bids by provident funds/ pension funds

In case of Bids made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

In accordance with existing regulations, OCBs cannot participate in the Offer.

The above information is given for the benefit of Bidders. Our Company, our Directors, the officers of our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the number of Equity Shares that can be held by them under applicable limits under laws or regulations.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering this Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the ICDR Regulations 2018, in all edition of English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard and all editions of Marathi newspaper Navshakti (Marathi being the regional language of Maharashtra, where the Registered Office of our Company is situated), each with wide circulation, respectively. In the pre- Offer advertisement, we shall state the Bid/ Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

Signing of the Underwriting Agreement and filing of the Prospectus with the RoC

Our Company intends to enter into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

Information for Bidders

In addition to the instructions provided to Bidders set forth in the chapter '*Part B – General Information Document for Investing in Public Offers*' on page 476, Bidders are requested to note the following additional information in relation to the Offer.

The relevant Designated Intermediary will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement slip (**Acknowledgement Slip**), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three Acknowledgement Slips for each Bid cum Application Form. It is the Bidder's responsibility to obtain the Acknowledgment Slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised Acknowledgment Slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM and CBRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

In the event of an upward revision in the Price Band, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted to the same Designated Intermediary to whom the original Bid was submitted. If the total amount (i.e. the original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.

In the event of a downward revision in the Price Band, Retail Individual Bidders who have bid at Cut-off Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be unblocked after Allotment is finalised.

Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

General Instructions

In addition to the general instructions provided in the chapter '*Part B – General Information Document for Investing in Public Offers*' on page 476 , Bidders are requested to note the additional instructions provided below.

Do's:

1. Check if you are eligible to apply as per this Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (for RII Bidders using UPI Mechanism) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

5. Ensure that your Bid cum Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time, except in case of electronic forms;

6. In case of joint Bids, ensure that the first applicant is the ASBA Account holder, and also signs the Bid cum Application Form (for all bidders other than RIBs bidding using the UPI Mechanism);

7. Ensure that you use only your own bank account or only your own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Offer;

8. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

9. Retail Individual Investors bidding shall ensure that the Bank with which it has its bank account where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;

10. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;

11. Ensure that you request for and receive a stamped Acknowledgement Slip of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary as proof of registration of the Bid cum Application Form;

12. Ensure that you have funds equal to the Bid Amount in the ASBA Account with the SCSB or Sponsor Bank, as applicable before submitting the ASBA Form to any of the Designated Intermediaries;

13. Instruct your respective banks to release the funds blocked in accordance with the ASBA process;

14. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised Acknowledgement Slip;

15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the State of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, are exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, institutions, which are exempted from specifying, may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in 'active status'; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;

16. Ensure that the Demographic Details are updated, true and correct in all respects;

17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

18. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

19. Ensure that you tick the correct investor category and the investor status, as applicable, in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

20. Ensure that for Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;

21. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

22. Ensure that the DP ID, the Client ID, the PAN and the UPI ID (in case of RIBs bidding thought the UPI Mechanism) mentioned in the Bid cum Application Form and entered into the electronic system of the Stock Exchanges by the relevant Designated Intermediary match with the DP ID, Client ID, PAN and UPI ID available in the Depository database;

23. Bidders should note that in case the DP ID, Client ID, the PAN and UPI ID (in case of RIBs bidding thought the UPI Mechanism) mentioned in their Bid cum Application Form and entered into the online system of the Stock Exchanges by the relevant Designated Intermediary, do not match with the DP ID, Client ID, PAN, UPI ID available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

24. For RIIs bidding using the UPI Mechanism, ensure that you approve the Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner;

25. RIIs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his / her UPI PIN. Upon the authorization of the mandate using his / her UPI PIN, an RII may be deemed to have verified the attachment containing the application details of the RII in the UPI Mandate Request and have agreed to block the entire Bid Amount under the UPI Mechanism, as mentioned in the Bid cum Application Form;

26. RIIs bidding using the UPI Mechanism should mention valid UPI ID of only the applicant (in case of single account) and of the first applicant (in case of joint account) in the Bid cum Application Form;

27. RIIs bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revied Mandate Request generated by the Sponsor Bank to authroise blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of allotment in a timely manner;

28. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and this Red Herring Prospectus;

29. Ensure that while Bidding through a Designated Intermediary, the ASBA Form (other than for RIBs bidding through the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

30. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIIs bidding using the UPI mechanism) in the ASBA Form; and

31. In relation to the ASBA Bids, ensure that you have correctly signed the authorization/undertaking box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don’ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid or revise the Bid to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

4. Do not withdraw your Bid or lower the size of your Bid (in terms of number of Equity Shares or Bid amount), if you are a QIB or a Non-Institutional Bidder. RIIs can revise their Bids during the Bid/Offer Period and withdraw their Bids on or before the Bid/Offer Closing Date;

5. Do not pay the Bid Amount by cheques and demand drafts or in cash, by money order or by postal order or by stockinvest or any mode other than blocked amounts in the bank account maintained with SCSB;

6. Do not send ASBA Forms by post. Instead submit the same to only a Designated Intermediary;

7. Do not Bid on a physical ASBA Form that does not have the stamp of a Designated Intermediary and not submit the Bid cum Application Forms to the Escrow Collection Bank(s) (assuming that such bank is not an SCSB), the BRLM, the CBRLM or the Registrar to the Offer (assuming that the Registrar to the Offer is not one of the RTAs);

8. Anchor Investors should not Bid through the ASBA process;

9. Do not submit a Bid cum Application Form using third party bank account as they are liable for rejection;

10. Bidders bidding in QIB and Non- Institutional Bidders category cannot Bid at the Cut-off Price;

11. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RII Bidder using the UPI Mechanism;

12. Do not submit a Bid cum Application Form with third party UPI ID (in case of in case of Bids submitted by RII Bidder using the UPI Mechanism);

13. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);

14. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

15. Do not submit the General Index Register number instead of the PAN;

16. Do not instruct your respective banks to release the funds blocked in your ASBA Account;

17. Do not submit the Bids without instructions to block funds equivalent to the Bid Amount in the ASBA Account;

18. Do not submit incorrect details of the DP ID, Client ID, UPI ID (for RIBs bidding through the UPI Mechanism) and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

19. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

20. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/ Offer Closing Date;

21. If you are a Non-Institutional Bidder or Retail Individual Bidder, do not submit your Bid after 3.00 p.m. on the Bid/ Offer Closing Date;

22. No Bidder (other than Retail Individual Bidder) should Bid though the UPI Mechanism;

23. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

24. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872;

Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidders;

25. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIIs bidding through the Designated Intermediaries using the UPI Mechanism;

26. Do not submit ASBA Bids to a Designated Intermediary at a Bidding Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one branch in the relevant Bidding Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in); and

27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment by Anchor Investors into the Escrow Account

Our Company and the Selling Shareholders, in consultation with the BRLM and the CBRLM, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

1. In case of resident Anchor Investors: ‘*Neogen Chemicals Limited – Anchor Account - R*’

2. In case of Non-Resident Anchor Investors: ‘*Neogen Chemicals Limited – Anchor Account - NR*’

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a de-materialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, two agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

1. Agreement dated February 6, 2015 among NSDL, our Company and the Registrar to the Offer.

2. Agreement dated March 21, 2016, among CDSL, our Company and Registrar to the Offer.

Undertakings by our Company

Our Company undertakes the following:

1. that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

2. that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 6 Working Days of the Bid/Offer Closing Date or such other timeline as prescribed by SEBI;

3. where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed as per the applicable law, from the Bid/ Offer Closing Date, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of refund;

4. that no further issue of Equity Shares shall be made until the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, undersubscription etc.;

5. that the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

6. that if our Company or the Selling Shareholders do not proceed with the Offer after the Bid/Offer Closing Date, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

7. that if our Company and the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with the SEBI, in the event our Company or the Selling Shareholders subsequently decide to proceed with the Offer;

8. that the allotment of Allotment Advice/refund confirmation to Eligible NRIs shall be dispatched within specified time;

9. that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;

10. that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received; and

11. that the Allotment Advice will be issued or the application money will be refunded/unblocked within such time as specified by the SEBI, failing which interest will be paid to the Bidders at the rate prescribed under applicable law for the delayed period.

The Promoters have authorised the compliance officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Undertakings by the Selling Shareholders

Only the statements and undertakings set out below, in relation to each Selling Shareholder and their respective portion of the Offered Shares, are statements which are severally and not jointly, specifically 'confirmed' or 'undertaken' in this Red Herring Prospectus and shall be deemed to be 'statements and undertakings specifically confirmed or undertaken' by each such Selling Shareholder respectively. All other statements and/ or undertakings in this Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholders. The Selling Shareholders, specifically confirm and undertake the following in respect of herself and her portion of the Offered Shares:

1. his/her respective portion of the Offered Shares have been held by it for a period of at least one year prior to the date of filing of this Red Herring Prospectus with SEBI or were issued under a bonus issue on Equity Shares held for a period of at least one year prior to the filing of this Red Herring Prospectus with the SEBI, in accordance with Regulation 26(6) of the SEBI ICDR Regulations;

2. he/she is the legal and beneficial owner of its portion of the Offered Shares, and that such Offered Shares shall be transferred in the Offer, free from liens, charges and encumbrances;

3. he/she shall not have recourse to the proceeds from the Offer for Sale, until the approval for trading of the Equity Shares is received from the Stock Exchanges;

4. he/she will deposit his/her portion of the Offered Shares in an escrow account opened with the Share Escrow Agent prior to filing of this Red Herring Prospectus with the ROC; and

5. he/she will not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making a Bid in the Offer, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person who makes a Bid in the Offer.

The Selling Shareholders have authorized the compliance officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Utilisation of Net proceeds

Our Company specifically confirms and declares:

1. all monies received out of Offer of specified securities to public shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013;

2. details of all monies utilised out of the Offer referred to in sub-item(i) shall be disclosed and continue to be disclosed till the time any part of the Offer Proceeds remains unutilised under an appropriate separate head in the balance-sheet of the Offerer indicating the purpose for which such monies had been utilised;

3. details of all unutilised monies out of the Offer of specified securities referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of the Offerer indicating the form in which such unutilised monies have been invested;

4. the utilisation of monies received under the Promoters' contribution, if any, shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

5. the details of all unutilised monies out of the funds received under the Promoters' contribution, if any, shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

PART B - GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

*This General Information Document highlights certain key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 ("**SCRA**"), the Securities Contracts (Regulation) Rules, 1957 ("**SCRR**") and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 for all the Draft Red Herring Prospectus filed prior to November 10, 2018 to the extent applicable and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**SEBI ICDR Regulations**"). Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Offeror and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.*

*SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines in a phased manner. From January 1, 2019, the UPI mechanism for RIIs applying through Designated Intermediaries will be made effective along with the existing process and existing timeline of T+6 days. The same will continue until June 30, 2019 ("**UPI Phase I**"). Thereafter, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds will be discontinued and only the UPI mechanism with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, the final reduced timeline will be made effective using the UPI mechanism for applications by RIIs ("**UPI Phase III**"), as may be prescribed by SEBI.*

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the SEBI ICDR Regulations.

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus ("**RHP**")/ Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/Applicants should carefully read the entire RHP/Prospectus, the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Offer and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

2.3 Other Eligibility Requirements

An Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, the SEBI LODR Regulations, the Companies Act, 2013 (to the extent notified and in effect), the SCRR, industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above, Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Offers – Fixed Price Offers and Book Built Offers

In accordance with the provisions of the SEBI ICDR Regulations, an Issuer can either determine the Offer Price through the Book Building Process ("**Book Built Offer**") or undertake a Fixed Price Offer ("**Fixed Price Offer**").

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-offer advertisement was given at least two Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Offer Opening Date, in case of an FPO and determine the Offer Price at a later date before registering the Prospectus with the Registrar of Companies.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the

Offer is a Book Built Offer or a Fixed Price Offer.

2.5 OFFER PERIOD

The Offer shall be kept open for a minimum of three Working Days (for all categories of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Offer, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP.

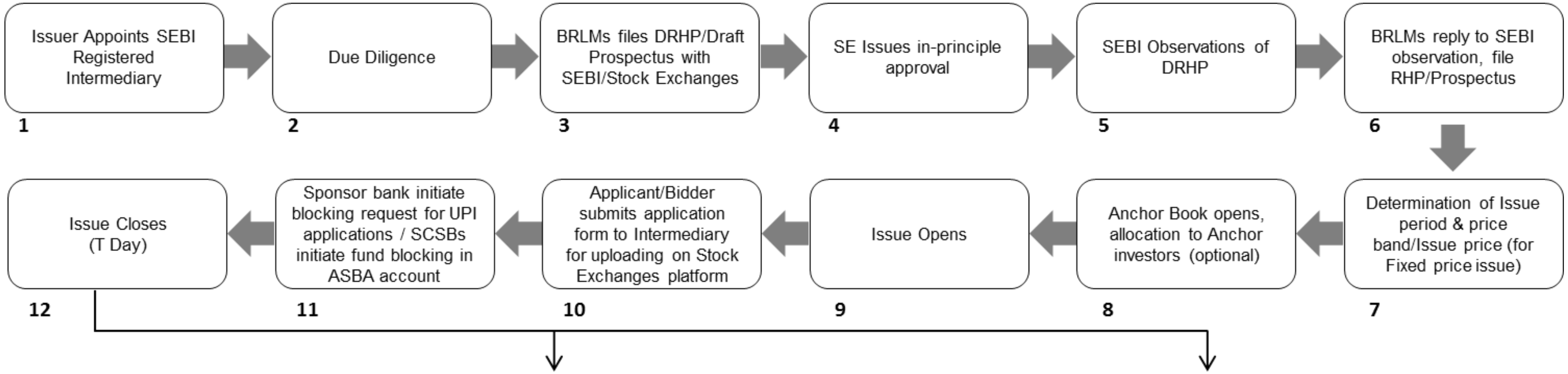
In case of revision in the Price Band in Book Built Issues, the Bid/Offer Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

In case of *force majeure*, banking strike or similar circumstances, the Issuer may, for reasons to be recorded in writing, extend the bidding (Issue) period for a minimum period of three working days, subject to the total Bid/Offer Period not exceeding 10 Working Days.

2.6 FLOWCHART OF TIMELINES

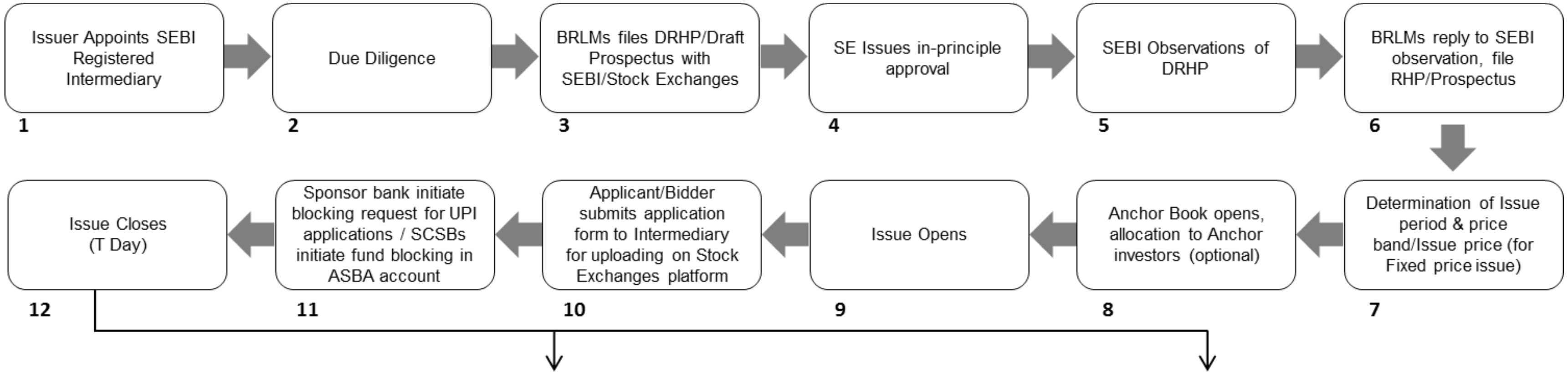
A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

Flow of Timeline for Phase I



S.no	Day	Retail applications with UPI	Retail applications without UPI and QIB/NII applications
13	T+1	• Sponsor Bank to initiate request for blocking of funds to investor for any balance applications • Sponsor Bank may not accept bid details from stock exchange post T+1	• Intermediaries to forward a schedule as per requisite format and application forms to SCSBs for blocking of funds • Designated branches of SCSBs may not accept schedule and application post T+1
14	T+2	• Applicant to accept mandate request for blocking of funds prior to cut off-time of 12:00 p.m • Sponsor Bank to send Final Certificate to the registrar through stock exchange by end of the day	• SCSBs to send Final Certificate to the registrar by end of the day
15	T+2	• Registrar to reconcile the compiled data received from the stock exchanges, all SCSBs and Sponsor Bank • Registrar to undertake "Technical Rejection"	
16	T+3	• Approval of Basis of allotment by designated stock exchange • Registrar and merchant banker to issue funds transfer instructions to SCSBs and Sponsor Bank	
17	T+4	• SCSBs and Sponsor Bank to credit the funds in public issue account of the issuer • Registrar / Issuer to initiate corporate action for credit of shares to successful allottees • Issuer and registrar to file allotment details with designated stock exchange(s) • Registrar to send bank-wise data of allottees, amount due and balance amount to be unblocked to SCSBs / Sponsor Bank.	
18	T+5	• Registrar to receive confirmation of demat credit from depositories • Issuer to make a listing application to stock exchanges • Stock exchanges to issue commencement of trading notice	
19	T+6	• **Trading commences**	

Flow of Timeline for Phase II



S.no	Day	Retail applications with UPI	QIB/NII applications
13	T+1	• Sponsor Bank may not accept bid details from Stock Exchanges post 11:00 a.m • Sponsor Bank to initiate request for blocking of funds to investor for any balance applications • Applicant to accept mandate request for blocking of funds prior to cut off-time of 12:00 p.m • Sponsor Bank to send Final Certificate to the registrar through stock exchange by end of the day	• Intermediaries to forward a schedule as per requisite format and application forms to SCSBs for blocking of funds • Designated branches of SCSBs may not accept schedule and applications after T+1 day (11:00 a.m.) • SCSBs to send Final Certificate to the registrar by end of the day
14	T+2	• Registrar to reconcile the compiled data received from the stock exchanges, all SCSBs and Sponsor Bank • Registrar to undertake "Technical Rejection"	
15	T+3	• Approval of Basis of allotment by designated stock exchange • Registrar and merchant banker to issue funds transfer instructions to SCSBs and Sponsor Bank	
16	T+4	• SCSBs and Sponsor Bank to credit the funds in public issue account of the issuer • Registrar / Issuer to initiate corporate action for credit of shares to successful allottees • Issuer and registrar to file allotment details with designated stock exchange(s) • Registrar to send bank-wise data of allottees, amount due and balance amount to be unblocked to SCSBs / Sponsor Bank.	
17	T+5	• Registrar to receive confirmation of demat credit from depositories • Issuer to make a listing application to stock exchanges • Stock exchanges to issue commencement of trading notice	
18	T+6	• **Trading commences**	

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN OFFER

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits or in specific sectors as specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to hold and invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE OFFER

Book Built Offer: Bidders should only use the specified Bid cum Application Form bearing stamp of a Designated Intermediary as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus and advertisements in the newspaper(s). For Anchor Investors, Bid cum Application Forms shall be available at the offices of the BRLM(s).

Fixed Price Offer: Applicants should only use the specified Bid cum Application Form bearing the stamp of the Designated Intermediary as available or downloaded from the websites of the Stock Exchanges. Application Forms will also be available with the Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Color of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs applying on a repatriation basis, FPIs on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category	As specified by the Issuer
Reserved Category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/Applicants may note that Bid cum Application Form not filled completely or correctly as per instructions provided in this GID, the RHP/Prospectus and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

Application Form for Residents

PLEASE FILL IN BLOCK LETTERS — TEAR HERE

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC OFFER - R

Registered Office: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx Tel: xxxxxxxxxxxxxx Fax: xxxxxxxxxxxxxxxxxxxx
Corporate Office: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx Tel: +xxxxxxxxxxxxxxxxx Fax: xxxxxxxxxxxxxxxxx
Contact Person: xxxxxxxxxxxxxxxxx Fax: xxxxxxxxxxxxxxxxx E-mail:xxxxxxxxxxxxxxxxxx Website: xxxxxxxxxxxxxxxxxx;
Corporate Identity Number: xxxxxxxxxxxxxxxx

FOR RESIDENT INDIAN INVESTORS, INCLUDING RESIDENT QIBs, NON-INSTITUTIONAL BIDDERS, RETAIL INDIVIDUAL BIDDERS AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

To,
The Board of Directors
XYZ LIMITED

100% BOOK BUILT OFFER
ISIN : XXXXXXXXX

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	REGISTERED BROKER/SCSB/CDP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	**SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. /Ms./M/s.

Address

Email

Tel. No. (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures only)			"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	Bid Price 3 2 1	Retail Discount 3 2 1	Net Price 3 2 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

☐ Individual(s) - IND
☐ Hindu Undivided Family - HUF*
☐ Bodies Corporate - CO
☐ Systemically Important NBFCs
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ National Investment Fund - NIF
☐ Insurance Companies - IC
☐ Insurance Funds
☐ Venture Capital Funds (VCF)
☐ Alternative Investment Fund - AIF
☐ Other QIBs - OTH
☐ Non Resident Indian - NRI (Non repatriation basis)
☐ All entities other than QIBs, Bodies Corporates and Individuals - NOH

**HUF should apply only through Karta (Application by HUF would be treated on par with individual).*

7. PAYMENT DETAILS [IN CAPITAL LETTERS] PAYMENT OPTION : ☐ FULL PAYMENT ☐ PART PAYMENT

Amount blocked (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

OR

UPI Id (Maximum 45 characters)

I/WE (ON BEHALF OF JOINT BIDDERS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDER'S UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT BIDDERS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER

Date : _______________, 2018

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorise the SCSB to do all acts as are necessary to make the application in the Offer.

1)
2)
3)

SYNDICATE MEMBER / REGISTERED BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC OFFER - R

Acknowledgement Slip for Syndicate Member/Registered Broker/SCSB/CDP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Amount blocked (₹ in figures)	ASBA Bank A/c No./UPI Id	Stamp & Signature of SCSB Branch
Bank Name & Branch		
Received from Mr./Ms./M/s.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC OFFER - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Blocked (₹)			

Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No./UPI Id

Bank Name & Branch

Bid cum Application Form No.

Important Note : Application made using third party UPI Id Or ASBA Bank A/c are liable to be rejected.

XYZ LIMITED

Application Form for Non-Residents

TEAR HERE

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC OFFER - NR

Registered Office: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx Tel: xxxxxxxxxxxxxx Fax: xxxxxxxxxxxxxxxxxxxx
Corporate Office: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx Tel: +xxxxxxxxxxxxxxxxx Fax: xxxxxxxxxxxxxxxxxx
Contact Person: xxxxxxxxxxxxxxxxx Fax: xxxxxxxxxxxxxxxxx E-mail:xxxxxxxxxxxxxxxxx Website: xxxxxxxxxxxxxxxxx;
Corporate Identity Number: xxxxxxxxxxxxxxxxx

FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FVCIs, FPIs AND REGISTERED BILATERAL AND MULTI LATERAL DEVELOPMENT FINANCIAL INSTITUTIONS APPLYING ON A REPATRIATION BASIS

LOGO

To,
The Board of Directors
XYZ LIMITED

100% BOOK BUILT OFFER
ISIN : XXXXXXXXX

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	REGISTERED BROKER/SCSB/CDP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	**SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. /Ms./M/s.

Address

Email

Tel. No. (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures only)										
									Bid Price			Retail Discount			Net Price			"Cut-off" (Please ✓ tick)
	8	7	6	5	4	3	2	1	3	2	1	3	2	1	3	2	1	
Option 1																		☐
(OR) Option 2																		☐
(OR) Option 3																		☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

NRI	Non-Resident Indian(s) (Repatriation basis)
FVCI	Foreign Venture Capital Investor
FPI	Foreign Portfolio Investor
RBMI	Registered Bilateral and Multi Lateral Development Financial Institutions
OTH	Others (Please Specify) ____________

7. PAYMENT DETAILS [IN CAPITAL LETTERS]

PAYMENT OPTION : ☐ FULL PAYMENT ☐ PART PAYMENT

Amount blocked (₹ in figures) (₹ in words) ______________

ASBA Bank A/c No.

Bank Name & Branch ______________

OR

UPI (Maximum 45 characters)

I/WE (ON BEHALF OF JOINT BIDDERS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDER'S UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT BIDDERS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER

Date : _______________, 2018

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorise the SCSB to do all acts as are necessary to make the application in the Offer.

1)
2)
3)

SYNDICATE MEMBER / REGISTERED BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC OFFER - NR

Acknowledgement Slip for Syndicate Member/Registered Broker/SCSB/CDP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount blocked (₹ in figures) ASBA Bank A/c No.//UPI

Bank Name & Branch

Stamp & Signature of SCSB Branch

Received from Mr./Ms./M/s. ______________

Telephone / Mobile Email

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC OFFER - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Blocked (₹)			

Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No./UPI ______________

Bank Name & Branch ______________

Bid cum Application Form No.

Important Note : Application made using third party UPI Or ASBA Bank A/c are liable to be rejected.

XYZ LIMITED

TEAR HERE

Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications including letters notifying the unblocking of the bank accounts of Bidders (other than Anchor Investors) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.

(c) **Joint Bids/Applications**: In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such first Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation**: Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. For Allotment of the Equity Shares in dematerialized form, there will be no separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of PAN Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for any correspondence(s) related to the Offer.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus /RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation at the place where the Issuer's registered office is situated, at least two Working Days before Bid/Offer

Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))

(c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders in the Shareholder Reservation Portion (if any) can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs are liable to be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on the basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the Retail Category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the minimum Bid Lot, Bidders may refer to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.

In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount, then, such Bid may be rejected if it is at the Cut-off Price.

The maximum bid Amount under the Employee Reservation Portion by an Eligible Employee could not exceed ₹ 500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion could not exceed ₹ 200,000. Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000.

(b) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

(d) RIIs may revise or withdraw their bids until the Bid/Offer Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and all categories of investors are required to pay the Bid Amount upon submission of the Bid.

(e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid by QIB bidder cannot be submitted for more than the Offer size.

(h) A Bid by NII bidder cannot be submitted for more than the Offer size excluding QIB portion.

(i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e)).

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidders shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

(i) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

(ii) For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders/Applicants, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

(i) Bids by Eligible Employees and Retail Individual Shareholders in their respective Reservation Portion as well as Bids made by them in the Net Offer portion in the public category.

(ii) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

(iii) Bids by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

(iv) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 **FIELD NUMBER 5 : CATEGORY OF BIDDERS**

(a) The categories of Bidders identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and allotment in the Offer are RIIs, NIIs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on the reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: BIDDER STATUS**

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) Bidders are required to enter either the ASBA Bank account details or the UPI ID in this field. In case the Bidder doesn’t provide any of the ASBA Bank account details or the UPI ID then the application would be rejected. **For application submitted to Designated Intermediaries (other than SCSBs), Bidder providing both the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.**

(b) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorization provided in the Bid cum Application Form. If the Discount is applicable in the Offer, the RIIs and Retail Individual Shareholders and Employees Bidding in the Employee Reservation Portion (if any) should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three bid options at net price, i.e. Bid price less Discount offered, if any.

(c) RIIs bidding at Cut-off price, the amount shall be blocked based on the Cap Price.

(d) All QIBs and Non-Intitutional Bidders (other than Anchor Investors) can participate in the Offer only through the ASBA mechanism.

(e) RIIs submitting their applications through Designated Intermediaries (other than SCSBs) can participate in the Offer through the UPI mechanism, through their UPI ID linked with their bank account.

(f) Bid Amount cannot be paid in cash, cheque, demand draft, through money order or through postal order.

4.1.7.1. **Instructions for Anchor Investors:**

(a) Anchor Investors shall submit their Bids only with any of the BRLMs to the Offer.

(b) Payments should be made either by direct credit, RTGS, NACH or NEFT.

(c) The Anchor Escrow Bank(s) shall maintain the monies in the Anchor Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2. **Payment instructions for Bidders (other than Anchor Investors)**

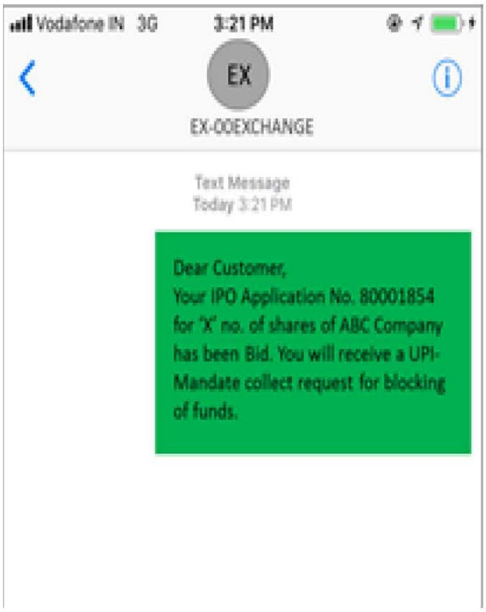
(a) **RIIs bidding through Designated Intermediaries** should note that with the introduction of UPI as a payment mechanism, there are four channels of making applications in public issues available to them in Phase I (i.e. from January 1, 2019 until June 30, 2019). The four channels for making applications in public issues available to RIIs bidding through Designated Intermediaries are as follows:

Channel I	Channel II	Channel III	Channel IV
RIIs may submit the Bid cum Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online. For such applications the existing process of uploading the bid and blocking of funds in the RIIs' account by the SCSB would continue.	RIIs may submit the Bid cum Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by Registered Brokers.	RIIs may submit the Bid cum Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds. For such applications the Designated Intermediary will upload the bid in the stock exchange bidding platform and forward the application form to Designated Branch of the concerned SCSB for blocking of funds.	RIIs may submit the Bid cum Application Form with any of the Designated Intermediaries (other than SCSBs) and use his/her UPI ID for the purpose of blocking of funds.

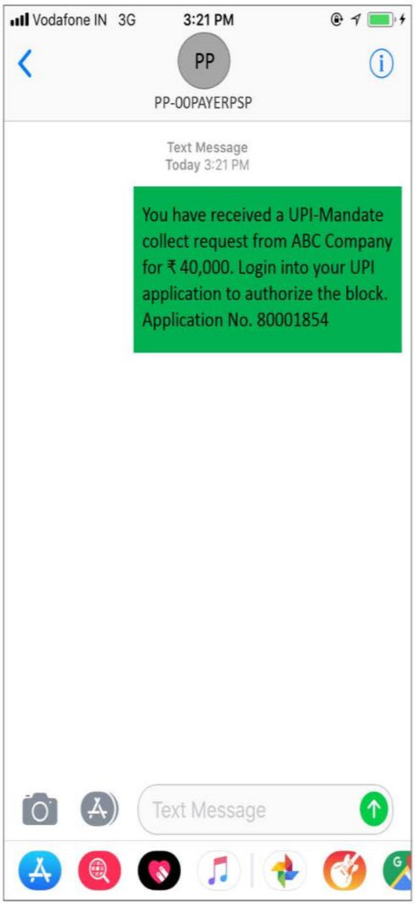
For Phase II and Phase III, RIIs will have the option to use only Channel I, Channel II and Channel IV (as described above) for making applications in a public issue.

Please see below a graphical illustrative process of the investor receiving and approving the UPI Mandate Request:

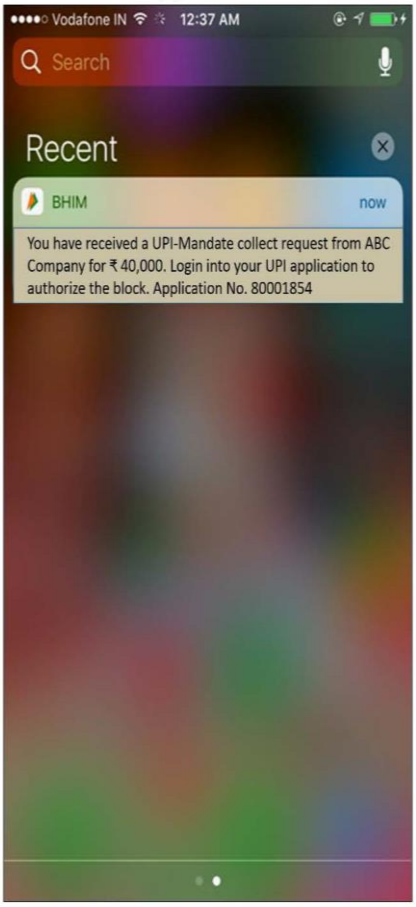
Illustrative SMS



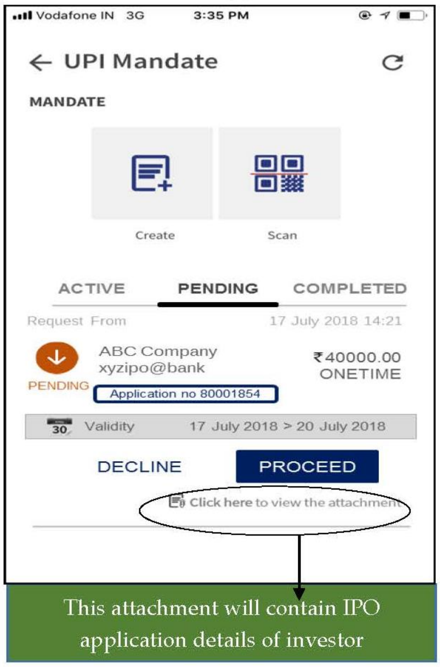
Block request SMS to investor



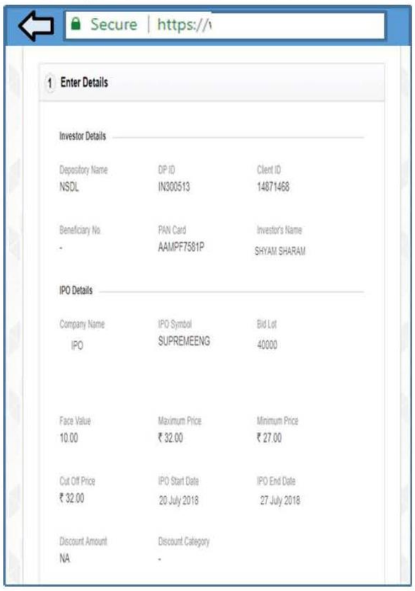
Block request intimation through UPI application



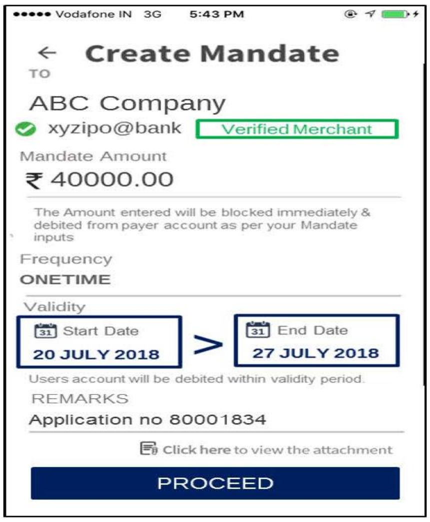
1. Investor UPI application screen



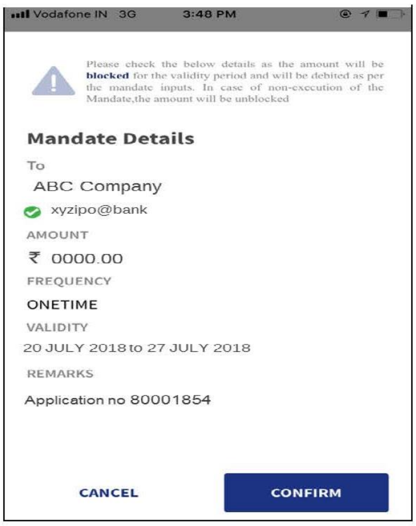
2. Sample of IPO details in attachment



3. Post verification of details above



4. Pre-confirmation page



(b) QIB and NII Bidders may submit the Bid cum Application Form either

(i) to SCSB in physical or electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

(ii) in physical mode to any Designated Intermediary.

(c) Bidders must specify the Bank Account number, or the UPI ID, as applicable, in the Bid cum Application Form. The Bid cum Application Form submitted by a Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account, may not be accepted.

(d) Bidders should note that application made using third party UPI ID or ASBA Bank account are liable to be rejected.

(e) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the ASBA Account.

(f) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated CRTA Locations or CDP at the Designated CDP Locations.

(g) **Bidders bidding through Designated Intermediaries** other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

(h) **Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the bank account, the application is liable to be rejected.

(l) Upon submission of a completed Bid cum Application Form each Bidder (not being a RII who has opted for the UPI payment mechanism and provided a UPI ID with the Application Form) may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs. For details regarding blocking of Application Amount for RIIs who have provided a UPI ID with the Application Form please refer to paragraph 4.1.7.4.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.3 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB or the Sponsor Bank, as the case may be, along with instructions to unblock the relevant ASBA Accounts and for successful applications transfer the requisite money to the Public Offer Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant ASBA Account to the Public Offer Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer Account, (iv) the amount to be unblocked, if any, in case of partial allotments and (v) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs or the Sponsor Bank, as the case may be, to unblock the respective ASBA Accounts.

(b) On the basis of instructions from the Registrar to the Offer, the SCSBs or the Sponsor Bank, as the case may be, may transfer the requisite amount against each successful Bidder to the Public Offer Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB or to the Sponsor Bank to revoke the mandate and, as the case may be, to unblock the Bid Amount in the relevant account within four Working Days of the Bid/Offer Closing Date.

4.1.7.4 **Additional Payment Instructions for RIIs bidding through Designated Intermediaries (other than SCSBs) using the UPI mechanism**

(a) Before submission of the application form with the Designated Intermediary (other than SCSBs), an RII shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.

(b) RIIs shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount is available for blocking has been notified as Issuer Banks for UPI. A list of such banks is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40

(c) RIIs shall mention his / her UPI ID along with the bid details in the Bid cum Application Form in capital letters and submit the Bid cum Application Form to any of the Designated Intermediaries (other than SCSBs).

(d) The Designated Intermediary (other than SCSBs) upon receipt of the Bid cum Application Form will upload the bid details along with UPI ID in the stock exchange bidding platform.

(e) Once the bid has been entered into the Stock Exchange bidding platform, the stock exchange will validate the PAN and Demat Account details of the RII with the Depository. The Depository will validate the aforesaid details on a real time basis and send a response to the stock exchange which will be shared by the stock exchange with the respective Designated Intermediary through its bidding platform, for corrections, if any.

(f) Once the bid details have been validated by the Depository, the stock exchange will, on a continuous basis, electronically share the bid details along with the UPI ID of the concerned RII with the Sponsor Bank appointed by the Issuer.

(g) The Sponsor Bank will validate the UPI ID of the RII before initiating the Mandate request.

(h) The Sponsor Bank after validating the UPI ID will initiate a UPI Mandate Request for valid UPI ID on the RII which will be electronically received by the RII as an SMS / intimation on his / her mobile number / mobile app associated with the UPI ID linked account. The RII shall ensure that the the details of the Bid are correct by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RII may be deemed to have verified the attachment containing the application details of the RII in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form and subsequent debit in case of allotment.

(i) Upon successful validation of the block request by the RII, the said information would be electronically received by the RII's bank, where the funds, equivalent to the application amount would get blocked in the UPI Linked Bank Account of the RII. Intimation regarding confirmation of such blocking of funds in the UPI Linked Bank Account of the RII would also be received by the RII. Information on the block status request would be shared with the Sponsor Bank which in turn would share it with the stock exchange which in turn would share it with the Registrar in the form of a file for the purpose of reconciliation and display it on the stock exchange bidding platform for the information of the Designated Intermediary.

(j) RIIs may continue to modify or withdraw the Bid till the closure of the Bidding Period. For each modification of the Bid, the RII will submit a revised Bid and will receive a new UPI Mandate Request from the Sponsor Bank to be validated as per the process indicated above.

(k) RIIs to check the correctness of the details on the mandate received before approving the Mandate Request.

(l) Post closure of the Offer, the stock exchange will share the Bid details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

4.1.7.5 **Discount (if applicable)**

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under Retail Category, Retail Individual Shareholder and Employees under Employee Reservation Portion are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Offer may block their ASBA Account for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder (other than employees) may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under Retail Category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) The signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB or using the UPI to the Sponsor Bank, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

(c) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

(a) Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form.

(b) All communications in connection with Bids/Applications made in the Offer should be addressed as under:

i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, unblocking of funds, the Bidders/Applicants should contact the Registrar to the Offer.

ii. In case of Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.

iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.

iv. In case of queries relating to uploading of Bids by a Designated Intermediary, the Bidders/Applicants should contact the relevant Designated Intermediary.

v. In case of queries relating to uploading of Bids through the UPI Mechanism, the Bidders/Applicants should contact the Designated Intermediary.

vi. Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Offer.

(c) The following details (as applicable) should be quoted while making any queries –

i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.

ii. name and address of the Designated Intermediary, where the Bid was submitted along with the acknowledgment slip from Designated Intermediary or

iii. Bids, ASBA Account number or the UPI ID (for RIIs who make the payment of Bid Amount through the UPI mechanism) linked to the ASBA Account where the Bid Amount was blocked

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

(a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise their Bids or withdraw their bids until Bid/Offer Closing date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/ Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. It is clarified that RIIs whose original Bid is made using the UPI mechanism, can make revision(s) to their Bid using the UPI mechanism only, whereby each time the Sponsor Bank will initiate a new UPI Mandate Request. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

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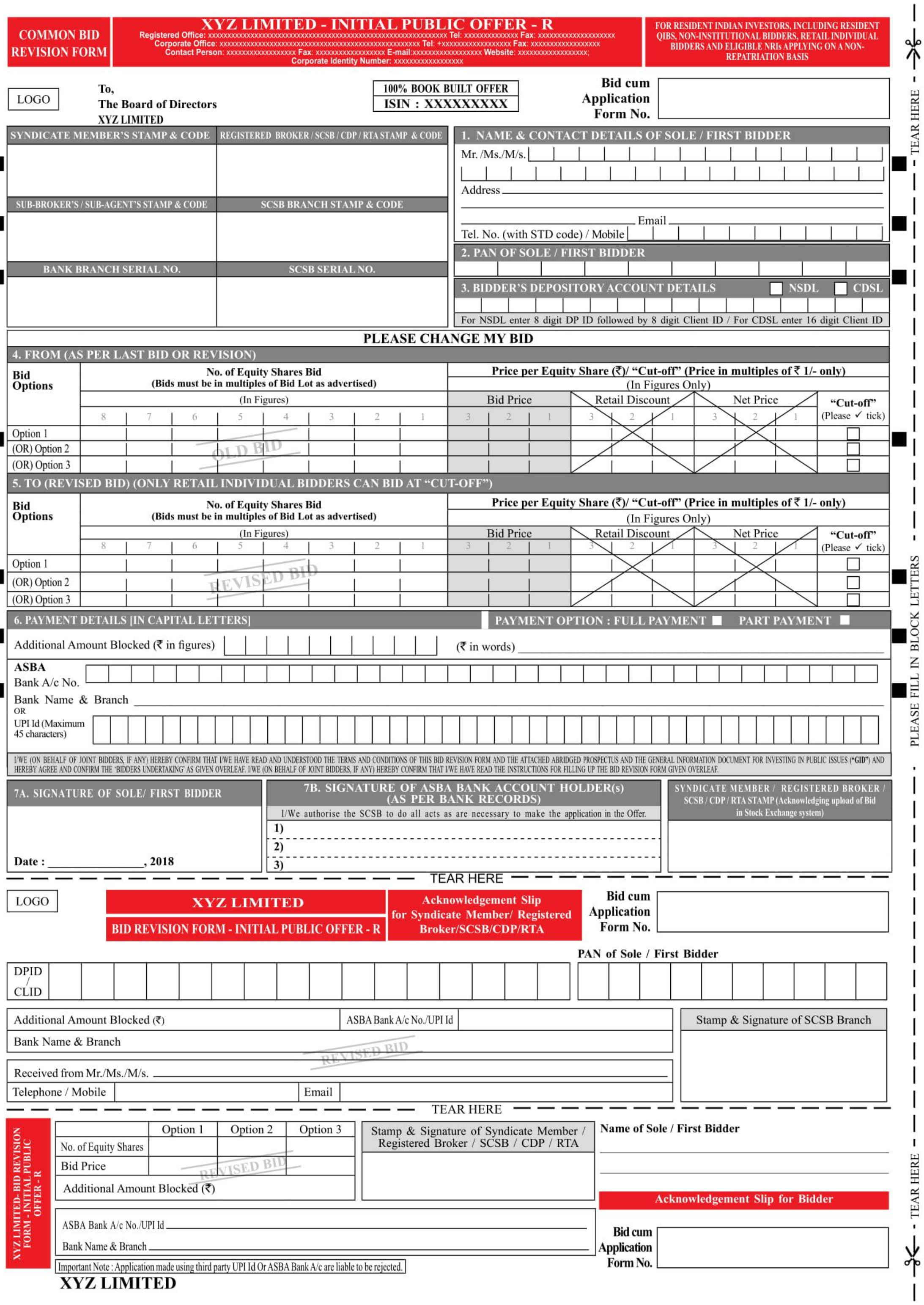

COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC OFFER - R

FOR RESIDENT INDIAN INVESTORS, INCLUDING RESIDENT QIBS, NON-INSTITUTIONAL BIDDERS, RETAIL INDIVIDUAL BIDDERS AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

To,
The Board of Directors
XYZ LIMITED

100% BOOK BUILT OFFER
ISIN : XXXXXXXXX

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | REGISTERED BROKER / SCSB / CDP / RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
Mr. /Ms./M/s.
Address
Email
Tel. No. (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)
Bid Options | No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) | Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures Only): Bid Price, Retail Discount, Net Price, "Cut-off" (Please ✓ tick)
Option 1
(OR) Option 2
(OR) Option 3

5. TO (REVISED BID) (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")
Bid Options | No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) | Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures Only): Bid Price, Retail Discount, Net Price, "Cut-off" (Please ✓ tick)
Option 1
(OR) Option 2
(OR) Option 3

6. PAYMENT DETAILS [IN CAPITAL LETTERS] | PAYMENT OPTION : FULL PAYMENT | PART PAYMENT
Additional Amount Blocked (₹ in figures) | (₹ in words)
ASBA Bank A/c No.
Bank Name & Branch
OR
UPI Id (Maximum 45 characters)

I/WE (ON BEHALF OF JOINT BIDDERS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT BIDDERS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER
Date : _______________, 2018

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)
I/We authorise the SCSB to do all acts as are necessary to make the application in the Offer.
1)
2)
3)

SYNDICATE MEMBER / REGISTERED BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO | XYZ LIMITED | BID REVISION FORM - INITIAL PUBLIC OFFER - R | Acknowledgement Slip for Syndicate Member/ Registered Broker/SCSB/CDP/RTA | Bid cum Application Form No.

DPID / CLID | PAN of Sole / First Bidder
Additional Amount Blocked (₹) | ASBA Bank A/c No./UPI Id | Stamp & Signature of SCSB Branch
Bank Name & Branch
Received from Mr./Ms./M/s.
Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED- BID REVISION FORM - INITAL PUBLIC OFFER - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Blocked (₹)			

Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA

Name of Sole / First Bidder

ASBA Bank A/c No./UPI Id
Bank Name & Branch

Acknowledgement Slip for Bidder

Bid cum Application Form No.

Important Note : Application made using third party UPI Id Or ASBA Bank A/c are liable to be rejected.

XYZ LIMITED

TEAR HERE
PLEASE FILL IN BLOCK LETTERS

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/ Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIIs and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.

(d) In case of revision of Bids by Employees, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 500,000.

(e) If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(f) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding will be unblocked.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders/Applicants are required to authorize blocking of the full Bid Amount (less Discount (if applicable) at the time of submitting the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three bid options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder/Applicant may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account of UPI Linked Bank Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant bank to block the additional Bid Amount, if any.

(c) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

4.2.4 **FIELD 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/ Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE OFFER)

4.3.1 FIELDS 1, 2, 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

(a) The Issuer may mention Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Book Running Lead Manager to the Offer (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount less Discount (as applicable), payable does not exceed ₹ 200,000.

(d) Applications by Employees must be for such number of shares that the application amount less Discount (as applicable), payable does not exceed ₹ 500,000.

(e) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(f) An application cannot be submitted for more than the Offer size.

(g) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(h) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(i) For details regarding the procedures to be followed by the Registrar to detect multiple applications, Applicants should refer to paragraphs 4.1.4.2(b) and 4.1.4.2(c).

4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS

(a) The categories of applicants identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) Bidders are required to enter either the ASBA Bank account details or the UPI ID in this field. In case the Bidder doesn't provide any of the ASBA Bank account details or the UPI ID then the application would be rejected. **For application submitted to Designated Intermediaries (other than SCSBs), Bidder providing both the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.**

(b) All Applicants (other than Anchor Investors) are required to make use of ASBA for applying in the Offer.

(c) RIIs applying through Designated Intermediaries (other than SCSBs) may make use of the UPI mechanism for applying in the Offer.

(d) Application Amount cannot be paid in cash, cheques or demand drafts through money order or through postal order or through stock invest.

4.3.11.1 **Payment instructions for Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.11.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.3.

4.3.11.3 **Additional Payment Instructions for RIIs bidding through Designated Intermediaries (other than SCSBs) using the UPI mechanism**

Applicants should refer to instructions contained in paragraphs 4.1.7.4.

4.3.11.4 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraphs 4.1.7.5.

4.3.12 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM

4.4.11 **Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	To one of the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form
All Applications (other than Anchor Investors)	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the CRTAs at the Designated RTA Locations or the CDPs at the Designated CDP Locations; and (b) To the Designated Branches of the SCSBs where the ASBA Account is maintained

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had submitted the original Bid.

(b) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

SECTION 5: OFFER PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XIII of SEBI ICDR Regulations. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Offer Period, ASBA Bidders/Applicants may approach any of the Designated Intermediary to register and submit their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach one of the BRLM on the Anchor Investor Bidding Date to register and submit their Bid.

(b) In case of Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs or the Sponsor Bank, as applicable, to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facility of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) Only Bids that are uploaded on the Stock Exchanges Platform would be considered for allocation/ Allotment. In Phase I, the Designated Intermediaries are given time till 1:00 pm on the day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges’ on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

5.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until Bid/Offer Closing Date. In case a RII wishes to withdraw the Bid, the same can be done by submitting a request for the same to the concerned Designated Intermediary, who shall do the requisite, including unblocking of the funds in the ASBA Account.

(b) The Registrar to the Offer shall give instruction to the SCSB or the Sponsor Bank, as applicable, for unblocking the ASBA Account upon or after the finalization of basis of Allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to

i. the Bids accepted by the Designated Intermediary;

ii. the Bids (including the UPI ID, as applicable) uploaded by the Designated Intermediary; and

iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.

(b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs or the Sponsor Bank, as applicable, shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA Account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) Book Running Lead Managers and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, *inter-alia*, on the following grounds, which have been detailed at various places in this GID:-

(a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications of Bidders (other than Anchor Investors) accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account;

(c) Bids/Applications by OCBs;

(d) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(e) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents have not been submitted along with the Bid cum application form/Application Form;

(f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(h) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;

(i) ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Bid cum Application Form/Application Form;

(j) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(k) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(l) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(m) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;

(n) Bids/Applications at Cut-off Price by NIIs and QIBs;

(o) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(p) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(q) Submission of Bid cum Application Forms/Application Form using third party UPI ID or ASBA Bank Account;

(r) Submission of more than one Bid cum Application Form per UPI ID or bank account by RIIs bidding through Designated Intermediaries (except for RIIs applying as Retail Individual Shareholder also);

(s) Bids/Applications for number of Equity Shares which are not in multiples of Equity Shares as specified in the RHP;

(t) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(u) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;

(v) Bank account mentioned in the Bid cum Application Form (for Bidders applying through the non-UPI mechanism) may not be an account maintained by SCSB. Inadequate funds in the ASBA Account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the ASBA Account;

(w) In case of Bids by RIIs (applying through the UPI mechanism), the UPI ID mentioned in the Bid cum Application Form is linked to a third party bank account;

(x) In case of Bids by RIIs (applying through the UPI mechanism), the UPI ID is not mentioned in the Bid cum Application Form;

(y) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Anchor Escrow Bank;

(z) Where no confirmation is received from SCSB or the Sponsor Bank, as applicable, for blocking of funds;

(aa) Bids/Applications by QIB and NII Bidders (other than Anchor Investors) not submitted through ASBA process;

(bb) Bid cum Application Form submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Anchor Escrow Bank (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;

(cc) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(dd) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form;

(ee) The UPI Mandate is not approved by Retail Individual Investor; and

(ff) The original Bid/Application is made using the UPI mechanism and revision(s) to the Bid/Application is made using ASBA either physically or online through the SCSB, and *vice-versa*.

(gg) Bidders are required to enter either the ASBA Bank account details or the UPI ID in the Bid cum Application Form. In case the Bidder doesn't provide any of the ASBA Bank account details or the UPI ID then the application would be rejected. **For application submitted to Designated Intermediaries (other than SCSBs), Bidder providing both the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.**

(hh) RIIs shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount is available for blocking has been notified as Issuer Banks for UPI. A list of such banks is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40

(ii) The latest/revised UPI Mandate is not approved by Bidder in case of revision of bid;

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the applicable eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.

(b) Under-subscription in any category (except QIB category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

(c) In case of under subscription in the Net Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should *note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors.*

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per share, issue size of 3,000 equity shares and receipt of five bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of equity shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The issuer, in consultation with the Book Running Lead Managers, may finalise the Offer Price at or below such cut-off price, i.e., at or below ₹ 22.00. All bids at or above this Offer Price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (**"Alternate Book Building Process"**).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: OFFER PROCEDURE IN FIXED PRICE OFFER

Applicants may note that there is no Bid cum Application Form in a Fixed Price Offer. As the Offer Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

ASBA Applicants may submit an Application Form either in physical form to the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the ASBA Account specified in the Application Form only. The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a Fixed Price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investors will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Fresh Issue (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation in the Retail Category at or above the Offer Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot **("Maximum RII Allottees"**). The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees; (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer subject to compliance with the following requirements:

(i) not more than 60% of the QIB Category will be allocated to Anchor Investors;

(ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

(iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores, subject to minimum allotment of ₹ 5 crores per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 250 crores and an additional 10 Anchor Investors for every additional ₹ 250 crores or part thereof, subject to minimum allotment of ₹ 5 crores per such Anchor Investor.

(b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLM(s), selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(c) **In the event that the Offer Price is higher than the Anchor Investor Offer Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(d) **In the event the Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(i) **Designated Date:** On the Designated Date, the Escrow Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Accounts, as per the terms of the Cash Escrow Agreement, into the Public Offer Account with the Bankers to the Offer. The balance amount after transfer to the Public Offer Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Cash Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Offer shall instruct the SCSBs or the Sponsor Bank, as applicable, to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Offer Account.

(ii) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary resolutions and undertake corporate actions to facilitate the Allotment and credit of Equity Shares to successful Bidders/Applicants. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.

(iii) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(iv) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within five Working Days of the Bid/ Offer Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange will be disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not refunded to Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, as applicable, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. This is further subject to the compliance with Rule 19(2)(b) of the SCRR. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of prescribed time period under applicable laws, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 6(1) of the SEBI ICDR Regulations comes for an Offer under Regulation 6(2) of SEBI (ICDR) Regulations but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

1. **In case of ASBA Bids:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs or in case of Bids by RIIs applying through the UPI mechanism to the Sponsor Bank, to revoke the mandate and for unblocking the amount for unsuccessful Bids or for any excess amount blocked on Bidding.

2. **In case of Anchor Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

3. In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Bid cum Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

4. In the case of Bids from Eligible NRI Bidders and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

(i) **NACH**—National Automated Clearing House is a consolidated system of ECS. Payment of refunds would be done through NACH for Anchor Investors having an account at any of the centres specified by the RBI where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refunds through NACH is mandatory for Anchor Investors having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where the applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;

(ii) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine- digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(iii) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account; and

(iv) **RTGS**—Anchor Investors having a bank account with a bank branch which is RTGS enabled as per the information available on the website of RBI and whose refund amount exceeds ₹ 0.2

million, shall be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Anchor Investor's bank which can be mapped with the RBI data to obtain the corresponding IFSC. Charges, if any, levied by the Anchor Escrow Bank for the same would be borne by our Company. Charges, if any, levied by the Anchor Investor's bank receiving the credit would be borne by the Anchor Investor;

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Bidders/Applicants may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if refund orders, as applicable, are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the six Working Days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Offer Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time. In case of inconsistency in the description of a term mentioned herein below and the description ascribed to such term in the Red Herring Prospectus/Prospectus, the description as ascribed to such term in the Red Herring Prospectus/ Prospectus shall prevail.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	A Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Escrow Account	Account opened with the Anchor Collection Bank and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid.
Anchor Escrow Bank	Refer to definition of Banker to the Offer
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Offer
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB and will include amounts blocked by RIIs using the UPI mechanism
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB or the account of the RII Bidder blocked upon acceptance of UPI Mandate Request by RIIs using the UPI Mechanism to the extent of the Bid Amount of the Bidder/Applicant
Banker to the Offer/ Anchor Escrow Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Anchor Escrow Accounts for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/ Offer Date by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken

Term	Description
	through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Closing Date
Bid/Offer Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Opening Date
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/ Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Period
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bidder/Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Manager(s)/BRLM(s)/Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Book Running Lead Manager or BRLM
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Cash Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the BRLMs, the Anchor Escrow Bank and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account

Term	Description
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of the Circular on Streamlining of Public Issues
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the BRLMs, which can be any price within the Price Band (inclusive of the floor price and cap price). Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Anchor Escrow Bank from the Anchor Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Offer may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries /Collecting Agent	Syndicate Members, sub-syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and CRTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the CRTAs where Bidders can submit the Bid cum Application Forms to CRTAs. The details of such Designated RTA Locations, along with names and contact details of the CRTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Offers and which may mention a price or a Price Band

Term	Description
Employees / Eligible Employees	Employees of an Issuer as defined under SEBI ICDR Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Employees Reserved Portion	Equity shares reserved for the Eligible Employees
Equity Shares	Equity Shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
Fixed Price Offer/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition – nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NACH	National Automated Clearing House, which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares

Term	**Description**
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants including FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Investor Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale, if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholders
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price. The Offer Price may be decided by the Issuer in consultation with the BRLM(s)
Other Investors	Investors other than RIIs in a Fixed Price Offer. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least two working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the BRLM(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Offer Account	An account opened with the Banker to the Offer to receive monies from the Anchor Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations
RTGS	Real Time Gross Settlement

Term	Description
Red Herring Prospectus/RHP	This red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid/ Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with the SEBI which offers the facility of ASBA and the list of which is available on the website of the http://www.sebi.gov.in/sebiweb/other/OtherAction.do? doRecognised=yes
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form
Sponsor Bank	The Banker to the Offer registered with SEBI which is appointed by the Issuer to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the RIIs into the UPI
Stock Exchanges/SEs	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The BRLM(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members

Term	Description
Syndicate Member(s)	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI PIN	Password to authenticate UPI transaction
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid / Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India, the Consolidated FDI Policy and the FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries / departments of the Government of India and the RBI. The Union Cabinet has approved phasing out the Foreign Investment Promotion Board, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the office memorandum dated June 5, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the Consolidated FDI Policy has been entrusted to concerned ministries/departments.

Subsequently, the DPIIT issued the Standard Operating Procedure (**SOP**) for Processing FDI Proposals on June 29, 2017 (**SOP**). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned administrative ministry/department shall act as the competent authority (**Competent Authority**) for the grant of *post facto* approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DPIIT shall identify the Competent Authority.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails. The Consolidated FDI Policy, issued by the DIPP, consolidates the policy framework in place as on August 27, 2017, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on Consolidated FDI Policy once every year and therefore the Consolidated FDI Policy will be valid until the DIPP issues an updated circular. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the Consolidated FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government, OCBs cannot participate in this Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, the BRLM and the CBRLM are not liable for any amendments or modification or changes in applicable laws regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and applicable laws of the jurisdictions where such offers and sales are made.

SECTION IX: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

The regulations comprised in these Articles of Association were adopted pursuant to special resolution passed by the members at the Extra Ordinary General Meeting held on August 11, 2018 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

Preliminary

Table "F" to apply save as varied

1. The regulations contained in Table "F" in Schedule I to the Companies Act, 2013, as amended from time to time shall apply to this company in so far as those are applicable to the public company limited by shares, so far as they are not inconsistent with any of the provisions contained in these Articles or modifications thereof and only to the extent that there is no specific provision in these Articles. In case of any conflict between the provisions of these Articles and Table "F", the provisions of these Articles shall prevail.

Interpretation

2. In this Articles, unless the context otherwise requires, —

    2.1. **"the Act"** means the Companies Act, 2013 and rules made there under or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.
    2.2. **"Articles"** means the Articles of Association of the Company as originally framed or as altered from time to time and registered with Ministry of Corporate Affairs / Registrar of Companies from time to time.
    2.3. **"Board"** or **"Board of Directors"** means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles or the Directors of the Company collectively.
    2.4. **'Company' 'the Company'** or **'this Company'** means NEOGEN CHEMICALS LIMITED.
    2.5. **"Directors"** means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a meeting of the Board.
    2.6. **"Proxy"** includes Attorney duly constituted under a Power of Attorney.
    2.7. **"Rules"** means the applicable rules for the time being in force as prescribed under relevant sections of the Act.
    2.8. **"Seal"** means the common seal for the time being of the Company.

The *heading notes* used in these Articles shall not affect the constructions hereof.

Share capital and variation of rights

Capital

3. The Authorized Share Capital of the Company shall be as stated in Clause V of the Memorandum of Association, with the power to increase or reduce such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this behalf and with the power also to divide the shares in the capital for the time being into equity share capital and preference share capital and to attach thereto respectively any preferential qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.

Shares under control of Board

4. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

Shares for consideration other than cash

5. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be, if the price of such shares is determined by the valuation report of a registered valuer and such issuance and allotment is approved by a special resolution of the shareholders of the Company.

Kinds of share capital

6. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:
   i. Equity share capital with voting rights and/or with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
   ii. Preference share capital

Issue of certificate

7. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—
(a) one certificate for all his shares without payment of any charges; or
(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

Certificate to bear seal

(ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary:
Provided that in case the company has a common seal, it shall be affixed in the presence of the persons required to sign the certificate.

One certificate for shares held jointly

(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

Dematerialization of securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and to offer shares, debentures or other securities proposed to be issued by it for subscription in a dematerialised form and on the same being done, the company shall further be entitled to maintain a Register of Members/ Debenture holders/ other Security holders with the details of members/ debenture holders/ other security holders holding shares, debentures or other securities both in materialized and dematerialized form in any media as permitted by the Act.

Issue of new share certificate in place of one defaced, lost or destroyed

8. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a

new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (7) and (8) shall *mutatis mutandis* apply to debentures of the company.

Company not bound to recognize any interest

9. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

Power to pay commission in connection with securities issued

10. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.

Rate of commission in accordance with the Rules

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

Mode of payment of commission

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

Variation of rights of any class of shares

11. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

Provisions of General Meeting to be applicable to separate meetings

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least five persons holding at least one-third of such of the paid-up shares capital of the company as on date carries the right of voting.

Issue of further shares not to affect rights of existing members

12. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

Power to issue redeemable preference shares

13. Subject to the provisions of section 55, any preference shares may, with the sanction of a special resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

13A. Redeemable Preference Shares
The Company shall have power to issue Preference Shares liable to be redeemed in any manner permissible under the Act and the directors may, subject to the provisions of the Act, exercise such power

in any manner as they think fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they think fit.

13B. In the issue of Redeemable Preference Shares under the provisions of Article 6B, the following provisions shall take effect:

a) No such shares shall be redeemed except out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;
b) No such shares shall be redeemable unless they are fully paid;
c) The premium, if any, payable on redemption shall have been provided for out of the profits of the company or out of the Company's Share Premium Account before the shares are redeemed;
d) Where any such shares are redeemed otherwise than out of the proceed of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to Reserve Account, a sum equal to the nominal amount of the shares redeemed, and the provisions of the Act relating to the reduction of the share capital of a company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were paid up share capital of the Company;
e) Subject to the provisions of the Section 55 of the Act, the redemption of Preference Shares may be effected in accordance with the terms and conditions of their use and failing that, in such manner as the shares redeemed or to be redeemed as if those shares had never been issued;
f) Whenever the Company shall redeem any Redeemable Preference Shares the Company shall, within thirty days thereafter, give notice to the Registrar of the Companies as required.

Further issue of share capital

14. (i) The Company, as the case may be may, in accordance with the Act and the Rules, issue further shares to:

a. person who, at the date of offer, are holders of equity shares of the Company, such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour to any other person; or
b. employees under any scheme of employees' stock option, subject to approval by the shareholders of the Company by way of a special resolution; or
c. any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above, subject to approval by the shareholders of the Company by way of a special resolution.

Mode of further issue of shares

(ii) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

Sweat equity shares

15. Subject to the provisions of the Act and other applicable provisions of law, the Company may with the approval of the shareholders by a special resolution in general meeting issue sweat equity shares in accordance with such rules and guidelines issued by the Securities and Exchange Board of India and/or other competent authorities for the time being and further subject to such conditions as may be prescribed in that behalf

Terms of issue of debentures

16. Any debentures, debenture-stock or other securities may be issued subject to the provisions of the Act and these Articles, at a discount, premium or otherwise and may be issued on the condition that they may or may not be convertible into shares of any denomination and with any special privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the general meeting, appointment of Directors and otherwise, Debentures of other securities with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the general meeting by way of a special resolution.

Lien

Company's lien on shares

17. (i) The company shall have a first and paramount lien—

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

Lien to extend to dividends, etc.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

As to enforcing lien by sale

18. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:
Provided that no sale shall be made—
(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

Validity of sale

19. (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

Purchaser to be registered holder

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

Purchaser not affected

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Validity of Company's receipt

20. The receipt of the Company for the consideration (if any) given for the shares on the sale thereof shall (Subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the shares and the purchaser shall be registered as the holder of the shares.

Application of proceeds of sale

21. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

Payment of residual money

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Outsider's lien not to effect Company's lien

22. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (Except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

Provisions as to lien to apply mutatis mutandis to Debentures, etc.

23. Unless otherwise provided under the Act, the provisions of these Articles shall *mutatis mutandis* apply to the lien on other Securities including debentures of the Company.

Calls on shares

Board may make calls

24. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

Notice of call

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

Board may extend time for payment

(iii) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.

Revocation or postponement of call
(iv) A call may be revoked or postponed at the discretion of the Board.

Call to take effect from date of resolution

25. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

Liability of joint holders of shares

26. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

When interest on call payable

27. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

Board may waive interest

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

Sums deemed to be calls

28. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

Effect of non-payment of sums

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Payment in anticipation of call may carry interest

29. The Board—
(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Instalments on shares to be duly paid

30. If by the conditions of allotment of any shares, the whole or part of the amount or issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

Calls on shares of same class to be on uniform basis

31. All calls shall be made on a uniform basis on all shares falling under the same class.

Partial payments not be preclude forfeiture

32. Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

Transfer of shares

Instrument of transfer to be executed by transferor and transferee

33. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Transfer not to be registered except on production of instrument of transfer

34. The Company shall not register a transfer of shares in, or debentures of the Company held in physical form unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificates relating to the shares or debentures, or if no such certificate is in existence, along with the letter of allotment of the shares or debentures.

Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferee has been lost or where the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit;

Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder or debenture holder any person to whom the right to any shares in, or debentures of, the Company has been transmitted by operation of law.

Board may refuse to register transfer

35. The Board may, subject to the right of appeal conferred by section 58 declines to register—
(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
(b) any transfer of shares on which the company has a lien.

Board may decline to recognize instrument of transfer

36. The Board may decline to recognize any instrument of transfer unless—
(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
(c) the instrument of transfer is in respect of only one class of shares.

Notice of refusal to be given to transferor and transferee

37. On giving not less than seven days' previous notice in accordance with section 91 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

No transfer to minor

38. No transfer shall be made to a person of unsound mind, however, transfer of fully paid up shares can be made in the name of a minor if he is represented by his lawful guardian.

When transfers to be retained

39. All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall be returned to the person depositing the same.

Fee on transfer

40. The Board may, in their discretion, waive the payment of any transfer or transmission fee either generally or in any particular case or cases.

Power to close Register of Members or other security-holders

41. The Company may, after giving not less than seven days previous notice by advertisement in the newspaper circulating in the district in which the registered office of the Company is situated, close the register of members or the register of debenture-holders or other security holder for any period or periods not exceeding in the whole forty five days in each year, but not exceeding thirty days at any time.

Provisions as to transfer of shares to apply mutatis mutandis to debentures, etc.

42. The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Transmission of shares

Title to shares on death of a member

43. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Transmission Clause

44. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(a) to be registered himself as holder of the share; or
(b) to make such transfer of the share as the deceased or insolvent member could have made.

Board's right unaffected

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

Indemnity to the Company

45. The company shall be fully indemnified by such person from all liability, if any, by action taken by the Board to give effect to such registration or transfer.

Right to election of holder of share

46. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

Manner of testifying election

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

Limitations applicable to notice

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

Claimant to be entitled to same advantage

47. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Provisions as to transmission to apply mutatis mutandis to debentures, etc

48. The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Forfeiture of shares

If call or instalment not paid notice must be given

49. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

Form of notice

50. The notice aforesaid shall—

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

In default of payment of shares to be forfeited

51. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

Entry of forfeiture in register of members

52. When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

Effect of forfeiture

53. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.

Forfeited shares may be sold, etc.

54. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

Cancellation of forfeiture

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

Members still liable to pay money owing at time of forfeiture and interest

55. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

Members still liable to pay money owing at time of forfeiture and interest

(ii) all such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until the payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.

Cessation of liability

(iii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

Certificate of forfeiture

56. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

Title of purchaser and transferee of forfeited shares

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

Transferee to be registered as holder

(iii) The transferee shall thereupon be registered as the holder of the share; and

Transferee not affected

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Validity of the sales

57. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser’s name to be entered in the register of members in respect of the shares sold and

after his name has been entered in the register of members in respect of such shares the validly of the sale shall not be impeached by any person.

Cancellation of share certificate in respect of forfeited shares

58. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificates(s), if any, originally issued in respect of the relative shares shall (unless the same on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

Surrender of share certificate

59. The Board may, subject to the provisions of the Act, accept a surrender of the share certificate for any forfeited share from or by any member desirous of surrendering them on such terms and they may think fit.

Sum deemed to be calls

60. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Provisions as to forfeiture of shares to apply mutatis mutandis to debentures, etc.

61. The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Alteration of capital

Alteration of capital

62. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

Power to alter share capital

63. Subject to the provisions of section 61, the company may, by ordinary resolution:

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Shares may be converted into stock

64. Where shares are converted into stock, —

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

Right of stockholders

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

Reduction of capital

65. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law:

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account.

Capitalization of profits

Capitalization

66. (i) The company in general meeting may, upon the recommendation of the Board, resolve—

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

Sum how applied

67. (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

Power of the Board for capitalization

68. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

Board's power to issue fractional certificates / coupon etc.

(ii) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and

(b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;

Agreement binding on members

(iii) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

Buy-back of shares

69. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

Restrictions on purchase by Company of its own shares

70. The Company shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding company, save as provided by the Act.

General meetings

Extra Ordinary General Meeting

71. All general meetings other than annual general meeting shall be called extraordinary general meeting.

Powers of Board to call Extra Ordinary General Meeting

72. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

Presence of Quorum

73. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

Quorum for general meeting

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

Chairperson of the meetings

74. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

75. No business shall be discussed or transacted at any General Meeting whilst the chair is vacant, except election of Chairperson.

76. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

77. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

Power of Chairperson

78. The Chairperson of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The chairperson present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

Casting vote of Chairperson at general meeting

79. On any business at any general meeting, in case if an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.

Minutes of proceedings of meeting and resolutions passed by postal ballot

80. (i) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

Certain matters not be included in the minutes books

81. (ii) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting.

a. Is, or could reasonably be regarded, as defamatory of any person; or
b. Is irrelevant or immaterial to the proceedings; or
c. Is detrimental to the interest of the Company.

Discretion of the Chairperson in relation to minutes

(iii) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.

Minutes to be evidence

(iv) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

Inspection of minute books of general meeting

82. (i) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:
(a) Be kept at the registered office of the Company; and
(b) Be open to inspection of any member without charge, during the business hours on all working days.

Members may obtain copy of the minutes

83. Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees s may be fixed by the Board with a copy of the minutes referred to above.

Adjournment of meeting

Chairperson may adjourn the meeting

84. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

Business at adjourned meeting

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Notice of adjourned meeting

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

Notice of adjourned meeting not required

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

Entitlement to vote on show of hands and on poll

85. Subject to any rights or restrictions for the time being attached to any class or classes of shares, —

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

Voting through electronic means

86. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

Vote of joint holders

87. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

How members non compos mentis and minor may vote

88. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

Business may proceed pending poll

89. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

Restriction on voting rights

90. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

Validity of the Vote

91. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

Member may vote in person or otherwise

92. Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf for that meeting.

Proxies when to be deposited

93. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

Form of proxy

94. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

Proxies to be valid not withstanding death of the principal

95. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

Board of Directors

96. Unless otherwise determined by the Company in general meeting, the number of Director shall not be less than three and shall not be more than fifteen. The Present Directors of the Company are:
   a. Mr. Haridas Kanani;
   b. Dr. Harin Kanani;
   c. Mr. Sanjay Mehta;
   d. Mr. Hitesh Reshamwala;
   e. Mr. Shyamsunder Upadhyay; and
   f. Mr. Anurag Surana

First Directors

97. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum.

Qualification of Directors

98. No Director of the Company is required to hold any qualification share of the Company.

Nominee Directors

99. Notwithstanding anything contrary contained in the Articles, if the Company has availed any loan(s) from, or issued any debentures or other instruments / securities to any bank(s), financial institution(s), non-banking financial companies, asset reconstruction companies or any other body corporate ("Lender(s)") and so long as any monies with respect to such loans(s) granted by such Lender(s) to the Company remain outstanding by the Company to any Lender(s) or so long as the Lender(s) continue to hold debentures in the Company by direct subscription or private placement, or so long as the Lender(s) hold equity share in the Company as a result of conversion of such loans / debentures, or if the agreement with the respective Lender(s) provide for appointment of any person or persons as a Director or Directors, or if the Company is required to appoint to appoint any person as a director pursuant to any agreement, (which Director or Director is / are herein after referred to as "Nominee Director(s) / Observer(s)" on the Board, the Company may appoint such person nominated by such Lender(s) as Nominee Director / Observer, in accordance with the terms and conditions specified in the agreement executed with such Lender.

Same individual may be Chairperson and Managing Director/ Chief Executive Officer

100. The same individual may, at the same time, be appointed as the Chairpersons of the Company as well as the Managing Director or Chief Executive Officer of the Company, subject to section 203 of the Act.

Remuneration of Directors

101. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

Travelling and other expenses

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other exp expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
(b) in connection with the business of the company.

Remuneration to require member's consent

(iii) The remuneration payable to the Directors, including any managing or whole-time director or manager, if any shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.

Directors sitting fees

102. The fees payable to the Director for attending the meeting of the Board or committee thereof shall be decided by the Board of Directors from time to time within the maximum limits of such fees that may be prescribed under the Act or Rules there under.

Payment of Incorporation expenses

103. The Board may pay all expenses incurred in getting up and registering the company.

Foreign Registers

104. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

Execution of negotiable instruments

105. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

106. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

Appointment of Additional Director

107. (i) Subject to the provisions of section 161, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

Duration of the office of the Additional Director

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

Appointment of Alternate Director

108. The Board may appoint an alternate director to act for a Director (hereinafter in this Article call "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.

Duration of office of Alternate Director

109. An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.

Re-appointment provisions applicable to Original Director

110. If the term of office of the Original Director is determined before he returns to india the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the alternate director.

Appointment of Director to fill casual vacancies

111. (i) If the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board

Duration of office of Director appointed to fill casual vacancies

(ii) The Director so appointed shall hold office only upto the date upto which the Director in whose place be is appointed would have held office if it had not been vacated.

Power of Board

General powers of the Company vested in Board

112. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts deeds and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

Borrowing powers

Power to borrow

113. The Directors may, from time to time, at their discretion, raise or borrow, or secure the payment of, any sum or sums of money for the purposes of the Company;

Provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not at any time except with the consent of the Company by way of special resolution in general meeting exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

Conditions on which money may be borrowed

114. The directors, with shareholders' consent where required by the Act and Rules may raise or secure the payment or repayment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fir and, in particular, by the issue of debentures or debenture-stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

Proceedings of the Board

When meeting to be convened

115. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

Who may summon Board Meeting

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

Minimum number of the Board Meeting

(iii) A meeting of the Board of Directors shall be held at least four times every year and not more than 120 days shall lapse between two Board Meetings.

Notice of Meeting

116. Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.

Quorum of the Board Meeting

117. The quorum for a Board Meeting shall be as provided in the Act and Rules made there under.

Participation t Board Meeting

118. The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

Questions at Board Meeting how decided

119. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

Casting vote of Chairperson at Board Meeting

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

Directors not to act when number falls below minimum

120. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

Who to preside at meetings of the Board

121. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

Absence of Chairperson

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

Delegation of power

122. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

Committee to conform to Board regulations

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

Participation at Committee meetings

123. (iii) The participation of Directors in a meeting of the committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may prescribed by the Rules or permitted under law.

Chairperson of Committee

124. (i) A committee may elect a Chairperson of its meetings.

Who to preside at meetings of committee

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

Committee to meet

125. (i) A committee may meet and adjourn as it thinks fit.

Questions at committee meeting how decided

126. (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

Acts of Board or Committee valid notwithstanding defect of appointment

127. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly pointed and was qualified to be a director.

Passing of resolution by circulation

128. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

Chief Executive officer, etc.

129. Subject to the provisions of the Act, —
(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

Director may be chief executive officer, etc

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

Same person not authorized to act in different capacity

130. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

Managing Director

Managing Director

131. (i) Subject to the provision of the Act, the Directors may from time to time appoint one or more of their body to be the Managing Director of the Company, in accordance with the provisions of the Act and the Rules.

(ii) A Managing Director so appointed shall exercise the power and authorities conferred upon him by an agreement entered into between him and the Company and/or by a resolution of the Board and be subject to the obligations and restrictions imposed upon him thereby or by the Act.

132. The Managing Director can also be appointed as a Chairman of the Company, in accordance with the provisions of the Act and the Rules.

Registers

Statutory Register

133. The Company shall keep and maintain at its registered office all statutory registers for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as may be prescribed by the Act and the Rules. The registers and copies of Annual Return shall be open for inspection during the business hours on all working days at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

(i) The Company may exercise the powers conferred on it by the Act with regards to the keeping of a foreign register and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.

(ii) The foreign register shall be open for inspection and may be closed and extracts may be taken there from and copies thereof may be required in the same manner, *mutatis* mutandis as is applicable to the register of members.

The Seal

134. (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least one director or company secretary if any, or such other person as the Board may appoint for the purpose; and those directors or company secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

*"Explanation-: For the purposes of this sub-paragraph it is hereby clarified that on and from the commencement of the Companies (Amendment) Act, 2015 (21 of 2015), i.e. with effect from the 29th May, 2015, company may not be required to have the seal by virtue of registration under the Act and if a company does not have the seal, the provisions of this sub-paragraph shall not be applicable."

Dividends and Reserve

Company in general meeting may declare dividend

135. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

Interim dividends

136. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

***Amended as per notification issued by Ministry of Corporate Affairs dated 10th April, 2018.**

Dividends only to be paid out of profits

137. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.

Carry forward of profits

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Division of profits

138. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

Payment in advance

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

Dividends to be apportioned

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

No member to receive dividend whilst indebted to the Company

139. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

140. The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

Instrument of payment

141. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

Receipt of one holder sufficient

142. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

Notice of Dividend

143. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

No interest on Dividend

144. No dividend shall bear interest against the company.

Accounts

Inspection by Directors

145. The Books of account and books and papers of the Company, or any of them shall be open to the inspection of Directors in accordance with the applicable provisions of the Act and the Rules.

Restriction on inspection by members

146. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.

Winding up

Winding up of Company

147. Subject to the provisions of Chapter XX of the Act and rules made there under—

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity and Insurance

148. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

General Power

General Power

149. Wherever in the Act, it has been provided that the Company or its Director shall have any right privilege or authority or that the Company or Director could carry out any transaction only if the Company or Director is so authorized by its articles, then and in that case this regulation hereto authorizes and empowers the Company or Director to have such rights, privileges or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.

Secrecy Clause

Secrecy Clause

150. Subject to the provisions of the Act, no member shall be entitled to require discovery of any information respecting any detail of the Company's trading or any matter in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board of Directors it may be inexpedient in the interest of the Company to communicate to the public.

Miscellaneous

No Shareholder to enter the Premises of Company without permission

151. (i) Subject to the provisions of these Articles and the Act no member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Board or the Managing Director or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery or trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the Company to communicate.

(ii) Any confidential information disclosed to a Member or Director shall not be used by him for any purpose other than for the exercise of rights or performance of obligation as a Member or Director of the Company and shall not be disclosed by him to any person, firm or Company.

Dispute Resolution

152. If any dispute, controversy or claim between the parties arises out of or in connection with or relating to the enforcement, performance of the terms and conditions of Articles such dispute shall be referred to binding Arbitration and determined in accordance with the Arbitration & Conciliation Act, 1996. Any Arbitral Award shall be final and binding on the parties and the parties waive irrevocably any rights to

any form or appeal, review or recourse to any stage or other judicial authority in so far as such waiver may validly be made. The venue for Arbitration shall be Mumbai and language for of proceedings shall be English.

Governing Law and Jurisdiction

153. Any dispute, controversy or claim between the parties arising out of or in connection with or relating to the enforcement, performance of the terms and conditions of Articles shall be construed in accordance with Laws of India excluding its conflict of law provisions. The jurisdiction for any dispute arising under Articles of Company shall be only at Mumbai, Maharashtra in India.

SECTION X: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material will be attached to the copy of this Red Herring Prospectus which will be delivered to RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10.00 a.m. and 5.00 p.m. on all Working Days from the date of this Red Herring Prospectus until the Bid/Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated November 5, 2018 among our Company, the Selling Shareholders, the Book Running Lead Manager and the Co-Book Running Lead Manager;

2. Registrar Agreement dated November 3, 2018 among our Company, the Selling Shareholders and the Registrar to the Offer.

3. Escrow Agreement dated April 8, 2019 entered into among our Company, the Selling Shareholders, the Book Running Lead Manager, the Co-Book Running Lead Manager, Escrow Bank and the Registrar to the Offer.

4. Share Escrow Agreement dated April 8, 2019 between our Company, the Selling Shareholders, the Book Running Lead Manager, the Co-Book Running Lead Manager, the Banker to the Offer, the Syndicate Members and the Registrar to the Offer.

5. Syndicate Agreement dated April 8, 2019among our Company, the Selling Shareholders, the Book Running Lead Manager, the Co-Book Running Lead Manager and Syndicate Members.

6. Underwriting Agreement dated [●] among our Company, the Selling Shareholders, the Promoters, the Book Running Lead Manager, the Co-Book Running Lead Manager and Syndicate Members.

B. Material Documents in relation to the Offer

1. Certified copies of the Memorandum and Articles of Association of our Company, as amended till date.

2. Certificate of Incorporation dated March 7, 1989 upon incorporation of our Company and fresh certificate of incorporation dated July 2, 1998 consequent to name change.

3. Resolution of Board of Directors dated September 21, 2018 in relation to the Offer and related matters.

4. Shareholders' resolution dated October 16, 2018 in relation to the Offer and related matters.

5. Resolution of the Board of Directors dated November 5, 2018, approving the Draft Red Herring Prospectus.

6. Resolution of the Board of Directors dated April 11, 2019 approving this Red Herring Prospectus.

7. The audit reports dated March 26, 2019 of the Statutory Auditors, on our Company's Restated Financial Statements and Consolidated Financial Statements, included in this Red Herring Prospectus.

8. The statement of tax benefits dated April 11, 2019 included in this Red Herring Prospectus.

9. Copies of the annual reports of the Company for the Fiscals 2018, 2017, 2016, 2015 and 2014.

10. Consent of the BRLM and CBRLM, Directors, Selling Shareholders, Statutory Auditors, Legal Counsel to the Offer as to Indian law, Legal Counsel to the Promoters and the Selling Shareholders as to Indian law, Special Purpose International Legal Counsel to the Book Running Lead Manager and the Co-Book Running Lead Manager, Registrar, Bankers to our Company, Banker to the Offer, Sponsor Bank, Lenders to our Company, Company Secretary and Compliance Officer and Chief Financial Officer as referred to in their specific capacities.

11. Consent letter dated November 2, 2018 from CRISIL Research for CRISIL Report.

12. Assessment of the specialty chemicals industry in India issued by CRISIL Research in August 2018.

13. Consent Letter dated April 11, 2019, from the Statutory Auditors to include their name as an expert herein.

14. Consent Letter dated September 4, 2018, from the Sanjay S. Ranade, Anukul Associates to include their name as an expert herein.

15. Consent Letter dated September 19, 2018 from the Patki M.M, a chartered chemical engineer to include their name as an expert herein.

16. Employment agreement dated August 11, 2018 with Haridas Thakarshi Kanani, our Chairman and Managing Director;

17. Employment agreement dated July 22, 2017 with Harin Haridas Kanani, Joint Managing Director;

18. Tripartite Agreement between our Company, NSDL and the Registrar to the Offer dated February 6, 2015.

19. Tripartite Agreement between our Company, CDSL and the Registrar to the Offer dated March 21, 2016.

20. Due Diligence Certificate dated November 5, 2018 addressed to SEBI from the Book Running Lead Manager and the Co-Book Running Lead Manager.

21. In principle listing approvals dated December 6, 2018 and December 19, 2018 issued by BSE and NSE, respectively.

22. SEBI observation letter no. SEBI/HO/CFD/DIL1/0W/P/2019/2980/1 dated February 8, 2019.

23. Share Subscription Agreement dated October 1, 2016 executed by and between the Company, Karvy Capital Limited and our Promoters.

24. Business Transfer Agreement dated October 21, 2016 executed by and between our Company and Solaris.

25. Deed of Conveyance dated December 27, 2016 executed by and between our Company and Solaris.

26. Commercial intellectual property suit No. (COMIP (L) 1705 of 2018) and notice of motion ((L) No. 3087 of 2018) filed by the Petitioner against our Company, our Company's the reply and written statement and the orders passed by the Hon'ble Bombay High Court in the said matter.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the rules/guidelines/regulations framed thereunder by the Government of India and, or, the rules/guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992 and, or, any rules, guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Haridas Thakarshi Kanani
(*Chairman of the Board and Managing Director)* ______________________________

Harin Haridas Kanani
(*Joint Managing Director)* ______________________________

Sanjay Natwarlal Mehta
(*Independent Director*) ______________________________

Hitesh Bharatkumar Reshamwala
(*Independent Director*) ______________________________

Shyamsunder Radheshyam Upadhyay
(*Executive Director*) ______________________________

Anurag Surana
(*Non-Executive Director*) ______________________________

Avi Kersi Sabavala
(Independent Director) ______________________________

Ranjan Kumar Malik
(Independent Director) ______________________________

SIGNED BY CHIEF FINANCIAL OFFICER

Mahesh Mukundrai Tanna ______________________________

Place: Thane

Date:

DECLARATION BY HARIDAS THAKARSHI KANANI

The undersigned Promoter Selling Shareholder hereby certifies that all statements and undertakings made by the undersigned Promoter Selling Shareholder in this Red Herring Prospectus specifically about or in relation to himself and the Equity Shares being offered and sold by him in the Offer for Sale are true and correct.

Signed by the Promoter Selling Shareholder

Haridas Thakarshi Kanani

Place: Thane
Date:

DECLARATION BY BEENA HARIDAS KANANI

The undersigned Promoter Group Selling Shareholder hereby certifies that all statements and undertakings made by the undersigned Promoter Group Selling Shareholder in this Red Herring Prospectus specifically about or in relation to herself and the Equity Shares being offered and sold by her in the Offer for Sale are true and correct.

Signed by the Promoter Group Selling Shareholder

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Beena Haridas Kanani

Place: Thane
Date: