

IMPORTANT NOTICE

IMPORTANT: This e-mail is intended for the named recipient(s) only. If you are not an intended recipient, please delete this e-mail from your system immediately. You must read the following notice before continuing. The following applies to the placement document dated October 13, 2017 (the “**Placement Document**”) of Bodal Chemicals Limited (the “**Company**”) attached to this email and you are therefore advised to read the following carefully before accessing or making any other use of the Placement Document. By accessing the Placement Document, you agree to be bound by the following restrictions, terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

The Placement Document is intended for use by you only and you shall not forward it to any other person, in whole or in part, or otherwise provide access via e-mail or otherwise to any other person. The offer is personal to each prospective investor and made on a private placement basis and does not constitute an offer or invitation or solicitation of an offer to the public or to any other person or class of investors. Nothing in this electronic transmission constitutes an offer or an invitation to the public under the Companies Act, 2013, as amended (“Companies Act”), by or on behalf of the issuer or the Book Running Lead Managers (as defined in the Placement Document) to subscribe for or purchase any of the securities described therein.

The issue and distribution of the Placement Document is being done in reliance on Chapter VIII and Schedule XVIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “**SEBI Regulations**”) and Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.

The Placement Document has not been and will not be registered as a prospectus with any Registrar of Companies in India under the Companies Act. The Placement Document shall be filed as a private placement offer letter with the BSE Limited (the “**BSE**”) and the National Stock Exchange of India Limited (“**NSE**” and together with the BSE, the “**Stock Exchanges**”). The Company shall also make the requisite filings with the Registrar of Companies, Gujarat within the stipulated period. The Placement Document has not been reviewed and approved by any regulatory authority in India or abroad, including SEBI, the Reserve Bank of India, any Registrar of Companies in India or the Stock Exchanges. The Placement Document is not and should not be construed as an offer to sell or the solicitation of an offer to buy any securities to the public in India.

NOTHING HEREIN CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE SECURITIES DESCRIBED IN THE ATTACHED PLACEMENT DOCUMENT HAVE NOT BEEN, AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (THE “**U.S. SECURITIES ACT**”) OR ANY STATE SECURITIES LAWS OF 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 U.S. 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 UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES ARE MADE.

THE PLACEMENT DOCUMENT MAY NOT BE DOWNLOADED, FORWARDED OR DISTRIBUTED, IN WHOLE OR IN PART, TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED, IN WHOLE OR IN PART, TO ANY PERSON IN THE UNITED STATES.

You are reminded that the Placement Document has been delivered to you on the basis that you are a person into whose possession the Placement Document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. The materials relating to the offering of securities referred to in the Placement Document do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the issuer of the securities or

the Book Running Lead Managers to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute “directed selling efforts” (as defined in Regulation S under the Securities Act) in the United States or elsewhere.

You are advised that the information in the attached Placement Document is not complete and may be changed at any time without notice.

The Placement Document has been made available to you in electronic form. You are reminded that documents transmitted through this medium may be altered or changed during the process of transmission and consequently neither the Company, the Book Running Lead Managers (as defined in the Placement Document) nor any of their respective employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the Placement Document distributed to you in electronic format and the hard copy version. A hard copy version will be provided upon request.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Book Running Lead Managers or any affiliate of the Book Running Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Book Running Lead Managers or any of its eligible affiliates on behalf of the Company in such jurisdiction.

The Placement Document is intended only for use by the addressee named herein. If you have received this email in error, please immediately notify the sender by reply email and destroy any printed copies of the Placement Document.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Actions That You May Not Take: If you receive the attached Placement Document by e-mail, you should not reply by e-mail to this message, and you may not purchase any Equity Shares by doing so. Any reply e-mail communications will be ignored or rejected.

Neither the Company nor any of its affiliates, directors, officers, employees, agents, representatives or advisers accepts any liability whatsoever for any loss howsoever arising from any use of this e-mail or the attached Placement Document or their respective contents or otherwise arising in connection therewith.

Confirmation of Your Representations, Warranties and Agreements: If you access the Placement Document, you will be deemed to make the following representations, warranties and agreements to the Company and the Book Running Lead Managers: (1) you are the intended recipient of the attached Placement Document; (2) the electronic email address that you provided is located outside the United States, its territories and possessions and to the extent that you purchase the securities described in the attached Placement Document, you will be doing so pursuant to Regulation S; (3) you are a “qualified institutional buyer” as defined under Regulation 2(1)(zd) of the SEBI Regulations and are not restricted from participating in the offering under the SEBI Regulations or other applicable laws; (4) you are not a resident in a country where delivery of the attached Placement Document may not be lawfully made in accordance with the laws of the applicable jurisdiction; (5) you agree and acknowledge the securities described in the attached Placement Document have not been registered under the Securities Act; (6) you agree and acknowledge that if you are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose your name and the number of Equity Shares Allotted to you to the Stock Exchanges, and they will make the same available on their website and you consent to such disclosures; and (7) that you consent to delivery of the Placement Document, any amendments and supplements thereto and the final placement document by electronic transmission.

If you do not agree to the terms contained in this notice, you are not authorised to access the attached Placement Document and you should delete this email and destroy any printed copies of the Placement Document.



BODAL CHEMICALS LIMITED

Dintex Dyechem Private Limited was incorporated on September 24, 1986 under the Companies Act, 1956 and its name changed to Dintex Dyechem Limited on November 12, 1992, pursuant to its conversion to a public limited company. Bodal Chemicals Private Limited was incorporated on December 31, 1993 as a private limited company, pursuant to acquiring the business of "J.K. Pharma", a partnership firm constituted in 1989. Bodal Chemicals Private Limited was amalgamated in 2006 with Dintex Dyechem Limited pursuant to a scheme of amalgamation sanctioned by the High Court of Gujarat (the "Scheme"), and in accordance with the Scheme, on May 22, 2006, the name of Dintex Dyechem Limited was changed to Bodal Chemicals Limited. For details, see "General Information" on page 155.

Registered and Corporate Office: Plot No. 123-124, Phase-I, G.I.D.C. Vatva, Ahmedabad 382 445

Tel: +91 (0) 79 2583 5437; **Facsimile:** +91 (0) 79 2589 2988; **Email:** secretarial@bodal.com

Website: www.bodal.com; **CIN:** L24110GJ1986PLC009003

Our Company is issuing up to 13,081,395 equity shares of face value of ₹ 2 each (the "Equity Shares") at a price of ₹ 172 per Equity Share (the "Issue Price"), including a premium of ₹ 170 per Equity Share, aggregating up to ₹ 2,250 million (the "Issue").

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT 2013, AS AMENDED, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED AND CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI REGULATIONS").

Our Company's outstanding Equity Shares are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE", and together with BSE, the "Stock Exchanges"). The closing price of the outstanding Equity Shares on BSE and NSE as on October 9, 2017 was ₹ 179.05 and ₹ 178.80 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations") for listing of the Equity Shares to be issued pursuant to the Issue, from BSE and NSE on October 10, 2017. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE ISSUE.

A copy of the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 under the PAS Rules (as defined hereinafter) has been delivered and a copy of this Placement Document (which includes disclosures prescribed under Form PAS-4 under the PAS Rules) will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, Ahmedabad (the "RoC") and the Securities and Exchange Board of India (the "SEBI") within the stipulated period as required under the Companies Act 2013 (as defined hereinafter) and the PAS Rules (as defined hereinafter). This Placement Document has not been reviewed by the SEBI, the Reserve Bank of India (the "RBI"), the Stock Exchanges, the RoC or any other regulatory or listing authority, and is intended only for use by QIBs (as defined hereinafter). This Placement Document has not been and shall not be registered as a prospectus with the RoC, shall not be circulated or distributed to the public in India or any other jurisdiction, and the Issue shall not constitute a public offer in India or any other jurisdiction.

THE ISSUE AND DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO QIBs IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT 2013 AND THE RULES PRESCRIBED THEREUNDER, AND CHAPTER VIII OF THE SEBI REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN QIBs. THIS PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO: (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTOR ARE ADVISED TO CAREFULLY READ "RISK FACTORS" BEGINNING ON PAGE 35 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES ISSUED PURSUANT TO THIS ISSUE.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to the Preliminary Placement Document, this Placement Document, together with the Application Form and the Confirmation of Allocation Note (each as defined herein). For further details, see "Issue Procedure" beginning on page 116. The distribution of the Preliminary Placement Document, this Placement Document or the disclosure of its contents without our Company's prior consent to any person other than QIBs and persons retained by QIBs to advise them with respect to their purchase of Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws of the United States and, unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales are made. For a description of the selling restrictions in certain other jurisdictions, see "Selling Restrictions" on page 127. The Equity Shares are transferable only in accordance with the restrictions described in "Transfer Restrictions" on page 132.

The information on our Company's website, any website directly or indirectly linked to our Company's website or on the respective websites of the Book Running Lead Managers (as defined hereinafter) or of their respective affiliates does not form part of this Placement Document and prospective investors should not rely on any such information contained in or available through any such websites for their investment in this Issue.

This Placement Document is dated October 13, 2017.

BOOK RUNNING LEAD MANAGERS

SBI Capital Markets Limited



Elara Capital (India) Private Limited



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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company and the Equity Shares, which we consider material in the context of the Issue. The statements contained in this Placement Document relating to our Company, its Subsidiary, its Associate and the Equity Shares are in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Company, its Subsidiary, its Associate and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company. There are no other facts in relation to our Company, its Subsidiary, its Associate and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

SBI Capital Markets Limited and Elara Capital (India) Private Limited (the “**Book Running Lead Managers**”) have not separately verified the information contained in this Placement Document (financial, legal, or otherwise). Accordingly, neither the Book Running Lead Managers, nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Managers as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with our Company and its Subsidiary and the Equity Shares. Each person receiving this Placement Document acknowledges that such person has not relied on any of the Book Running Lead Managers or on any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person’s investigation of the accuracy of such information or such person’s investment decision, and each such person must rely on its own examination of our Company, its Subsidiary, its Associate and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company, or by or on behalf of the Book Running Lead Managers. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission (the “SEC”), any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction and any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offense in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, or any state securities laws of the United States and, unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable 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 the applicable laws of the jurisdiction where those offers and sales are made. For a description of the selling restrictions in certain other jurisdictions, see “Selling Restrictions” on page 127. The Equity Shares are transferable only in accordance with the restrictions described in “Transfer Restrictions” on page 132.

Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any documents referred to in this Placement Document.

The distribution of this Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Placement Document does not constitute, and may not be used for, or in connection with an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Book Running Lead Managers which would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document, nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For further details, see “Selling Restrictions” on page 127.

In making an investment decision, the prospective investors must rely on their own examination of our Company, its Subsidiary and its Associate and the Equity Shares and the terms of the Issue, including the merits and risks involved. The prospective investor should not construe the contents of this Placement Document as legal, tax, accounting or investment advice. The prospective investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Managers are making any representation to any offeree or subscriber to the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable legal, investment or similar laws or regulations. Each subscriber of the Equity

Shares is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Company under Indian law, including under Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act 2013 read with Rule 14 of the PAS Rules and that it is not prohibited by the SEBI or any other statutory authority from buying, selling or dealing in the securities including the Equity Shares. Each subscriber of the Equity Shares also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Placement Document contains summaries of documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

The information on our Company's website, www.bodal.com, any website directly and indirectly linked to the website of our Company or on the respective websites of the Book Running Lead Managers and of their affiliates, does not constitute nor form part of this Placement Document. The prospective investors should not rely on any such information contained in, or available through, any such websites.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information to investors in certain other jurisdictions, see "Selling Restrictions" and "Transfer Restrictions" on pages 127 and 132, respectively.

REPRESENTATIONS BY INVESTORS

References herein to “you” or “your” is to the prospective investors in the Issue.

By bidding for and/or subscribing to any Equity Shares in the Issue, you are deemed to have represented, warranted, and acknowledged to and agreed with our Company and the Book Running Lead Managers, as follows:

- You are a ‘QIB’ as defined in Regulation 2(1)(zd) of the SEBI Regulations, having a valid and existing registration under applicable laws and regulations of India, not excluded pursuant to Regulation 86(1)(b) of the SEBI Regulations and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allocated to you in accordance with Chapter VIII of the SEBI Regulations and undertake to comply with the SEBI Regulations, the Companies Act and all other applicable laws, including any reporting obligations;
- If you are not a resident of India, but a QIB, (i) you are an Eligible FPI; or (ii) a multilateral or bilateral development financial institution; or (iii) an FVCI, and have a valid and existing registration with SEBI under applicable laws in India and are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended and any notifications, circulars or clarifications issued thereunder (the “**FEMA Regulations**”), and have not been prohibited by the SEBI or any other regulatory authority, from buying, selling or dealing in securities;
- You are eligible to invest in India and in our Company under applicable laws, including the FEMA Regulations and have not been prohibited by the SEBI or any other regulatory authority from buying, selling or dealing in securities or otherwise accessing the capital markets in India;
- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;
- If you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges. For additional restrictions in this regard, see “Transfer Restrictions” on page 132;
- You have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements and undertakings detailed in the sections titled “Selling Restrictions” and “Transfer Restrictions” on pages 127 and 132 respectively;
- You are aware that this Placement Document (which includes disclosures prescribed under Form PAS-4) has not been and will not be registered as a prospectus under the Companies Act 2013, the SEBI Regulations or under any other law in force in India. This Placement Document has not been reviewed, verified or affirmed by the RBI, the SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by QIBs;
- The Preliminary Placement Document has been filed, and this Placement Document will be filed with the Stock Exchanges for record purposes only, and the Preliminary Placement Document has been displayed and this Placement Document will be displayed on the websites of our Company and the Stock Exchanges;
- You are entitled to subscribe to and acquire the Equity Shares to be issued pursuant to the Issue, under the laws of all relevant jurisdictions that apply to you, and you have: (i) fully observed such laws; (ii) the necessary capacity; and (iii) obtained all necessary consents, governmental or otherwise, and authorisations and complied with all necessary formalities, to enable you to commit to participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;
- Neither our Company nor the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates is making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the Book Running Lead Managers. Neither the Book Running Lead Managers nor any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;
- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the “**Company Presentations**”) with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such

Company Presentations may have had any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Managers have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) you confirm that you have not been provided any material information relating to our Company and the Issue that was not publicly available;

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information relating to our Company which is not set forth in the Placement Document;
- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act 2013;
- All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company's present and future business strategies and environment in which our Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Placement Document. Our Company assumes no responsibility to update any of the forward-looking statements contained in this Placement Document;
- You are aware and understand that the Equity Shares are being offered only to QIBs, pursuant to the Issue, and are not being offered to the general public, and the Allotment of the same shall be at the discretion of our Company, in consultation with the Book Running Lead Managers;
- You are aware that if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures. Further, if you become one of the 10 largest shareholders of our Company, we will be required to make a filing disclosing your name and shareholding details with the RoC within 15 days of the Allotment, under Section 93 of the Companies Act 2013 and you consent to such disclosure being made by us;
- You have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document and have read it in its entirety, including in particular, "Risk Factors" on page 35;
- In making your investment decision, you have (i) relied on your own examination of our Company, its Subsidiary and its Associate and the terms of the Issue, including the merits and risks involved; (ii) made your own assessment of our Company, the Equity Shares and the terms of the Issue; (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws; (iv) relied solely on the information contained in the Preliminary Placement Document and this Placement Document and no other disclosure or representation by our Company or its Directors, its Promoters, its Subsidiary or any other party; (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares; and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;
- Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Managers or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You waive and agree not to assert any claim against our Company or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;
- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares; (ii) will not look to our Company and/or the Book Running Lead Managers or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in

connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise; (iii) are able to sustain a complete loss on the investment in the Equity Shares; (iv) have no need for liquidity with respect to the investment in the Equity Shares and; (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

- If you are acquiring the Equity Shares to be issued pursuant to the Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “you” to include such accounts;
- You are not a ‘Promoter’ (as defined under the SEBI Regulations) of our Company or any of its affiliates and are not a person related to the Promoter, either directly or indirectly and your Application does not directly or indirectly represent the ‘Promoter’ or ‘Promoter Group’ of our Company or persons related to the Promoter;
- You agree that in terms of Section 42(7) of the Companies Act 2013, we shall file the list of QIBs (to whom the Preliminary Placement Document has been circulated) along with other particulars and other filings required under the Companies Act 2013 with the RoC and the SEBI within 30 days of circulation of the Preliminary Placement Document. You are aware that our Company shall make necessary filings with the RoC pursuant to the Allotment (which shall include certain details such as your name, address and number of Equity Shares Allotted to you);
- You have no rights under a shareholders’ agreement or voting agreement with the Promoter or persons related to the Promoter, no veto rights or right to appoint any nominee director on our Board other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares, which shall not be deemed to be a person related to any of the Promoters of our Company;
- You will have no right to withdraw your Bid after the Bid/Issue Closing Date;
- You are eligible to bid for and hold the Equity Shares Allotted to you together with any Equity Shares held by you prior to the Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable laws;
- The Bid made by you would not result in triggering an open offer under the Takeover Regulations;
- To the best of your knowledge and belief, the number of Equity Shares Allotted to you pursuant to the Issue, together with other Allottees that belong to the same group or are under common control shall not exceed 50% of the Issue. For the purposes of this representation:
 - (a) the expression ‘belong to the same group’ shall derive meaning from the concept of ‘companies under the same group’ as provided in sub-section (11) of Section 372 of the Companies Act, 1956; and
 - (b) ‘Control’ shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations;
- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;
- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1) of the SEBI Listing Regulations, for listing and trading of the Equity Shares to be issued pursuant to the Issue, on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges; and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final approvals for listing and trading of such Equity Shares on the Stock Exchanges will be obtained in time or at all. Our Company shall not be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;
- You are aware and understand that the Book Running Lead Managers will have entered into a placement agreement with our Company whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, agreed to manage the Issue and to procure subscriptions for the Equity Shares to be issued pursuant to the Issue, on the terms and conditions set forth therein;
- You understand that the contents of this Placement Document are exclusively the responsibility of our Company, and neither the Book Running Lead Managers nor any person acting on their behalf has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously

published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By participating in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Book Running Lead Managers or our Company or any of their respective affiliates or any other person, and neither the Book Running Lead Managers nor our Company nor any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

- You understand that the Book Running Lead Managers and their affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by us or any of our respective obligations or any breach of any representations or warranties by us, whether to you or otherwise;
- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of 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 U.S. Securities Act and any applicable U.S. state securities laws, and that the Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S of the U.S. Securities Act;
- You are, at the time the Equity Shares are purchased pursuant to Regulation S, located outside of the United States (within the meaning of Regulation S) and you are not an affiliate of our Company, or a person acting on behalf of our Company or such an affiliate;
- You are purchasing the Equity Shares in an offshore transactions meeting the requirements of Rule 903 or 904 of Regulation S and you shall not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India;
- You agree that any dispute arising out of in connection with the Issue will be governed by and construed in accordance with the laws of India, and the courts in Ahmedabad, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;
- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;
- You agree to indemnify and hold our Company and the Book Running Lead Managers or their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Placement Document. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts; and
- Our Company, the Book Running Lead Managers, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers on their own behalf and on behalf of our Company, and are irrevocable.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an Eligible FPI, including the affiliates of the Book Running Lead Managers, may issue, subscribe or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) (all such offshore derivative instruments are referred to herein as “P-Notes”), for which they may receive compensation from the purchasers of such instruments. Further, in accordance with the SEBI Circular dated November 24, 2014, FPIs shall issue P-Notes to only those subscribers which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations and which do not have any opaque structure(s), as defined under the SEBI FPI Regulations. P-Notes may be issued only in favour of those entities which are regulated by any appropriate foreign regulatory authorities in the countries of their incorporation, subject to compliance with ‘know your client’ requirements. An FPI shall also ensure that no further issue or transfer of any instrument referred to above is made to any person other than such entities regulated by appropriate foreign regulatory authorities. P-Notes have not been, and are not being offered, or sold pursuant to this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including any information regarding any risk factors relating thereto.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to be 10% or above of our post-Issue Equity Share capital. As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments. Two or more subscribers of offshore derivative instruments having a common beneficial owner shall be considered together as a single subscriber of the offshore derivative instruments. In the event a prospective investor has investments as a FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers and do not constitute any obligations of or claims on the Book Running Lead Managers. Affiliates of the Book Running Lead Managers which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither the SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document has been submitted and this Placement Document will be submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

- (1) warrant, certify or endorse the correctness or completeness of the contents of the Preliminary Placement Document and this Placement Document;
- (2) warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges; or
- (3) take any responsibility for the financial or other soundness of our Company, its promoter, its management or any scheme or project of our Company,

and it should not for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges 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.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to ‘you’, ‘your’, ‘offeree’, ‘purchaser’, ‘subscriber’, ‘recipient’, ‘investors’, ‘prospective investors’ and ‘potential investor’ are to the QIBs, references to the ‘Company’ or the ‘Issuer’ are to our Company and references to ‘we’, ‘us’ or ‘our’ are to our Company together with the Subsidiary and the Associate on a consolidated basis.

In this Placement Document, references to ‘₹’, ‘INR’, ‘Rs.’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of India and to ‘USD’, ‘U.S. Dollars’ and ‘US\$’ are to the legal currency of the United States. All references herein to ‘India’ are to the Republic of India and its territories and possessions and the ‘Government’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, central or state, as applicable. All references herein to the ‘US’ or the ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. All the numbers in this Placement Document have been presented in million or whole numbers, unless stated otherwise. One million represents 1,000,000 and one billion represents 1,000,000,000.

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular ‘financial year’, ‘Fiscal Year’ or ‘FY’ are to the twelve month period ended on March 31 of that year and references to a particular ‘year’ are to the calendar year ending on December 31 of that year.

Our audited consolidated financial statements as of and for the financial years ended March 31, 2017, March 31, 2016 and March 31, 2015, were prepared in accordance with Indian GAAP and the Companies Act 2013 together with the audit reports issued by M/s Mayank Shah & Associates, Chartered Accountant, for the respective financial years prepared as per recognition and measurement principles as applicable, are included in this Placement Document.

Our audited standalone financial statements as of and for the financial years ended March 31, 2017, March 31, 2016 and March 31, 2015, were prepared in accordance with Indian GAAP and the Companies Act 2013 together with the audit reports issued by M/s Mayank Shah & Associates, Chartered Accountant, for the respective financial years prepared as per recognition and measurement principles as applicable, are included in this Placement Document.

Our standalone unaudited financial results as of and for the quarter ended June 30, 2017, were prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act 2013, and reviewed by M/s Mayank Shah & Associates, Chartered Accountant, are included in this Placement Document.

Unless otherwise indicated or the context requires otherwise, all financial data in this Placement Document pertaining to the consolidated and standalone financial statements for the financial years ended March 31, 2017, March 31, 2016 and March 31, 2015, are directly derived from the respective consolidated and standalone financial statements and not derived from the comparative data for such respective financial year. Accordingly, the degree to which the financial statements included in this Placement Document will provide meaningful information is entirely dependent on the reader’s level of familiarity with the respective accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. For details of key differences between Indian GAAP and Ind AS, see “Summary of Key Differences between Indian GAAP and Ind AS” on page 75.

In this Placement Document, certain monetary thresholds have been subjected to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

INDUSTRY AND MARKET DATA

Information included in this Placement Document regarding market position, growth rates and other industry data pertaining to our businesses consists of estimates based on data reports compiled by government bodies, professional organisations and analysts, data from other external sources and knowledge of the markets in which we operate. Unless stated otherwise statistical information included in this Placement Document pertaining to the various sectors in which we operate has been reproduced from trade, industry and government publications and websites. We confirm that such information and data has been accurately reproduced, and that as far as they are aware and are able to ascertain from information published by third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading.

This information is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, and this we have relied on internally developed estimates.

Neither our Company, nor the Book Running Lead Managers have independently verified this data, and nor does our Company or the Book Running Lead Managers make any representation regarding the accuracy of such data. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and accordingly, neither our Company, nor the Book Running Lead Managers can assure the prospective investors as to their accuracy.

The extent to which the market and industry data used in this Placement Document is meaningful is dependent on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Industry information has been included in this Placement Document from the report dated October 7, 2017 issued by CARE Ratings Limited, and such information is subject to the following disclaimer:

“This report is prepared by CARE Research, an independent division of CARE Ratings Limited. CARE Research, has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain. However, neither the accuracy nor completeness of information contained in this report is guaranteed. CARE Research operates independently of ratings division and this report does not contain any confidential information obtained by ratings division, which they may have obtained in the regular course of operations. The opinion expressed in this report cannot be compared to the rating assigned to the company within this industry by the ratings division. The opinion expressed is also not a recommendation to buy, sell or hold an instrument. CARE Research is not responsible for any errors or omissions in analysis/inferences/views or for results obtained from the use of information contained in this report and especially states that CARE (including all divisions) has no financial liability whatsoever to the user of this product. This report is for the information of the intended recipients only and no part of this report may be published or reproduced in any form or manner without prior written permission of CARE Research.”

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute ‘forward-looking statements’. The prospective investors can generally identify forward-looking statements by terminology such as ‘aim’, ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘would’, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. 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. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- heavily regulated sector and exposure to environmental, health and safety regulations;
- reliance on manufacturing facilities, most of which are located in Gujarat;
- competitive nature of each of our business segments;
- significant price volatility or interruptions in supply of raw materials required for the manufacturing of our products; and
- reliance on backward integration;

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections titled “Risk Factors”, “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 35, 82, 93 and 60, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, any future gains, losses or impact on net income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure the prospective investors that such expectations will prove to be correct. Given these uncertainties, the prospective investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and our Company or the Book Running Lead Managers undertake no obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. All the Directors and key managerial personnel of our Company named herein are resident citizens of India and a substantial portion of the assets of our Company and of such persons are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

- (a) where the judgment has not been pronounced by a court of competent jurisdiction;
- (b) where the judgment has not been given on the merits of the case;
- (c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;
- (d) where the proceedings in which the judgment was obtained were opposed to natural justice;
- (e) where the judgment has been obtained by fraud; and
- (f) where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to 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 penalties and does not include arbitration awards.

Each of the United Kingdom, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit upon the foreign judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

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 public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US\$). The exchange rates are based on the reference rates released by the RBI, which are available on the website of the RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

On October 9, 2017, the exchange rate (the RBI reference rate) was ₹ 65.31 to USD 1. (Source: www.rbi.org.in)

(₹ per USD)

	Period end	Average ⁽¹⁾	High ⁽²⁾	Low ⁽³⁾
Fiscal:				
2017	64.84	67.09	68.72	64.84
2016	66.33	65.46	68.78	62.16
2015	62.59	61.15	63.75	58.43
Quarter ended:				
September 30, 2017	65.35	64.29	65.76	63.63
June 30, 2017	64.74	64.46	65.04	64.00
March 31, 2017	64.84	67.01	68.23	64.84
December 31, 2016	67.95	67.46	68.72	66.43
Month ended:				
September 30, 2017	65.35	64.44	65.76	63.86
August 31, 2017	64.02	63.97	64.24	63.63
July 31, 2017	64.08	64.46	64.82	64.08
June 30, 2017	64.74	64.44	64.74	64.26
May 31, 2017	64.55	64.42	64.99	64.02
April 30, 2017	64.22	64.51	65.04	64.00

(Source: www.rbi.org.in)

- (1) Average of the official rate for each working day of the relevant period;
(2) Maximum of the official rate for each working day of the relevant period; and
(3) Minimum of the official rate for each working day of the relevant period.

Notes:

- (a) In the event that the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day has been disclosed; and
(b) The high, low and average are based on the RBI reference rates and rounded off to two decimal places.

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Placement Document is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections titled “Statement of Tax Benefits” and “Financial Statements” on pages 140 and 157, respectively, shall have the meaning given to such terms in such sections.

Company Related Terms

Term	Description
“the Company”, “our Company”, “Issuer”, “Bodal Chemicals Limited”	Bodal Chemicals Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at Plot No. 123-124, Phase-I, G.I.D.C. Vatva, Ahmedabad 382 445
Articles or Articles of Association	Articles of association of our Company, as amended from time to time
Associate	Trion Chemicals Private Limited
Auditors/Statutory Auditors	Statutory auditors of our Company, namely, Deloitte Haskins & Sells LLP, Chartered Accountants
Board of Directors or Board or our Board	The board of directors of our Company or any duly constituted committee thereof
Directors	The directors of our Company
Equity Shares	Equity shares having a face value of ₹ 2 each of our Company
Memorandum or Memorandum of Association	Memorandum of association of our Company, as amended
Promoter Group	Unless the context requires otherwise, the entities forming part of the promoter group of our Company as per the provisions of the SEBI Regulations and which are disclosed by our Company to the Stock Exchanges from time to time
Promoters	Suresh J. Patel and Ramesh P. Patel
Registered Office	The registered office of our Company located at Plot No. 123-124, Phase-I, G.I.D.C. Vatva, Ahmedabad 382 445
Subsidiary	SPS Processors Private Limited
Unit I	Unit located at plot no. 110, phase-II, G.I.D.C., Vatva, Ahmedabad
Unit II	Unit located at plot no. 123&124 Phase-I, G.I.D.C., Vatva, Ahmedabad
Unit II-A	Unit located at plot no. C-1/B-111 to 114 Phase-I, GIDC Vatva, Ahmedabad.
Unit III	Unit located at plot no. 2102, phase-III, G.I.D.C., Vatva, Ahmedabad
Unit IV	Unit located at plot no. 252,253 & C-1/254, phase-II, G.I.D.C., Vatva, Ahmedabad
Unit VII	Unit located at block no. 804, village- Dudhwada, Padra, Vadodara
Unit VIII	Unit located at block no.106-108, Ekalbara Village, Padra, Vadodara
Unit IX	Unit located at block no. 598/A, Piludra Village, Jambusar, Baruch
Unit X	Unit located at plot no: 525,532,554,555,556,560,561/1, village- Dudhwada, Padra, Vadodara
“we”/ “us”/ “our”	Our Company along with our Subsidiary and our Associate

Issue Related Terms

Term	Description
Allocated/Allocation	The allocation of Equity Shares following the determination of the Issue Price to successful Bidders on the basis of the Application Form submitted by them, by our Company in consultation with the Book Running Lead Managers and in compliance with Chapter VIII of the SEBI Regulations
Allot/Allotment/Allotted	Unless the context otherwise requires, the issue and allotment of the Equity Shares to be issued pursuant to the Issue
Allottees	QIBs to whom the Equity Shares are issued and Allotted pursuant to the Issue

Term	Description
Application Form	The form (including any revisions thereof) pursuant to which a QIB shall submit a Bid for the Equity Shares in the Issue
Bid(s)	Indication of interest of a QIB, including all revisions and modifications thereto, as provided in the Application Form, to subscribe to the Equity Shares to be issued pursuant to the Issue
Bid/Issue Closing Date	October 13, 2017, which is the last date up to which the Application Forms shall be accepted by our Company (or the Book Running Lead Managers, on behalf of our Company)
Bid/Issue Opening Date	October 10, 2017 the date on which the acceptance of the Application Form shall commence by our Company (or the Book Running Lead Managers, on behalf of our Company)
Bidder	Any prospective investor, being a QIB, who makes a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Bidding Period	The period between the Bid/Issue Opening Date and Bid/Issue Closing Date, inclusive of both dates, during which Bidders can submit their Bids, including any revision and/or modifications thereof
Book Running Lead Managers	SBI Capital Markets Limited and Elara Capital (India) Private Limited
CAN or Confirmation of Allocation Note	Note or advice or an intimation to successful Bidders confirming Allocation of the Equity Shares to such successful Bidders after determination of the Issue Price and requesting payment for the entire applicable Issue Price for all the Equity Shares Allocated to such successful Bidders
Closing Date	The date on which Allotment of the Equity Shares pursuant to the Issue shall be made, i.e. on or about October 17, 2017
Cut-off Price	The Issue Price of the Equity Shares to be issued pursuant to the Issue, which shall be finalised by our Company in consultation with the Book Running Lead Managers
Designated Date	The date of credit of the Equity Shares to the successful Bidders demat account, as applicable to the respective successful Bidders
Escrow Account	The account titled “Bodal Chemicals Limited – Escrow Account” with regard to any money received towards the subscription to the Equity Shares, opened with the Escrow Bank, subject to the terms of the Escrow Agreement
Escrow Agreement	Agreement dated October 10, 2017, entered into amongst our Company, the Escrow Bank and the Book Running Lead Managers for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	HDFC Bank Limited
Floor Price	The floor price of ₹ 166.73 per Equity Share (to be issued pursuant to the Issue) which has been calculated in accordance with Chapter VIII of the SEBI Regulations. In terms of the SEBI Regulations, the Issue Price cannot be lower than the Floor Price. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the SEBI Regulations
Issue	The offer, issue and Allotment of up to 13,081,395 Equity Shares to QIBs, each at a price of ₹ 172 per Equity Share, pursuant to Chapter VIII of the SEBI Regulations and the provisions of the Companies Act 2013
Issue Price	₹ 172 per Equity Share
Issue Size	The aggregate size of the Issue, which is up to ₹ 2,250 million
Mutual Fund	A mutual fund registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds
Pay-in Date	The last date specified in the CAN for payment of application monies by the successful Bidders
Placement Agreement	Agreement dated October 10, 2017 entered into between our Company and the Book Running Lead Managers
Placement Document	This placement document to be issued by our Company in accordance with Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act 2013
Preliminary Placement Document	The preliminary placement document dated October 10, 2017 issued in accordance with Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act 2013
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
QIP	Qualified institutions placement under Chapter VIII of the SEBI Regulations and the applicable provisions of the Companies Act 2013 and the rules issued thereunder
Relevant Date	October 10, 2017, which is the date of the meeting of the Board, or any committee duly authorised by the Board, deciding to open the Issue

Industry Related Terms

Term	Description
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Term	Description
CARE	Credit Analysis and Research
CDR	Corporate Debt Restructuring
CETP	Common Effluent Treatment Plant
ESDP	Effluent Spray Dryer Plant
ETP	Effluent Treatment Plant
GIDC	Gujarat Industrial Development Corporation
GPCB	Gujarat Pollution Control Board
ISO	International Organization for Standardization
LABSA	Linear Alkyl Benzene Sulphonic Acid
MEEP	Multiple Effect Evaporator Plant
MTPA	Metric Tons per annum
MW	Megawatt
R&D	Research and Development
RO plant	Reverse Osmosis
TCCA	Trichloroisocyanuric Acid

Conventional and General Terms/Abbreviations

Term	Description
₹ / Rupees / INR	Indian Rupees
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with the SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AMF	<i>Règlement Général of the Autorité des Marchés Financiers</i>
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
ASEAN	Association of Southeast Asian Nations
Australian Corporations Act	The Australian Corporations Act 2001
AY	Assessment year
Banking Act	The Consolidated Financial Services Act, Legislative Decree No. 385 of September 1, 1993
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Calendar Year	Year ending on December 31
Category III Foreign Portfolio Investor	An FPI registered as a category III foreign portfolio investor under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CEO	Chief executive officer
CFO	Chief financial officer
CIN	Corporate identity number
Civil Procedure Code	The Code of Civil Procedure, 1908
CONSOB Regulation	The CONSOB regulation No. 11971 of May 14, 1999
Consolidated Financial Services Act	The Legislative Decree no. 58 of February 24, 1998
Companies Act	The Companies Act 1956 or the Companies Act 2013, as applicable
Companies Act 1956	The Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act 2013	The Companies Act 2013 and the rules made thereunder, to the extent in force pursuant to notification of the Notified Sections
CSR	Corporate Social Responsibility
CRISIL	Credit Rating Information Services of India Limited
CWUMPO	The Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996

Term	Description
Depository Participant	A depository participant as defined under the Depositories Act
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECS	Electronic clearing service
EGM	Extraordinary general meeting
Eligible FPIs	FPIs that are eligible to participate in this Issue and do not include Category III Foreign Portfolio Investors who are not allowed to participate in the Issue
EPS	Earnings per share
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999, and the regulations issued thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and any notifications, circulars or clarifications issued thereunder
FIEA	The Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948)
Financial Year or Fiscal Year(s) or Fiscal	Period of 12 months ended March 31 of that particular year, unless otherwise stated
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FSMA	The Financial Services and Markets Act 2000
FVCI	Foreign venture capital investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 and registered with SEBI thereunder
GDP	Gross domestic product
GoI/Government	Government of India, unless otherwise specified
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
Ind AS	Indian accounting standards as notified by the MCA vide Companies (Indian Accounting Standards) Rule 2015, as amended
Indian GAAP	Generally accepted accounting principles in India
IT	Information technology
Income Tax Act	The Income Tax Act, 1961
ITAT	Income Tax Appellate Tribunal
KSA Regulations	The “Offer of Securities Regulations” as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated October 4, 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated August 18, 2008
MCA	The Ministry of Corporate Affairs, Government of India
NEFT	National electronic fund transfer
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014
PAT	Profit After Tax
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
Relevant Member State	Each member state of the European Economic Area which has implemented the Prospectus Directive
RoC	The Registrar of Companies, Ahmedabad
Royal Decree 1310/2005	Royal Decree 1310/2005 (<i>Real Decreto Ley 24/1988, de 28 de Julio, del Mercado de Valores, en materia de admission a negociación de valores en mercados secundarios oficiales, de ofertas públicas or suscripción y del folleto exigible a tales efectos</i>)
Saudi Investor	Any investor in the Kingdom of Saudi Arabia or who is a Saudi person
SCR (SECC) Rules	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012
SCRA	The Securities Contracts (Regulation) Act, 1956

Term	Description
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEC	United States Securities and Exchange Commission
SFA	The Securities and Futures Act Chapter 289 of Singapore
SFO	The Securities and Futures Ordinance (Cap. 571) of Hong Kong
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
U.K.	United Kingdom
U.S. \$/U.S. dollar/USD	United States Dollar, the legal currency of the United States of America
USA/U.S./United States	The United States of America
U.S. Securities Act	The U.S. Securities Act of 1933
VCF	Venture capital fund

DISCLOSURE REQUIREMENTS UNDER FORM PAS-4 PRESCRIBED UNDER THE COMPANIES ACT 2013

The disclosure requirements as provided in Form PAS-4 and the relevant pages in this Placement Document where these disclosures, to the extent applicable, are provided below:

Sr. No.	Disclosure Requirements	Relevant Page of this Placement Document
1.	GENERAL INFORMATION	
a.	Name, address, website and other contact details of the company indicating both registered office and corporate office.	Cover page and page number 160
b.	Date of incorporation of the company.	Cover page and page number 155
c.	Business carried on by the company and its subsidiaries with the details of branches or units, if any.	93-104
d.	Brief particulars of the management of the company.	105-112
e.	Names, addresses, DIN and occupations of the directors.	105-106
f.	Management's perception of risk factors.	35-52
g.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:	153
(i)	Statutory dues;	153
(ii)	Debentures and interest thereon;	153
(iii)	Deposits and interest thereon; and	153
(iv)	Loan from any bank or financial institution and interest thereon.	153
h.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process.	155-156
2.	PARTICULARS OF THE OFFER	
a.	Date of passing of board resolution.	26
b.	Date of passing of resolution in the general meeting, authorising the offer of securities.	26
c.	Kinds of securities offered (i.e. whether share or debenture) and class of security.	Cover page and page number 26
d.	Price at which the security is being offered including the premium, if any, along with justification of the price.	Cover page and page number 26
e.	Name and address of the valuer who performed valuation of the security offered.	NA
f.	Amount which the company intends to raise by way of securities.	Cover page and page number 26
g.	Terms of raising of securities:	
(i)	Duration, if applicable;	NA
(ii)	Rate of dividend;	
(iii)	Rate of interest;	
(iv)	Mode of payment; and	
(v)	Repayment.	
h.	Proposed time schedule for which the offer letter is valid.	15
i.	Purposes and objects of the offer.	55
j.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects.	NA
k.	Principle terms of assets charged as security, if applicable.	NA
3.	DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.	
a.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	112
b.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.	153
c.	Remuneration of directors (during the current year and last three financial years).	197-108
d.	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.	112
e.	Summary of reservations or qualifications or adverse remarks of auditors in the last five	74

Sr. No.	Disclosure Requirements	Relevant Page of this Placement Document
	financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.	
f.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries.	153
g.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.	153
4.	FINANCIAL POSITION OF THE COMPANY	
a.	The capital structure of the company in the following manner in a tabular form:	
(i)(a)	The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	57
(b)	Size of the present offer;	57
(c)	Paid up capital:	57
(A)	After the offer;	57
(B)	After conversion of convertible instruments (if applicable); and	NA
(d)	Share premium account (before and after the offer).	57
(ii)	The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.	57-58
	Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case.	NA
b.	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter.	29
c.	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid).	59
d.	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of circulation of offer letter.	28-34
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.	34
f.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	67
5.	A DECLARATION BY THE DIRECTORS THAT	
a.	The company has complied with the provisions of the Act and the rules made thereunder.	158-159
b.	The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government.	159
c.	The monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter.	159
	I am authorised by the Board of Directors of the company vide resolution number _____ dated _____ to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.	159

SUMMARY OF BUSINESS

Overview

We are one of the largest integrated companies with a diversified product portfolio offering in dyestuff, dye intermediates and basic chemicals segments. We are the largest manufacturer of vinyl sulphone in India, and are amongst the leading players in the dye intermediates segment in the Indian market with an estimated market share of 18% (This figure includes production of our Subsidiary for a period of 10 days in Fiscal 2017) as of March 31, 2017 (*source: CARE Industry Report*). In the Indian dyestuff market, we accounted for an estimated share of 9% as of March 31, 2017 (*source: CARE Industry Report*). Apart from our industry, we cater to various industries such as textiles, leather and paper, which provides us with a wide and diversified customer base. During Fiscal 2017, we supplied our products to 355 customers in India and 151 customers in 41 countries, including USA and certain European and ASEAN countries.

This figure includes production of our Subsidiary for a period of 10 days in Fiscal 2017

We commenced our operations as a partnership firm in 1989 in the name and style of JK Pharma. We converted into a private limited company in 1993 and became a listed company pursuant to our amalgamation with Dintex Dyechem Limited in 2006. Subsequent to such amalgamation, the name of our Company was changed to Bodal Chemicals Limited. For further details, see “General Information” on page 155.

Our business has grown from manufacturing of dye intermediates to entering into the dyestuff and basic chemicals segments through forward and backward integration. We believe that our expertise in chemical manufacturing has enabled us to expeditiously increase our production capacity and expand into new value added products such as liquid dyestuff. In addition to our organic growth, we have also pursued selective inorganic growth strategy, which has resulted in an increased production capacity and addition of new products such as TCCA and LABSA.

We organise our business activities into the following product segments:

- *Dyestuff*: We offer more than 150 variants of dyestuff in reactive, as well as acid and direct dyes. We also offer more than 15 variants in liquid dyestuff. These dyes have application in textile, leather and paper industries. Our major clients in this segment include Exel Chemicals India Private Limited, Raj Chemicals Limited and UNIDYE S.A. In Fiscal 2017, this segment accounted for 23.18 % of our total revenue.
- *Dye intermediates*: We offer more than 25 variants of dye intermediates with vinyl sulphone and H- acid as the core products. These variants are used captively for manufacturing dyestuff as well as for sales to other dyestuff manufacturers. Our major clients in this segment include Jay Chemicals Industries Limited, Bansal Alkalies Private Limited, and Oh Young Inc. In Fiscal 2017, this segment accounted for 58.93 % of our total revenue.
- *Basic chemicals*: We offer more than 10 basic chemicals, including sulphuric acid, oleum, beta naphthol and acetanilide. These chemicals are used captively for production of dye intermediates and have application in various industries such as iron and steel, explosives, organic synthetics, soaps and detergents, and pharmaceuticals. Our major clients in this segment include Macson Products, Aceto Corporation, and Bhageria Industries Limited. In Fiscal 2017, this segment accounted for 10.21 % of our total revenue.

In January 2017, we started production of TCCA, through our Associate to specifically target the US water treatment market. TCCA is a speciality chemical with application in water treatment plants as a disinfectant and as a bleaching agent in the textile industry. In Fiscal 2017, exports accounted for 98.95% of the revenue generated by TCCA. We also started manufacturing LABSA in March 2016, which is used in the production of detergents, cake, and dish washers. In Fiscal 2017, sales revenue from LABSA accounted for 3.14 % of our total revenue. Further, we started production of liquid dyestuff in October 2014, which is used in the paper industry for purposes of colouring paper. In Fiscal 2017, sales revenue from dyestuff including liquid dyestuff accounted for 23.18% of our total revenue.

We have 10 manufacturing facilities, of which nine are located in Gujarat and one is located in Uttar Pradesh. We believe that concentration of our manufacturing facilities in Gujarat provides us the advantages of the strategic location of Gujarat, including access to raw materials, common effluent treatment plants, concentration of our domestic customers, and access to our international customers due to proximity to ports. As of March 31, 2017, our manufacturing facilities had a manufacturing capacity of 17,000, 30,000 and 190,000 MTPA and utilization rate of 73.50%, 77.00% and 98.43% in dyestuff, dye intermediates, and basic chemicals, respectively.

Our total revenue increased to ₹12,431.27 million from ₹ 9,218.86 million and ₹ 10,499.58 million in Fiscal 2017, 2016 and 2015, respectively, at a CAGR of 8.81 % from Fiscal 2015 to Fiscal 2017. Our EBIDTA for Fiscal 2017, 2016, and 2015 was ₹ 2,374.77 million, ₹ 1,685.15 million, and ₹ 1,887.52 million, respectively, while our PAT was ₹ 1,285.84 million, ₹ 859.87 million, ₹ 917.82 million, respectively. As on March 31, 2017, our debt to equity ratio is 0.42:1.

We have, over the years, received many awards and accolades for our performance. In 2017, we received awards from the Dyestuffs Manufacturers Association of India for excellent performance in exports of dyes intermediates and for outstanding performance in the domestic market by a large scale unit for 2016-2017. In 2016, we received the ‘Trishul award’ from Basic

Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council, Government of India, for outstanding export performance of dyes and dye intermediates during 2011-2012 and 2013-2014. In 2015, we received an award from The Gujarat Dyestuff Manufacturers Association for highest self-manufacturing turnover from domestic and export of dyes and dye intermediates during the year 2013-2014. Further, as per the Dun & Bradstreet survey, we were amongst India's top 500 companies in 2016, and were recognized as a 'Three Star Export House' by the Government of India in 2015. We have also received an award in appreciation of our efforts towards health and safety drives in Fiscal 2017.

Our Competitive Strengths

We believe that we have following competitive strengths:

Fully integrated business offering diversified product portfolio

We commenced our business with manufacturing of dye intermediates and strategically entered into forward and backward integration in our business value-chain to produce dyestuff and basic chemicals. Our products are used in a wide range of industries including textiles, leather, paper, detergent, and water treatment. Basic chemicals produced by us are captively utilised in the production of dye intermediates, and the dye intermediates produced by us are captively utilized in the production of dyestuff. Further, some of the bi-products generated in manufacturing of dye intermediates are also used captively. The backward integrated business model reduces our reliance on third party supplies, reduces our logistics costs, and improves our profitability. Our forward integrated business model enables us to innovate products and customize them to meet the needs of our customers.

We have experienced significant growth in each of our following product segments:

Dyestuff

We are one of the largest integrated players in manufacturing of dyestuff in India and are amongst the top seven manufacturers of dyestuff in India. We supply dyestuff in different forms such as liquid, powder and salt-free. We offer more than 150 variants in reactive, as well as acid and direct dyes. We also offer more than 15 variants in liquid dyestuff for use in the textile, leather and paper industries. Our major clients in this segment include Exel Chemicals India Private Limited, Raj Chemicals Limited and UNIDYE S.A. In Fiscal 2017, our sales revenue from the dyestuff segment was ₹ 2,882.12 million, accounting for 23.18 % of our total revenue.

Dye intermediates

We commenced our business with manufacturing of dye intermediates and graduated to become one of the leading manufacturers of dye intermediates in India. We offer more than 25 variants of dye intermediates with vinyl sulphone and H-acid as the core products. These dye intermediates are utilised captively for production of dyestuff as well as for sales to other dyestuff manufacturers. Our major clients in this segment include Jay Chemicals Industries Limited, Bansal Alkalies Private Limited, and Oh Young Inc. In Fiscal 2017, our sales revenue from the dye intermediates segment was ₹7,326.24 million, accounting for 58.93 % of our total revenue.

Basic chemicals

We offer more than 10 basic chemicals, including sulphuric acid, oleum, beta naphthol and acetanilide. These chemicals have application in various industries such as iron and steel, explosives, organic synthetics, soaps and detergents, and pharmaceuticals. Basic chemicals are also used captively for production of dye intermediates, which reduces logistics cost, enables uninterrupted and timely supply, and improves our profitability. Our major clients in this segment include Macson Products, Aceto Corporation, and Bhageria Industries Limited. In Fiscal 2017, our sales revenue from basic chemicals was ₹1,268.98 million, accounting for 10.21 % of our total revenue.

Through our Associate, we added TCCA to our product basket in January, 2017 to target the US water treatment market. TCCA is a specialty chemical with application in water treatment plants as a disinfectant and in textile industry as a bleaching agent. In Fiscal 2017, exports accounted for 98.95% of the revenue generated by TCCA. We also started manufacturing LABSA in March 2016, which is used in the production of detergents, cakes, and dish washers. In Fiscal 2017, sales revenue from LABSA accounted for 3.14 % of our total revenue. Further, we began production of liquid dyestuff in October 2014, which is used in the paper industry for purposes of colouring paper. In Fiscal 2017, sales revenue from dyestuff including liquid dyestuff accounted for 23.18% of our total revenue.

Successful and consistent track record of organic and inorganic growth

We continue to be leading producers in our key product segments, dyestuff and dye intermediates having a diverse and wide customer base. This is because of our diversified and new product offerings and increased manufacturing capacities. In October 2014, we introduced liquid dyestuff, which is used in the paper industry for purposes of colouring paper. We offer more than 15 variants in liquid dyestuff, and have installed manufacturing capacity of 10,000 MTPA for its production. In March 2016, we started production of LABSA, which is used in the production of detergents, cakes, and dish washers. We have an installed manufacturing capacity of 18,000 for its production. In January 2017, we started production of TCCA, through our Associate to specifically target the US water treatment market. TCCA is a speciality chemical with application as

a disinfectant in water treatment plants and as a bleaching agent in the textile industry. We have installed manufacturing capacity of 12,000 MTPA for its production.

We have in the past and continue to focus on inorganic growth, including by way of acquisition of distressed assets, and turning such distressed assets into our manufacturing facilities. Such acquisitions include our reverse merger with Dintex Dyechem Limited, and our manufacturing facility at Unit VIII which was acquired from Milestone Organics Limited. In Fiscal 2017, we further expanded our dye intermediates capacity by acquisition of our Subsidiary, which is a zero discharge facility with a H-acid plant.

Strong customer relationship

Customer relationships are core to our business. We provide a wide range of products to our customers in all our segments. For instance, we provide a wide range of colours in our dyestuff segment enabling our customers to procure all colours including different shades of such colours from us. We strategically align our offerings with the business needs of our customers and also customise our products to meet their requirements. Therefore, we are able to maintain long term relationships with our key customers. Our top international customers include Oh Young Inc., UNIDYE S.A., Hubei Color Root Technology Co. Limited, Aceto Corporation and Raj Chemicals Limited, and our top domestic customers include Jay Chemicals Industries Limited, Atul Limited, Bansal Alkalies Private Limited, Pranav Industries Limited, and Mcfills Enterprises Private Limited. We have a history of high customer retention and derive a significant proportion of our revenue from repeat business built on our execution of prior engagements. Our strong customer relationships provide us with revenue assurance and stable margins.

Further, closure of several chemical industries in the Chinese markets owing to strict environmental norms imposed by the Chinese government has provided us further access to the global platform. The Chinese government recently mandated strict implementation of effluent treatment plants by Chinese manufacturers resulting in a substantial increase in manufacturing costs for Chinese firms eradicating the low cost advantage enjoyed by them in the past. In 2016, one of the leading Chinese manufacturers of dyes and dye intermediates was heavily fined for discharging excessive pollutants, and its plant was shut down due to non-compliance with environmental regulations. This shifted the world's focus to Indian manufacturers in order to fill the void created by deficit in supply, presenting a substantial opportunity, especially for large integrated manufacturers like us. Further, industrial factors such as reduction in magnitude of export incentive by the Chinese government, and the requirement to treat the effluent released resulted in increased capital and revenue expenditure, and increased overhead costs lowering the difference between selling prices offered by Indian and Chinese manufacturers. The increased cost of production of dye intermediates manufacturing companies in China along with a reduction in supply has improved competitiveness of Indian dye intermediates manufacturers.

In Fiscal 2017, 2016 and 2015, we generated total revenue of ₹12,431.27 million, ₹9,218.86 million and ₹10,499.58 million, respectively out of which ₹ 5,458.64 million, ₹ 3,747.80 million and ₹ 4,379.57 million, respectively, is revenue from sales to our top 10 customers. We export about one third of our total production to 41 countries, thereby reducing our dependence on Indian markets. We export our products to the USA, and certain European and ASEAN countries such as Italy, Turkey, South Korea, Thailand and China. In Fiscal 2017, our significant export sales revenue came from South Korea and China at 31.57% and 12.28% of total export revenue, respectively.

Strategically located, compliant and sustainable manufacturing facilities

We have 10 manufacturing facilities, of which nine are located in Gujarat and one is located in Uttar Pradesh. Being a chemical industry hub, Gujarat provides us access to raw materials, concentration of domestic customers, and ability to export our products due to proximity to ports. Further, in Fiscal 2017, we acquired 70% equity stake in our Subsidiary located at Kosi, Uttar Pradesh, which extends to us locational advantage in the north at crossroads of four states strengthening our competitive position and expanding our access to other states.

Of our 10 manufacturing facilities, four are zero discharge facilities. Further, we have set up MEEPs at Units I, VII and VIII. We have proactively invested about ₹350 million in setting up the MEEP at Unit VII. The MEEPs re-use condensed water and recover salts from the effluents discharged by our production processes, which are captively utilised and sold by us. The effluents released by our manufacturing facilities are treated stage wise, to recover almost drinkable water in the first stage, salt in second stage and substandard water in third stage. Subsequently, the substandard water is treated by spray dryers to produce gypsum which is sold to companies manufacturing cement. For Units VII and VIII, we have received permission from Vadodara Enviro Channel Limited for discharge of 949,000 litres and 23,800 litres, respectively, of treated effluent per day in the RCC canal. Our manufacturing facilities located at Units I, II, III and IV are using facilities of CETP which has been set up by the Government of Gujarat in collaboration with private players. We have received ISO certifications for Units I, II and VII.

Further, we have in place, a corporate safety, health and environment (“SHE”) policy which attempts to align our operations with environmental protection norms. We have in-house facilities for air pollution management, solid waste management and water waste management. Our sulphuric acid plant generates steam, part of the same is used to run our dyestuff and dyes intermediates plants and balance is used to generate power, by installation of turbine to run the sulphuric acid plant. The adoption of such energy conservation measures makes our operations environment friendly and has a consequent impact on cost of production of goods by way of reduction of fuel cost.

Well- equipped laboratories, quality maintenance and R&D

Our R&D focuses on product testing, product development, increasing efficiency of manufacturing processes to reduce time and cost of production and increasing our production yield. Our laboratories conduct testing and evaluation of products based on certain parameters such as quality and strength, before our products are sent for mass production. Our laboratories facilitate customisation of certain products as per our customer requirements and preferences, particularly with regard to the shades of dyestuff required. Further, our R&D facility at Unit VII includes a pilot plant, a laboratory spray plant, a RO unit, and a vacuum distillation unit. Additionally, we have a technical service laboratory at Unit VII, which provides technical information of our products and their application properties to our customers. Such facility helps customers to select products that meets their needs and are economically viable. Thus, focus of our in-house laboratories on quality maintenance enables us to address our customer needs better, retain our existing customers and attract prospective customers.

Experienced promoters and strong management team

We are led by a qualified and experienced management team that we believe, has the expertise and vision to manage and grow our business. Our founder Chairman and Managing Director, Suresh J. Patel has been associated with our Company for more than 28 years and had introduced the dye intermediates segment. Our Executive Director, Bhavin S. Patel has been associated with our Company for 14 years and introduced the dyestuff segment to facilitate our forward integration. He also heads the liquid dyestuff division and Trion. Our Executive Director, Ankit S. Patel has been associated with our Company for 10 years and heads the basic chemicals division and is also leading the LABSA initiative. Our management continues to focus on production, marketing and new growth areas in their respective product segments. We believe that the knowledge and experience of our promoters, along with senior management, and team of skilled personnel provides us with a significant competitive advantage as we seek to expand in our existing markets and enter new geographic markets.

Strong profitability and financial stability

From Fiscal 2015 to Fiscal 2017, our total revenue increased at a CAGR of 8.81% from ₹ 10,499.58 million to ₹12,431.27 million, our PAT grew at a CAGR of 18.36 % from ₹ 917.82 million to ₹1,285.84 million, and our net worth increased at a CAGR of 40.69 % from ₹ 1,814.91 million to ₹ 3,592.60 million. Our debt to equity ratio is 0.42:1 as on March 31, 2017. We have maintained and continue to increase our profitability over the years. Our credit rating in long term and short term bank facilities has improved to CARE A and CARE A1, respectively, as on June 30, 2017. We have a risk management framework to identify and evaluate business risks, which facilitates fair presentation of our financial results in a complete and reliable manner and ensures financial discipline in the operations of our business.

In Fiscal 2013, due to our losses and inability to pay our outstanding debt, we had to undergo CDR for suitable realignment of our debt. We received the final letter of approval for exit from the Corporate Debt Restructuring Cell in September 2015. Our Board has been regularly declaring dividends since our exit from CDR. Our improved profitability enables us to use our internal accruals for business development activities including capacity and product expansion with reduced reliance on undertaking debt obligations.

Our Strategies

Focus on high value business

We continue to grow our product basket and manufacturing capacity through organic and inorganic growth. We entered into the liquid dyestuff business, targeting clients in paper and detergent industries, respectively. Additionally, we acquired 41.51% stake in our Associate, adding TCCA, a speciality chemical, to our chemical basket, to specifically target the US water treatment market.

We intend to grow our business operations further through synergistic expansion into related products and forward integration. Our strategy is four pronged:

- further expand our product basket and production capacity in dyestuff;
- identify niche opportunities in relatively less crowded markets to gain market share rapidly;
- expand our product basket further with related products that are bi-products of our products, easily manufactured from the bi- products of such products and new products that can use the same raw materials and manufacturing facilities; and
- enter into opportunistic acquisitions, joint ventures and partnerships that can provide access to technology, capacity, effluent management capabilities and new markets.

We have a strong presence in acid base black, and with added dyestuff capacity, we intend to increase production of high value dyes including acid brown, direct yellow, and reactive printing dyes. We also intend to enter into multiple speciality chemical segments based on our existing competencies, infrastructure and backward integration.

We intend to expand our margins by improving our operational efficiency and synergies between different production processes running concurrently in our manufacturing facilities in the following ways:

- Setting up a thionyl chloride plant which will be forward integration for our sulphuric acid plant and backward integration for our vinyl sulphone plant. A portion of such produce will be captively consumed for more comprehensive integration and the balance production will be supplied to surrounding chemicals manufactures. Setting up this plant will provide us a competitive edge as there are limited thionyl chloride manufacturers in India.
- Setting up a co-generation captive power plant to generate power and steam. This will substantially save our energy cost, reduce our reliance on external sources of electricity and will enable uninterrupted production. We believe our profitability and production efficiency will also be improved with in-house electricity production.
- Expansion of our dyestuff production facility to enhance captive consumption of our dye intermediates for further integration. We also intend to set up an ice plant and additional MEEPs as an integral part of dyestuff expansion to reduce our reliance on external parties and improve our production efficiency.

Improving integration base for speciality chemicals

We are an established dyestuff player in India and a leading player in the dye intermediates segment of the Indian market. The efficiency of our dyestuff segment depends on our integration. With years of experience, strong integration, global exposure and a competent management, we intend to integrate our model further in the speciality chemicals segment. We intend to improve our integration by expanding our dyes capacity by 12,000 MTPA.

We intend to set up a thionyl chloride plant at Unit VII with an installed capacity of 36,000 MTPA. Sulphuric acid from existing basic chemicals will be used to manufacture thionyl chloride, which will further be utilised to produce vinyl sulphone, which is a key product of our dye intermediate segment. Thionyl chloride also has certain commercial application in industries such as pharmaceuticals, chemicals, and agrochemicals. We believe that such a plant will enable us to achieve value addition for final products, quality supply, low inventory, uninterrupted supply, economies of scale and savings in logistics cost. Further, Unit VII is situated in an area which is surrounded by other chemicals manufacturing companies. Our Company shall be able to deliver balance production of thionyl chloride at lower transportation costs to such neighbouring manufacturing companies. We also intend to set up a new vinyl sulphone plant of 6,000 MTPA at our Subsidiary's manufacturing unit. This unit has a H-acid plant and by producing both H-acid and vinyl sulphone together, we will be able to utilise the effluents of the two plants into each other's production. This will enable us to reduce costs of managing effluents and generate additional revenue.

Grow our market share in existing geographies and expand operations to new geographies

As of March 31, 2017, we accounted for 18% and 9% of the market share in the Indian dye intermediates and dye stuff industries, respectively. We seek to pursue organic and inorganic growth opportunities to improve integration of our business segments which will enable us to grow our market share in existing geographies. We exported our products to 151 customers in 41 countries as of March 31, 2017. We intend to expand our operations by exports to new geographies. Further, closure of several chemical industries in the Chinese markets owing to strict environmental norms imposed by the Chinese government has provided us further access to the global platform. The Chinese government recently mandated strict implementation of effluent treatment plants by Chinese manufacturers resulting in a substantial increase in manufacturing costs for Chinese firms eradicating the low cost advantage enjoyed by them in the past. In 2016, one of the leading Chinese manufacturers of dyes and dye intermediates was heavily fined for discharging excessive pollutants, and its plant was shut down due to non-compliance with environmental regulations. This shifted the world's focus to Indian manufacturers in order to fill the void created by deficit in supply, presenting a substantial opportunity, especially for large integrated manufacturers like us. Further, industrial factors such as reduction in magnitude of export incentive by the Chinese government, and the requirement to treat the effluent released resulted in increased capital and revenue expenditure, and increased overhead costs lowering the difference between selling prices offered by Indian and Chinese manufacturers. The increased cost of production of dye intermediates manufacturing companies in China along with a reduction in supply has improved competitiveness of Indian dye intermediates manufacturers.

Continue to focus on technology upgradation

We attempt to make the best use of our technical capabilities in order to fully utilize our multidimensional manufacturing capacity. We focus on advance multiple effect evaporation technology instead of traditional incinerator technology for treating the effluents discharged by our operations, which results into re-use of condensed water, recovery of salt and reduces considerable final solid waste. By using this technology, we also reduce the cost of power and fuel. We also have in place a comprehensive enterprise resource planning system which helps us increase the supply chain management and provides accurate forecasts for the sourcing and supply. We intend to upgrade our technology and equipment to improve quality, reduce process time and increase production yield.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including the sections titled “Risk Factors”, “Use of Proceeds”, “Placement”, “Issue Procedure” and “Description of the Equity Shares” on pages 35, 55, 125, 116 and 137, respectively.

Issuer	Bodal Chemicals Limited
Face Value	₹ 2 per Equity Share
Issue Price	₹ 172 per Equity Share
Floor Price	₹ 166.73 per Equity Share, calculated in accordance with Regulation 85 under Chapter VIII of the SEBI Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the SEBI Regulations.
Issue Size	Issue of up to 13,081,395 Equity Shares, aggregating up to ₹ 2,250 million. A minimum of 10% of the Issue Size i.e. 1,308,140 Equity Shares, shall be available for Allocation to Mutual Funds only and up to 11,773,255 Equity Shares should be available for Allocation to all QIBs, including Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion mentioned above, such minimum portion or part thereof may be Allotted to other QIBs.
Authority for the Issue	The Issue has been authorised by our Board on August 24, 2017 and the shareholders of our Company pursuant to the resolution dated September 23, 2017, passed at the AGM.
Eligible Investors	QIBs as defined in regulation 2(1)(zd) of the SEBI Regulations and not excluded pursuant to Regulation 86 of the SEBI Regulations, to whom the Preliminary Placement Document and the Application Form is circulated and who are eligible to bid and participate in the Issue. The Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S. The list of QIBs to whom the Preliminary Placement Document and Application Form is delivered shall be determined by the Book Running Lead Managers in consultation with our Company, at its discretion. For further details, see “Issue Procedure – Eligible Qualified Institutional Buyers” on page 119.
Equity Shares issued and outstanding immediately prior to the Issue	109,107,370 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	122,188,765 Equity Shares
Listing	Our Company has obtained in-principle approvals dated October 10, 2017 in terms of Regulation 28(1) of the SEBI Listing Regulations from the Stock Exchanges, for listing of the Equity Shares issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges after Allotment to obtain final listing and trading approval for the Equity Shares after the Allotment and after the credit of the Equity Shares to the beneficiary account of the Depository Participant, respectively.
Lock-up	For details in relation to lock-up, see “Placement – Lock-up” on pages 125 to 126 for a description of restrictions on our Company in relation to the Equity Shares.
Minimum Issue Size	The minimum value of offer or invitation to subscribe for each QIB is ₹20,000 calculated at the face value of the Equity Shares
Transferability Restrictions	The Equity Shares to be issued pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. See “Transfer Restrictions” on page 132.
Use of Proceeds	The gross proceeds from the Issue will be approximately ₹ 2,250 million. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹ 2,190 million. See “Use of Proceeds” on page 55 for additional information regarding the use of net proceeds from the Issue.
Risk Factors	See “Risk Factors” on page 35 for a discussion of risks you should consider before investing in the Equity Shares.

Pay-In Date	Last date specified in the CAN sent to the QIBs for payment of application money.	
Closing	The Allotment of the Equity Shares pursuant to the Issue is expected to be made on or about October 17, 2017.	
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank <i>pari passu</i> with the existing Equity Shares of our Company, including in respect of voting rights and dividends. The holders of Equity Shares (as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act 2013, the SEBI Listing Regulations and other applicable laws and regulations. Equity shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act 2013. For further details, see "Dividends" and "Description of the Equity Shares" on pages 59 and 137, respectively.	
Security Codes for the Equity Shares	ISIN	INE338D01028
	BSE Code	524370
	NSE Code	BODALCHEM

SELECTED FINANCIAL INFORMATION

The following selected financial data as of and for the financial years ended March 31, 2017, March 31, 2016 and March 31, 2015 has been derived from the standalone and consolidated financial statements of our Company included elsewhere in this Placement Document. The summary statement of profit and loss statement for the three months ended June 30, 2017 is derived from the limited review standalone unaudited financial results of our Company. See Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements", on pages 60 and 157, respectively, for further details.

Standalone unaudited financial results

(in ₹ million)

Particulars	As at June 30, 2017
Revenue from Operations	2,719.84
Other Income	47.85
Total Revenue	2,767.69
Expenses	
Cost of materials consumed	1,575.38
Purchases of Stock-in Trade	21.20
Changes in Inventories of Finished Goods and Stock in Process	85.64
Employee Benefits Expenses	108.23
Finance Costs	17.09
Depreciation and Amortisation expense	61.38
Other Expenses	419.90
Total Expenses	2,288.82
Profit Before Exceptional Items and Taxes	478.87
Exceptional Items	0
Profit Before Taxes	478.87
Tax Expenses	
Current Tax	168.00
Deferred Tax	(0.63)
Taxes of earlier years	-
Profit for the Year before share of Profit /(Loss) of Associate and Minority Interest	311.50
Less : Share of Loss of Associate of the Year	-
Profit before Minority Interest	311.50
Pre-Acquisition Profit adjusted against Capital Reserve	-
Minority Share in Profit	-
Net Profit for the Year	311.50

Standalone Statement of Profit and Loss

(in ₹ million)

Particulars	2016-17	2015-16	2014-15
Revenue from Operations	11,841.44	9,097.88	10,453.12
Other Income	67.61	120.14	47.18
Total Revenue	11,909.05	9,218.02	10,500.30
Expenses			
Cost of materials consumed	7,621.13	5,738.02	6,078.91
Purchases of Stock-in Trade	102.99	68.21	299.82
Changes in Inventories of Finished Goods and Stock in Process	(118.79)	(101.59)	200.43
Employee Benefits Expenses	414.49	367.89	452.80
Finance Costs	66.34	121.99	272.75
Depreciation and Amortisation expense	258.52	257.78	222.48
Other Expenses	1,618.55	1,526.05	1,578.51
Total Expenses	9,963.23	7,978.35	9,105.70
Profit Before Exceptional Items and Taxes	1,945.82	1,239.67	1,394.60
Exceptional Items	48.54	78.99	-
Profit Before Taxes	1,994.36	1,318.66	1,394.60
Tax Expenses			
Current Tax	663.38	408.89	350.63
Deferred Tax	36.43	38.34	123.81
Taxes of earlier years	8.43	5.44	-
Profit for the Year	1,286.12	865.99	920.16

Standalone Balance Sheet
(in ₹ million)

Particulars	2016-17	2015-16	2014-15
EQUITY AND LIABILITIES			
Shareholders' Funds :			
Share Capital	218.21	218.21	468.21
Reserves and Surplus	3374.93	2177.25	1390.06
	3593.14	2395.46	1858.27
Non-Current Liabilities			
Long-term borrowings	7.14	6.79	862.07
Deferred Tax Liability (Net)	190.08	168.07	129.73
Other Long Term Liability	0.00	0.00	0.00
	197.22	174.86	991.80
Current Liabilities			
Short-term borrowings	1411.52	1422.25	1224.91
Trade Payables	1529.65	1046.80	1124.90
Other Current Liabilities	65.83	56.29	186.61
Short Term Provisions	26.89	44.86	5.54
	3033.89	2570.20	2541.96
Total	6824.25	5140.52	5392.03
ASSETS			
Non - Current Assets :			
Fixed Assets			
Tangible Assets	1950.53	1832.03	1886.33
Intangible Assets	8.12	9.63	11.11
Capital work-in-progress	91.67	2.72	32.44
	2050.32	1844.38	1929.88
Non-Current Investments	166.24	33.27	33.27
Long Term Loans and Advances	829.36	223.59	196.48
Other Non-current assets	8.12	0.42	4.68
	3054.04	2101.66	2164.31
Current Assets			
Inventories	1186.58	872.94	779.57
Trade Receivables	2250.63	1665.97	1971.95
Cash and Bank Balances	59.99	38.35	30.25
Short - Term Loans & Advances	236.84	414.51	413.87
Other Current Assets	36.17	47.09	32.08
	3770.21	3038.86	3227.72
Total	6824.25	5140.52	5392.03

Standalone Cash Flow Statement
(in ₹ million)

Particulars	2016-17	2015-16	2014-15
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax and after exceptional items	1,994.36	1,318.66	1,394.60
Adjustment for			
Depreciation and Amortisation	258.52	257.78	222.48
Bad Debts written off			64.43
Recovery of Bad Debts	-	(59.23)	-
Unrealised Foreign Exchange Loss / (Gain)	(23.07)	(15.37)	(2.47)
Finance Cost	66.34	121.99	272.75
Exceptional Item	(48.54)	(78.99)	-
Write-back of Provision of Diminution			(3.17)
(Profit)/Loss on Sale of Assets (Net)	3.44	(0.59)	(0.45)
Interest/Dividend/Rent received	(27.11)	(16.34)	(9.42)
(Profit)/Loss on sale of Investments	(5.49)	(0.10)	(0.73)
Operating Profit before Working Capital Changes	2,218.45	1,527.81	1,938.02
Adjustment for:			
(Increase) / Decrease in Trade Receivables	(591.78)	372.38	233.23
(Increase) / Decrease in Inventories	(288.56)	(93.38)	441.73
(Increase) / Decrease in Other Receivables	120.59	(31.95)	42.27
Increase / (Decrease) in Trade Payables	447.96	(89.94)	(277.87)
Cash generated from Operations	1,906.66	1,684.92	2,377.38
Direct Taxes Paid (Net of Refund)	694.17	357.51	399.38
Net Cash from Operating Activities (A)	1,212.49	1,327.41	1,978.00
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets including Capital Work in Progress and capital advances	(504.50)	(166.18)	(354.62)
Sale proceeds of Tangible Assets	56.89	2.55	1.13
Loan given to Subsidiary	(366.33)	(93.64)	
Loan given to Associated Concern	(158.12)	-	
Loan repaid by Subsidiary	-	0.24	0.34
Interest/Dividend/Rent received	27.11	16.34	9.42
Sale proceed of Current Investment	1,085.49	220.10	209.35
Purchase of Current Investments	(1,080.00)	(220.00)	(219.93)
Purchase of Non-Current Investments	(5.00)	-	-
Investments in Subsidiary	(40.91)	-	
Investments in Associates	(104.06)	-	-
Net Cash used in Investing Activities (B)	(1,089.43)	(240.59)	(354.31)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Long Term Borrowings	1.18	1.15	1.01
Repayment of Long Term Borrowings	(0.83)	(856.43)	(1,297.42)
Increase / (Decrease) in Short Term Borrowings	15.89	211.16	(51.81)
Redemption of Preference Share Capital	-	(250.00)	-
Finance Cost	(66.34)	(121.99)	(272.75)
Dividend Paid	(39.54)	(77.97)	(0.48)
Net Cash used in Financing Activities (C)	(89.64)	(1,094.08)	(1,621.45)
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	33.42	(7.26)	2.24
Cash & Cash Equivalents at the beginning of the year	4.50	11.76	9.52
Cash & Cash Equivalents acquired under Amalgamation Scheme	0.19	-	
Cash & Cash Equivalents at the end of the year	38.11	4.50	11.76

Consolidated Statement of Profit and Loss
(in ₹ million)

Particulars	2016-17	2015-16	2014-15
Revenue from Operations	12,362.97	9,099.16	10,453.12
Other Income	68.30	119.70	46.46
Total Revenue	12,431.27	9,218.86	10,499.58
Expenses			
Cost of materials consumed	7,971.06	5,731.51	6,078.91
Purchases of Stock-in Trade	102.99	75.98	299.82
Changes in Inventories of Finished Goods and Stock in Process	(100.81)	(101.80)	200.43
Employee Benefits Expenses	428.68	367.89	452.80
Finance Costs	86.91	121.99	272.75
Depreciation and Amortisation expense	288.94	257.90	222.51
Other Expenses	1,703.12	1,527.68	1,580.10
Total Expenses	10,480.89	7,981.15	9,107.32
Profit Before Exceptional Items and Taxes	1,950.38	1,237.71	1,392.26
Exceptional Items	48.54	67.55	-
Profit Before Taxes	1,998.92	1,305.26	1,392.26
Tax Expenses			
Current Tax	664.02	408.89	350.63
Deferred Tax	36.35	31.06	123.81
Taxes of earlier years	12.09	5.44	-
Profit for the Year before share of Profit /(Loss) of Associate and Minority Interest	1,286.46	859.87	917.82
Less : Share of Loss of Associate of the Year	(0.29)	-	-
Profit before Minority Interest	1,286.17	859.87	917.82
Pre-Acquisition Profit adjusted against Capital Reserve	(0.23)	-	-
Minority Share in Profit	(0.10)	-	-
Net Profit for the Year	1,285.84	859.87	917.82

Consolidated Statement of Profit and Loss
(in ₹ million)

Particulars	2016-17	2015-16	2014-15
EQUITY AND LIABILITIES			
Shareholders' Funds :			
Share Capital	218.21	218.21	468.21
Reserves and Surplus	3374.39	2127.77	1346.70
	3592.60	2345.98	1814.91
Minority Interest	17.61	0.00	0.00
Non-Current Liabilities			
Long-term borrowings	78.63	6.79	862.07
Deferred Tax Liability (Net)	189.57	153.66	122.60
Other Long Term Liability	0.00	0.00	0.79
	268.20	160.45	985.46
Current Liabilities			
Short-term borrowings	1411.52	1422.25	1224.91
Trade Payables	1553.69	1046.81	1124.92
Other Current Liabilities	103.18	78.43	186.61
Short Term Provisions	28.63	44.91	5.54
	3097.02	2592.40	2541.98
Total	6975.43	5098.83	5342.35
ASSETS			
Non - Current Assets :			
Fixed Assets			
Tangible Assets	2206.69	1909.85	1886.33
Intangible Assets	8.12	9.63	11.13
Capital work-in-progress	91.67	2.72	33.17
	2306.48	1922.20	1930.63
Non-Current Investments	125.04	16.27	17.81
Long Term Loans and Advances	468.11	85.62	161.11
Other Non-current assets	10.38	0.45	4.70
	2910.01	2024.54	2114.25
Current Assets			
Inventories	1308.18	898.02	779.57
Trade Receivables	2305.49	1666.79	1972.04
Cash and Bank Balances	167.07	38.55	30.51
Short - Term Loans & Advances	248.51	423.84	413.90
Other Current Assets	36.17	47.09	32.08
	4065.42	3074.29	3228.10
Total	6975.43	5098.83	5342.35

Consolidated Cash Flow Statement

(in ₹ million)

Particulars	2016-17	2015-16	2014-15
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax and after exceptional items	1,998.92	1,305.26	1,392.26
Adjustment for			
Depreciation and Amortisation	288.94	257.90	222.51
Bad Debts written off			64.43
Recovery of Bad Debts	-	(59.23)	-
Unrealised Foreign Exchange Loss / (Gain)	(23.07)	(15.37)	(2.47)
Finance Cost	86.91	121.99	272.75
Exceptional Item	(48.54)	(67.55)	-
Provision for Diminution in Investments	-	1.54	-
Write-back of Provision of Diminution			(3.17)
(Profit)/Loss on Sale of Assets (Net)	3.39	(0.59)	(0.45)
Interest/Dividend/Rent received	(25.74)	(15.90)	(9.42)
(Profit)/Loss on sale of Investments	(5.49)	(0.10)	1.34
Operating Profit before Working Capital Changes	2,275.32	1,527.95	1,937.78
Adjustment for :			
(Increase) / Decrease in Trade Receivables	(591.84)	355.04	233.40
(Increase) / Decrease in Inventories	(311.42)	(118.46)	441.73
(Increase) / Decrease in Other Receivables	130.66	(43.61)	41.50
Increase / (Decrease) in Trade Payables	324.39	(51.14)	(277.87)
Cash generated from Operations	1,827.11	1,669.78	2,376.54
Direct Taxes Paid (Net of Refund)	697.84	357.51	399.38
Net Cash from Operating Activities (A)	1,129.27	1,312.27	1,977.16
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets including Capital Work in Progress and capital advances	(589.00)	(244.06)	(354.62)
Sale proceeds of Tangible Assets	57.63	2.55	1.13
Loan given to Associated Concern	(158.12)	-	
Interest/Dividend/Rent received	25.74	15.90	9.42
Sale proceed of Current Investment	1,085.49	220.10	210.59
Purchase of Current Investments	(1,080.00)	(220.00)	(219.93)
Purchase of Non-Current Investments	(5.00)	-	-
Investments in Associates	(104.06)	-	-
Net Cash used in Investing Activities (B)	(767.32)	(225.51)	(353.41)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Long Term Borrowings	1.18	1.15	1.01
Repayment of Long Term Borrowings	(118.40)	(856.43)	(1,297.42)
Increase / (Decrease) in Short Term Borrowings	15.89	211.16	(51.80)
Redemption of Preference Share Capital	-	(250.00)	-
Finance Cost	(86.91)	(121.99)	(272.75)
Dividend Paid	(39.54)	(77.97)	(0.48)
Net Cash used in Financing Activities (C)	(227.78)	(1,094.08)	(1,621.44)
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	134.17	(7.32)	2.31
Cash & Cash Equivalents at the beginning of the year	11.02	12.02	9.71
Cash & Cash Equivalents at the end of the year	145.19	4.70	12.02

The financial information included in this Placement Document does not reflect our Company's results of operations, financial position and cash flows for the future, and its past operating results are no guarantee of its future operating performance.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. You should read this section together with “Industry Overview”, “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” as well as the financial statements, including the notes thereto, and other financial information included elsewhere in this Placement Document. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

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 currently believe to be immaterial may also materially adversely affect our business, prospects, financial condition and results of operations and cash flows. If any or some combination of the following risks, or other risks that we do not currently know about or believe to be material, actually occur, our business, financial condition and results of operations and cash flows could suffer, the trading price of, and the value of your investment in, our equity shares could decline, and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved.

This Placement Document also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document.

A. Risks relating to our business and industry

1. *We operate in a heavily regulated sector and our operations are subject to environmental, health and safety regulations that could expose us to liability, increase our cost of operations or otherwise have a material adverse effect on our results of operations.*

We are engaged in the business of manufacturing dyestuff, dye intermediates and basic chemicals that involves hazardous, volatile and often highly flammable materials. Significant risks are associated with manufacturing of these products, which subject us to various laws and regulations, including in relation to safety, health and environmental protection. These regulations govern discharge of pollutants into air and water, noise levels, storage, handling and disposal of waste materials, employee exposure to hazardous substances and other aspects of our manufacturing operations. Under these laws and regulations, we are required to control the use of as well as restrict the discharge or disposal of hazardous or environmentally objectionable products of our production process. If we breach or fail to comply with these laws and regulations, penalties or fines may be imposed on us, and our directors and officers responsible for such breach or non-compliance and may also be subjected to imprisonment. Further, our manufacturing licenses may be suspended, withdrawn or terminated in the event of such breach or non-compliance thereby disrupting our operations. In the event that these penalties or fines be significant or should any of our manufacturing licenses be suspended, withdrawn or terminated, our financial performance will be adversely affected.

We are required to obtain various approvals, permits and licenses from the environmental regulators, including consolidated consent and authorization (“CC&A”) from the pollution control boards under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act 1981 and Environment Protection Act, 1986, for setting up of industrial plants and carrying out activities in each of our manufacturing units. These consent orders are subject to various conditions including treatment of industrial effluent generated, limit on the quantity of effluent that can be discharged, compliance with national ambient air quality standards, control on noise levels, and setting up of environment unit cell to ensure implementation and monitoring of environmental safeguards. Contravention of the conditions contained in the consent order may *inter alia*, lead to imposition of penalties or fines and/or subject our directors and officers responsible for such breach or non-compliance to imprisonment. Our licenses, permits and approvals impose certain onerous terms and conditions which may require us to incur significant costs or restrict certain activities of our business, which may prejudicially affect our operations and would have a material adverse effect on our Company’s business, results of operations and financial condition. Some of these approvals or licenses might have expired or not obtained at all and for which we may have either made or are in the process of making an application for obtaining the approval or license or its renewal. There can be no assurances that we will be able to apply and obtain such renewals in a timely manner or that the approvals, licenses, permits and registrations may not be revoked in the event of any non-compliance with any terms or conditions imposed thereof. Our CCAs of Units II, II-A and VII have expired and our application for renewal is pending. Further, we have commenced commercial production of LABSA in Unit X after obtaining consent to establish. Our application for consent to operate in this unit is pending before GPCB. Additionally, we are yet to receive acknowledgement of our memorandum for manufacturing basic chemicals at Unit IX from the Ministry of Commerce and Industry.

If our Company fails to obtain these approvals/registrations/licenses/permissions, or renewals thereof, in a timely manner, or at all, our operations would be adversely affected, having a material adverse effect on our Company’s business, results of operations and financial condition. In the past there have been instances where we have received notices from the GPCB regarding closure of certain of our manufacturing facilities. These notices were issued based

on the observations made by the visiting officer, for not carrying our manufacturing operations as per stipulations of the GPCB. Such observations include carrying out production for more than permitted quantity in the CCA, non-maintenance of records of acid generated and disposed, failure to comply with conditions stipulated in the CCA and disposal of effluent of more than permitted quantity. We have replied to such notices along with an undertaking to take responsive measures and provide bank guarantees, if required, pursuant to which our operations were reinstated. While we attempt to ensure compliance with the pollution control board conditions, there can be no assurance that such notices and closure orders will not be issued against us in the future.

Environmental laws have become increasingly stringent in recent years with growing trends in societal demand for increased levels of product safety, health and environmental protection, causing us to incur significant capital and operating costs in our ongoing compliance efforts. We have adopted a corporate safety, health and environment policy to ensure that our operations align with environmental laws, and health and safety norms. In relation to effluent discharge, we have ETPs, MEEPs and ESDPs at our manufacturing facilities to treat effluents before disposal. While we have taken steps towards safety, health and environment protection, we may not be able to comply with environmental laws and regulations adequately or at all. If new regulations or laws are imposed, we may incur additional expenditure or costs or we may be required to acquire additional equipment resulting in increased capital expenditure, and operating costs in order to comply with such new laws and regulations. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings being initiated against us, claims by third parties or the levy of regulatory fines, the costs of which may be significant. The consequential loss or shutdown of our operations over an extended period of time, could have an adverse effect on our business, financial condition and results of operations.

2. *Our business is dependent on our manufacturing facilities, most of which are located in Gujarat. Any loss or shutdown of operations at any of our manufacturing facilities or any adverse development in Gujarat, may have an adverse effect on our business and results of operations.*

Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to operating risks, including those beyond our control, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, obsolescence of technology, labour disputes, natural disasters, industrial accidents and the requirement to comply with the directives of relevant government authorities. In 2015, there was a fire at Unit IV because of which a part of the building structure, and plant and machinery were damaged, causing a loss of ₹ 0.41 million. Additionally, we have information technology systems that support our business processes which are also susceptible to such risks and disruptions. If unauthorized use of our systems were to occur, data related to our product formulae, product development and other proprietary information could be compromised. Continuity of our operations is critical to our business as our customers rely significantly on the timely delivery of our products.

We have ten manufacturing facilities, of which nine are located in Gujarat and one is located in Uttar Pradesh. Therefore, any adverse development in Gujarat including political, economic or in relation to location of common effluent treatment plant, could have an adverse effect on our manufacturing operations. Moreover, a substantial portion of our production is carried out at Unit VII, located in Gujarat, and we could be severely affected by any disruption caused in this Unit, owing to internal or external factors. We cannot assure you that there will not be such disruptions in our operations in the future, entailing significant repair and maintenance costs. Our inability to effectively and timely respond to and rectify any disruptions, at an acceptable cost, could lead to slowdown or shutdown of our operations or the under-utilization of our manufacturing facility, which in turn may have an adverse effect on our business, results of operations and financial condition.

3. *We face significant competition from other manufacturers engaged in similar product segments in India and low cost imports from abroad. The dyestuff industry is highly fragmented and increase in competitive pressure could result in the loss of customers, which could have an adverse impact on our operations.*

Competition in our business is, *inter alia*, based on pricing, product quality, customisation, innovation and relationship with customers. We face price pressures from our customers who aim to procure chemicals at competitive costs. We need to compete on a global scale to gain and retain our market share. We face significant competition from other entities engaged in the manufacturing of products similar to ours, based in or selling in the same regional markets that we cater to. Speciality products we produce may become commoditized over time. Our competitors may have better financial, research and technological capabilities or they may enter into strategic or commercial relationships with large companies to enhance their capacities. This may put them in a better position to identify market trends, use advanced materials, adapt to changes in industry, offer competitive prices due to economies of scale, develop new or improved products and also ensure product quality and compliance, which will intensify competition in the market. Such competition may force us to reduce our prices or provide additional services in customer contracts to retain and get new customers, which may reduce our earnings. Additional competition may also lead to human resource issues such as increase in staff costs and higher attrition rates. We may lose out on existing customers and not procure new customer contracts, which may have a material adverse effect on our business, result of operations and financial condition.

4. ***Significant price volatility or interruptions in supply of the raw materials required for the manufacturing of our products may result in increased costs, which could reduce our profitability.***

We are dependent on third party suppliers, with whom we place orders from time to time, for the purchase of raw materials for production of dyestuff, dyes intermediates and basic chemicals. We also captively utilise our production of basic chemicals and dye intermediates for production of dye intermediates and dyestuff, respectively. However, we have not entered into any long term agreements for the supply of raw materials required for the manufacturing of our products given that such raw materials are freely available in domestic and international markets. Short term or transaction based supplier contracts may subject us to certain risks such as price fluctuation, and delay or unavailability of certain raw materials. The prices and availability of raw materials may also fluctuate due to changes in demand and supply conditions for these raw materials in international markets. Due to the significant competition and the nature of many of our products, we are not always able to pass on raw material and energy cost increases to our customers or if we are able to pass on the cost increase, we may not always be able to do so quickly enough to avoid adverse impacts on our results of operations.

For Fiscal 2017, 2016 and 2015, the cost of raw materials consumed was ₹ 7,971.06, ₹ 5,731.51, ₹6,078.91, which as a percentage of our total expenses was 76.05%, 71.81% and 66.75%, respectively. As a result, we continue to remain susceptible to the risks arising out of raw material price fluctuations which could result in declining operating margins and adversely affect our ability to price our products competitively. The prices of raw materials we purchase from our suppliers may fluctuate due to changes in demand and supply conditions for such raw materials in international markets. In the event of any significant increase in the prices of these raw materials and our inability to pass on such increase in the prices to our customers, our profitability will be adversely affected. If we are unable to ensure adequate and timely supply of raw materials, our production plans would be adversely affected impacting our business operations and profitability adversely.

5. ***We are dependent on our backward integration. In the event, we are unable to manufacture adequate basic chemicals for direct sales or for captive consumption by our dye intermediates segment, which is further captively utilized by our dyestuff segment, it may have an adverse effect on our business, financial condition and results of operation.***

We are an integrated company and our backward integration reduces our logistic and production costs, and our reliance on external suppliers and provides us pricing advantage over other industry players. We captively utilise our production of basic chemicals and dye intermediates for production of dye intermediates and dyestuff, respectively. Our inability to manufacture adequate basic chemicals would affect our revenue from sale of basic chemicals and dye intermediates, which accounted for 10.21% and 58.93% of our total revenue in Fiscal 2017, respectively. The shortage in production will also have a cascading effect on the dyestuff segment which contributed 23.18% of our total revenue in Fiscal 2017. There can be no assurance that we will be able to maintain our production schedule of our three product segments, which may adversely affect our business, financial condition and results of operations.

6. ***Our forays into new products in which we do not have sufficient experience and expertise to address risks frequently encountered in relation to their manufacturing, may affect the successful implementation of our growth strategy.***

We indulge in constant improvement in our existing product lines, to stay one step ahead of our competitors and a step closer to our customers' expectations. We plan to undertake further integration and expand into related products and speciality chemicals. We will be new to manufacturing processes involved in their production. We recently started manufacturing of LABSA and TCCA. Further, we intend to set up a co- generation plant that will use internally generated heat to save costs of external power, an ice plant to avoid wastage of raw materials, and a thionyl chloride plant for production of vinyl sulphone. For further details on such expansions and growth, see "Our Business" on page 93.

Investors should not evaluate prospects and viability of these products and facilities based on our performance in manufacturing of our existing product portfolio including dyestuff, dye intermediates and basic chemicals. We may not have sufficient experience to address the risks associated with such products and facilities, including our ability to sell the product successfully and acceptance of our newly developed products by customers. There can be no assurance that our existing or potential customers will accept the newly developed products due to price, utility or other considerations. Developing new products undertakes substantial expenditure and efforts with respect to R&D, regulatory compliance, manufacturing, marketing, selling and distribution, which we may not be able to realise in case the products are not accepted in wider markets. This can adversely affect our business, financial condition or results of operations.

7. ***Our market share in the dyestuff industry was strengthened post imposition of strict environmental norms by the Chinese government such as mandatory setting up of ETPs. In the event the Chinese government implements any favourable regulations to the industry players in China, we may experience a decrease in our market share in the dyestuff industry.***

Until 2012, China remained very lax towards pollution control norms which gave Chinese producers undue cost advantage over other manufacturing countries including India. As a result, Chinese manufacturers conquered a large share in the chemical industry, globally. But such proliferation of Chinese chemical industry took pollution levels to such high that the Chinese government had to implement strict effluent treatment norms starting in 2012. Stricter environmental regulations for chemical companies in China made effluent treatment mechanism a pre-requisite to carry on business and to receive export incentives from the Chinese government. Such effluent treatment substantially increased the manufacturing cost for Chinese manufactures and eradicated the low cost advantage enjoyed by them, in the past.

This shifted the world's focus to Indian manufacturers to fill the void created by deficit in supply, presenting a substantial opportunity, especially for large integrated manufacturers such as us. Full scale environmental compliance will be difficult for Chinese firms, lowering the possibility of their supply at full capacity levels. At partial utilization, their cost advantage would be eroded further. The reduction in magnitude of export incentive in China has lowered the difference between selling prices offered by Indian and Chinese manufacturers. We understand that the Chinese government may in the future, implement any favourable regulations to the industry players, as a result of which, manufacturers in the Indian chemical industry may no longer enjoy a competitive edge over Chinese manufacturers, including the ability to charge higher margins, profitability, market share, and a wide and diversified international customer base. Further, reduction in the supply from Chinese dye intermediates suppliers will incentivise existing and prospective manufacturers to enter the dyestuff industry, thereby, intensifying the competition in the dyestuff market within India as well as globally. Such increase in competition may adversely affect our profitability and business.

8. ***We export approximately one third of our production to 41 countries including the US and certain European and ASEAN countries. In the event any of our arrangements with distributors or clients in these countries are terminated, it may have an adverse effect on our business, financial condition and results of operation.***

The value of our exports for Fiscal 2017, 2016, 2015 was ₹3,489.20 million, ₹ 3,009.86 million and ₹ 4,091.54 million which comprises 28.07%, 32.65% and 38.97% of our total revenue, respectively. Our top international customers include Oh Young Inc., Hubei Color Root Technology Co. Limited and Aceto Corporation. We have not entered into any long term arrangements with our distributors and customers for marketing and selling our products in foreign countries. Our ability to maintain satisfactory relationships with our customers and to consistently manufacture products that meet their requirements is therefore, important to our business. There is no assurance that these customers will continue to purchase our products from us or that they will not scale down their orders. In the event that they are able to obtain similar products from our competitors at more favourable terms or for any other reason, they may no longer procure our products. We understand that it is difficult to build cliental overseas and the chemical industry is highly fragmented and competitive. Termination of any of our arrangement with existing customers may have an adverse effect on our business, financial condition and results of operation.

9. ***Adverse movements in foreign exchange rates may affect our operations and financial condition.***

We export approximately one third of our production to foreign countries including the US and certain European and ASEAN countries. In Fiscal 2017, the total value of our exports was ₹ 3,489.20 million. In January 2017, we started production of TCCA, a speciality chemical through our Associate and 98.95 % of TCCA's revenue was from exports. We also consumed imported raw materials valued at ₹ 693.68 million in Fiscal 2017. Therefore, as a part of our business activity, we are exposed to foreign exchange risks. Our foreign currency exchange risk arises mainly from the mismatch between the currencies of our sales, purchases and operating expenses. For instance any decline in the value of the U.S. Dollar against the Rupee would decrease the realizable Rupee value of our exported products and vice versa for imports. In Fiscal 2016 and 2015, we incurred foreign exchange losses of ₹ 48.04 million and ₹ 24.83 million, respectively. Although, we have availed hedging facility to reduce the risk of currency fluctuations, it may not be always be sufficient to protect us against incurring potential losses if currencies fluctuate significantly. Any such losses on account of foreign exchange currency may adversely affect our business, financial condition and results of operation.

10. ***We have in the past restructured our debt through CDR and we were able to repay our debts in accordance with terms of the CDR package. If we incur huge debts and are unable to pay our debts in a timely manner or at all, it may adversely affect our results of operation.***

We incurred heavy losses and faced liquidity crunch in Fiscal 2012 and 2013. In Fiscal 2013, we approached the CDR cell for suitable realignment of our debt. Under the conditions of CDR, we allotted non-cumulative redeemable preference shares to some of the non-promoter entities and our Board did not recommend any dividend during this period. In September 2015, we made repayment of our total outstanding debt and exited CDR. Our Board commenced declaring dividends from Fiscal 2016.

We have improved our profitability with stable cash flows. Our net profit for Fiscal 2017, 2016 and 2015 was ₹1,285.84 million, ₹859.87 million and ₹917.82 million, respectively. As of March 31, 2017, our debt equity ratio was 0.42:1. While we focus on financing our expansion activities through internal accruals, we have availed debt to meet our working capital requirements. As on March 31, 2017, we have long term borrowings of ₹ 78.63 million

with current maturity of ₹19.12 million and have obtained working capital loans (secured and unsecured) of ₹1,411.52 million with finance cost of ₹ 86.91 million. We cannot assure you that we will be able to service our loan repayment and interest in a timely manner or at all. In the event we are unable to repay our outstanding debt, such non-repayment will adversely affect our business, financial condition and results of operation

11. *We have availed loan facilities which required us to mortgage our units as security. Our inability to repay our lenders on time or at all can lead to enforcement of mortgage, which will have an adverse effect on our business, financial condition and results of operations.*

Our manufacturing Units I,II,III and IV and some of the plots of our manufacturing Units VII, VIII and X are mortgaged. In the event we are unable to make payments to our lenders, of the principal loan amount or interest, in part or at all, they may enforce their rights under the loan agreement and invoke mortgage to take possession of our aforementioned units or plots of units. We may not be able to find alternate units for carrying out our production, within reasonable time. This can have an adverse effect on our business, financial condition and results of operations.

12. *We have pursued inorganic growth through acquisitions. Our inability to manage such acquisitions could cause losses and may adversely affect growth of our business.*

We have completed a number of acquisitions and we will continue to acquire additional businesses as part of our business strategy. We have acquired distressed assets and turned such assets into viable manufacturing units such as acquisition of our manufacturing facility at Unit VIII from Milestone Organics Limited, our reverse merger with Dintex Dyechem Limited, and acquisition of 70% stake in our Subsidiary. For further details on such expansions and growth, see “Our Business” on page 93. Growth through acquisitions involves various risks including:

- inability to efficiently operate or integrate an acquired businesses and products;
- inability to accurately predict delays in realizing the costs and benefits of acquisitions,;
- unexpected losses of customers or suppliers of acquired businesses;
- difficulties in retaining key employees of acquired businesses;
- difficulties in realizing projected synergies; and
- exposure to unanticipated liabilities, including unexpected environmental exposures, product liability or illegal activities conducted by an acquired company.

While we undertake necessary diligence prior to such acquisitions and believe that our management has the necessary expertise to synergise them, we can provide no assurance that such acquisitions will be viable for our manufacturing operations. Also, we cannot assure that we will be able to set up additional manufacturing units by such acquisitions. We believe we have successfully executed our business strategies in the past but there can be no assure that we will be able to execute our business strategies in future. Our inability to address the aforementioned risks, could cause failure to realize the anticipated benefits of such acquisitions and could have a material adverse effect on our business, results of operations and financial condition.

13. *We are dependent upon the requirements and growth prospects of industries where end products are made by using our products such as textile, leather and paper industries.*

Our products have applications in industries such as textile, leather and paper. Consequently, our revenues are dependent on such industries. Factors affecting any of these industries in general, or any of our customers in particular, could have a significant effect on our business. Such factors include:

- seasonality of demand for our customers’ products, which may cause our manufacturing capacities to be under utilised during specific periods;
- failure of our customers to successfully market their products or to compete effectively;
- loss of market share of our customers, which may lead them to reduce or discontinue the purchase of our products;
- economic conditions of the markets in which our customers operate; and
- legislations and regulatory initiatives in such industries.

For any of the above reasons or for any other reason whatsoever, in the event sales to our customers were to substantially decrease, our business, results of operations and financial condition could be adversely affected.

14. ***Most of our arrangements with clients are through purchase orders and we have not entered into any contracts with such clients. Any termination of such purchase orders, loss or financial weakness of any of our large customers could adversely affect our financial results***

Our top customers in India include Jay Chemical Industries Limited, Bansal Alkalies Private Limited, Pranav Industries and McFills Enterprises Private Limited. Our customers place orders with us from time to time, on transaction basis, for the purchase of our products. We have not entered into long term purchase agreements with our customers and therefore, they are under no obligation to place orders with us. Dyestuff industry is highly fragmented and competitive. We have experienced long term customer relationship and retention in the past. There can be no assurance that our clients will continue to deal with us, or if they do, they might reduce the quantity of material they procure from us, both of which can have adverse impact on our financial condition, results of operations and cash flows.

15. ***Some of our manufacturing units are using the common effluent treatment plants set up in collaboration with Government of Gujarat. In the event we are required to relocate or set up manufacturing units in other states, we may not be able to enjoy the benefits of the common effluent treatment plants.***

Our manufacturing units I, II, III and IV are availing the facilities of CETP of Green Environment Services Cooperative Society Limited (“Society”), set up by the government of Gujarat in collaboration with private players. As a result, we are in a position to save up costs on setting up of ETPs in these units, as required under various environmental regulations applicable to our industry. Such membership subjects us to compliance of certain conditions including obtaining prior permission in case of change in products, compliance of quality of effluents with inlet norms, participation in training programmes related to environmental issues organised by the society. Our failure to adhere to such norms can lead to non- acceptance of our effluent. Also, these units are permitted to discharge only a fixed amount of effluent and our failure to adhere to such limit may lead to non- acceptance of discharge or cancellation of our membership. Further, we understand that we may not be able to enjoy the benefits of such CETP, if we are required to relocate or set up our manufacturing units in other states.

We are expanding our manufacturing operations and we will be required to set up ETPs for additional manufacturing facilities we set up in future, to comply with environment regulations. This will put a significant capital expenditure burden on us. In Fiscal 2017, we acquired our Subsidiary and Associate both of which have zero discharge units. Substantial costs are incurred for setting up such plants and may have to be financed through external borrowings, if internal accruals are not sufficient to meet the same. This may adversely affect our business, financial condition and results of our operations.

16. ***We are entirely dependent on our Associate for TCCA, which is used in water treatment and textile industry. In the event of any major disagreement with promoters of our Associate, the production of TCCA will be affected which could in turn have an adverse impact on our financial performance..***

In Fiscal 2017, we acquired 41.51% stake in our Associate, engaged in production of a speciality chemical, TCCA. TCCA’s production is export oriented and specifically targets the US market. We cannot unilaterally control the actions in respect of our Associate, including any non-performance, default or bankruptcy of its promoters. In the event the promoters do not observe their obligations, it is possible that our Associate would not be able to operate in accordance with our business plans and strategy. Differences in views with the promoters of our Associate may also result in delayed decisions or in failures to agree on major matters may adversely affect the business and operations of our Associate. This could in turn adversely affect our operations with respect to TCCA which is supplied to the water treatment and textile industry. Our Associate had no turnover in Fiscal 2016 and 2015. Thus, any disruptions in our Associate will affect our financial performance and growth prospects

17. ***Our top 10 customers account for a substantial majority of our total revenue.***

We have derived 43.91% of total revenues from top 10 customers for the period ended March 31, 2017. For details of top 10 customers in terms of sales for the period ended March 31, 2017, see “Our Business” on page 93. However, such consistency in demand cannot be guaranteed in the future and hence may impact our profitability, results of operations and financial condition. Any failure to maintain good relationships with our large customers or any significant reduction in the volume of business with these customers or any significant restriction in the pricing terms for these customers may have a material adverse effect on our business, financial condition and results of operations.

18. ***Downgrade in our credit ratings issued by nationally recognized statistical rating organizations could adversely affect our cost of financing and the market price of our securities.***

Credit rating agencies provide credit rating for bank facilities on factors including operational and financial performance, their view of the general outlook for our industry and their view of the general outlook for the economy. Actions taken by the rating agencies can include maintaining, upgrading or downgrading the current rating or placing us on a watch list for possible future downgrading.

We incurred heavy losses and faced liquidity crunch during Fiscal 2012 and 2013. Hence, in Fiscal 2013, we had to approach the CDR cell for the suitable realignment of our entire debt. Our credit ratings for long and short term credit facility have improved from CARE BBB+ and CARE A2 to CARE A and CARE A1 from September 2015 to June 2017, respectively. We cannot provide assurance that such ratings will continue to be the same or improve in future. Downgrading of the credit rating of our debt securities or placing us on a watch list for possible future downgrading would likely increase our cost of future financing, could limit our access to the capital markets and have an adverse effect on the market price of our securities. This may adversely affect our business, financial condition and results of our operations.

19. *We may not be able to utilise the proceeds from this Issue in the manner set out in this Placement Document in a timely manner or at all.*

Our funding requirements and the deployment of the proceeds from this Issue are based on our current business plan and strategy. For details in relation to the objects of the Issue, see “Use of Proceeds” on page 55. Further, the objects of the Issue have not been appraised by any bank or financial institution and we have not entered into definitive agreements in relation to our objects of the Issue. 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 Issue in the manner set out in this Placement Document in a timely manner or at all. As a consequence of any increased expenditure, the actual deployment of funds may be higher than estimated.

20. *We face the risk of products and technology becoming obsolete in chemical dye industry.*

Some of our present range of products or processes may, in time, become obsolete. We recognise that the products and processes in chemical dye industry are rapidly changing and continued emphasis on R&D is necessary to keep pace with the varied demand in the industry and enhance existing products and services in order to keep our customers satisfied. We need to adapt to changes in technology, upgrade our equipment and keep pace with changes in product specifications relating to product type, standard and preferences. We have a separate R&D division which focuses on product development, increase in efficiency of manufacturing processes to reduce time and cost of production and increase in our production yield. New technologies and the expansion of product portfolio may also increase competitive pressures on us. We may not be successful in anticipating or adequately responding to these advances on a timely basis, or if we do respond, products we develop may not be successful in the market place.

21. *The cyclical and volatility of the industries in which we participate may cause significant fluctuations in our operating results.*

Our business operations are subject to and expected to continue to be affected by the cyclical and volatile nature of the supply-demand balance in the chemical industries. The industries historically have experienced alternating periods of capacity shortages, causing prices and profit margins to increase, followed by periods of excess capacity, resulting in oversupply, declining capacity utilization rates and declining prices and profit margins. The timing and extent of any changes to currently prevailing market conditions are uncertain and supply and demand may be unbalanced at any time. As a consequence, we are unable to accurately predict the extent or duration of future industry cycles or their effect on our business, financial condition or results of operations.

22. *Some of the records of our form filings with the Registrar of Companies, Ahmedabad at Gujarat are not traceable.*

Certain records of our form filings with the RoC, including form filings with respect to the following allotments (i) September 24, 1986; (ii) October 20, 1986; (iii) December 30, 1986; (iv) January 27, 1987; (v) August 31, 1987; (vi) October 10, 1987; (vii) June 6, 1988; (viii) June 23, 1988; (ix) June 29, 1992; (x) September 28, 1992; and (xi) October 4, 1993, are not traceable. Despite having conducted an extensive search of our records, we have not been able to retrieve the documents or the minutes of the meetings of our Board of Directors for the aforementioned allotments. In relation to the allotments (ix) (x) and (xi) mentioned above, while we have not been able to retrieve the relevant form filings, we have placed reliance on the minutes of the meetings of our Board of Directors, for corroborating such form filings. While we continue to conduct a search for such records, we cannot assure you that the abovementioned records will be available in the future.

23. *We do not own our Registered Office or other office premises from which we operate.*

We do not own the premises in which our Registered Office is situated. The registered office premises are owned by third party. 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, which may impair our operations and adversely affect our financial condition. For further details of our premises, see “Our Business – Properties” on page 104.

24. ***We are involved in various legal proceedings relating to tax matters, which if determined adversely, could result in material adverse effect on our business, financial condition or results of operations.***

We are been issued various show cause notices by office of Assistant Commissioner of Income Tax, Ahmedabad for alleged violation of the Income Tax Act. Appeals to these notices are pending before the Commissioner of Income Tax (Appeals), Ahmedabad. If any of these proceedings are determined against us, our financial conditions, reputation and results of operations may be adversely affected. For details in relation to litigation, see “Legal Proceedings” on page 153.

25. ***Our business is capital intensive and we rely on cash generated from our operations and external financing to fund our growth and ongoing capital needs. Limitations on access to external financing could adversely affect our business, results of operations and financial condition.***

We require significant capital to operate our current business and fund our growth strategy. Moreover, interest payments, dividends and the expansion of our business or other business opportunities may require significant amounts of capital. We believe that our current cash flow from operations will be sufficient to meet these needs. However, if we need external financing, our access to credit markets and pricing of our capital is dependent upon maintaining sufficient credit ratings from credit rating agencies and the state of the capital markets generally. Our credit rating in long term and short term bank facilities is CARE A and CARE A1 as on June 30, 2017, respectively.

Sources of additional financing requirements may include commercial banks or the sale of our equity or debt securities in private or public offerings. If we decide to incur additional debt, its interest payment obligations will increase and we may be subjected to additional conditions from lenders, who could place restrictions on how we operate our business and result in reduced cash flows. If we decide to issue equity, the ownership interest of our existing shareholders would be diluted. There can be no assurance that we would be able to incur indebtedness on terms we deem acceptable. Our failure to obtain sufficient financing could result in a lack of cash flow to meet its operating and growth requirements and, therefore, could have an adverse effect on our business, results of operations and financial condition.

26. ***Our performance may be adversely affected if we are not successful in managing our inventory and working capital.***

We evaluate our inventory balances of materials based on shelf life, expected sourcing levels, known uses and anticipated demand based on forecasted customer order activity and changes in our product sales mix. Efficient inventory management is a key component of the success of our business, results of operations and profitability. To be successful, we must maintain sufficient inventory levels and an appropriate product sales mix to meet our customers’ demands, without allowing those levels to increase to such an extent that the costs associated with storing and holding other inventory adversely affects our results of operations. If our raw materials purchase decisions do not accurately predict sourcing levels, customer trends or our expectations about customer needs are inaccurate, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations.

Our business requires substantial amount of working capital for financing the purchase of materials before payment is received from clients, contracts wherein the payment terms do not provide for advance payments or contracts with unfavourable payment schedule. Our working capital requirements may also increase if there is increase in cost of raw materials which could reduce our liquidity and cash flow, imposition of onerous terms by our suppliers resulting in shorter payment cycles. In addition, our working capital requirements have increased in recent years due to the general growth of our business. If our customer defaults in making payment on a product to which we have devoted significant resources, it may affect our profitability and liquidity and decrease the working capital resources that are otherwise available for other uses. All of these factors may result in increase in our working capital requirements. If we are unable to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, it may adversely affect our business, growth prospects and results of operations.

27. ***Failure to estimate optimal manufacturing capacities and product demand could adversely affect our growth/profitability.***

Estimation of optimal manufacturing capacities for our products is critical to our operations. Should we for any reason not invest expansion of our manufacturing capacity, the same could result in us not being able to meet additional demand for our products, stagnation in our sales and could impact our ability to maintain our market share and add new customers. Conversely, in the event we over- estimate the future demand, we may have excessive capacity, resulting in underutilization of assets or we may have to sell our surplus products at lower margins or losses, which would have a material adverse effect on our profitability and financial condition.

28. ***Negative publicity with respect to our business could affect our business, financial condition and results of operations.***

Our business is dependent on the trust our clients have in the quality of our products. Any negative publicity re-grading our products could adversely affect our reputation and product acceptability. Hazardous incidents involving our customers' products, if they do result or are perceived to result from use of our products, may harm our reputation, threaten our relationships with other customers, lead to employee attrition and financial losses. Further, growing trend in demand for increasing levels of product safety, health and environmental protection manifests, *inter alia*, in stockholder proposals, preferred purchasing, lack of market acceptance, continued pressure for more stringent regulatory intervention and litigation. These concerns could influence public perception about the viability of our products, risks associated with our products and production processes that may adversely affect our business, growth prospects and results of operations.

29. *A shortage or non-availability of electricity or water may affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.*

The production processes at our manufacturing facilities require a continued supply of electricity and water to ensure that the production process is not disrupted. We rely on state electricity board and Torrent Power for supply of power and rely on our borewells and GIDC for our water requirements. If there is any shortage in supply of electricity and water, we cannot assure you that our facilities will be operational which will disrupt our operations and increase our production costs. It will affect our ability to continue production operations smoothly at the affected plant and timely deliver our products to our customers, thereby affecting our customer's confidence in us. This may cause loss of our existing customers or adversely affect our ability to attract new customers thereby affecting our business, results of operations and financial conditions.

30. *We are subjected to various laws, regulations and regulatory actions by authorities of individual countries where we export or we intend to export our products.*

We export our products to 41 countries including USA and certain European and ASEAN countries. We have recently added a speciality chemical, TCCA, to our product basket which focuses on US water treatment market. For Fiscal 2017, 2016 and 2015, our sales from exports as a percentage of total revenue were 28.07%, 32.65% and 38.97% respectively. Our business is subject to certain risks inherent in exports, many of which are beyond our control, including the risk that the trade agreements between such countries and Indian government may be altered against our interest or repudiated, foreign governments may adopt regulations or take other actions that would have a direct or indirect adverse impact on our business and market opportunities, including laws and policies affecting trade, investment and taxes, repatriation of funds and withholding taxes, general import/export restrictions and changes in these laws, from time to time, difficulty of enforcing agreements and collecting receivables through foreign legal systems. Our foreign trade may be affected by general economic and political conditions in exporting countries. Any developments in the global chemical industry or the industries in which our customers operate could have an impact on our sales from exports. There can be no assurance that the government or regulators of countries, where we seek to sell our products will not impose trade restrictions on us. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India.

31. *Our dependence on imported raw materials may affect our profitability. Taxes and other levies imposed by the government of India or other state governments as well as other financial policies and regulations may have a material adverse effect on our business, financial conditions and results of operations.*

The value of imported raw materials consumed for Fiscal 2017, 2016 and 2015 was ₹ 693.68 million, ₹ 478.85 million and ₹ 498.94 million which is 8.70%, 8.35% and 8.21% of total raw material consumption, respectively. Our raw material imports are regulated by the Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 that, *inter alia*, allows the concerned authority to stop any import if it is deemed that the chemicals proposed to be imported may cause major accidents. While we do not excessively rely on import of our raw materials, if we were to import any, we cannot assure you that such regulations would not be made more stringent which would consequently restrict our ability to import raw materials from other jurisdictions. Tariff levels in India for most chemicals are higher compared to other countries, thereby leading to pressure to reduce import tariffs. We also cannot assure you that, under these circumstances, we will be successful in identifying alternate suppliers for raw materials or we will be able to source the raw materials at favourable terms in a timely manner. Any restriction on import of raw materials could have an adverse effect on our ability to deliver products to our customers, business and results of operations.

32. *Our Promoters have significant control over us and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.*

Our Promoter held 42.15% of our pre-issued Equity Share capital as on June 30, 2017. Some of our Promoter group members hold key managerial positions in our Company. Consequently, they have the ability to control and influence our business affairs including matters such as assumption of additional debt, timing and distribution of dividends, election of officers and directors and other matters. The interests of the Promoter Group may differ and conflict with those of our investors and shareholders which may cause them to act in a manner that may not be in the best interests of our shareholders. Any such conflict may adversely affect our ability to execute our business strategy

or to operate our business. For further details, see “Principal Shareholders” on page 113 for the latest shareholding pattern of our Company.

33. ***One of our entities forming part of Promoter Group operates in a similar line of business as we do, which may lead to competition with these entities and could potentially result in a loss of business opportunity for our Company.***

Our Promoter Group Ramesh P. Patel HUF is in a similar line of business. Ramesh P. Patel- HUF is proprietor of M/s Laxmi International, engaged in the business of export and import of dyes and dyes intermediates. We may have to compete with M/s Laxmi International for business, services and employees. Our Promoter may have conflicts of interest with our interests or the interests of our shareholders and favour this proprietorship in certain situations, or not direct opportunities to us. Any of the above may impact the trading price of our equity shares, our business, financial condition and results of operations.

34. ***We do not have documentary evidence for experience, occupation and educational qualifications for a few of our Directors and key management personnel included in “Board of Directors and Senior Management” beginning on page 105.***

Certain supporting documentation in relation to the details stated under the brief profiles of some of our Directors and key management personnel in the Placement Document with respect to experience, occupation and educational qualifications are not available. Such details are supported by affidavits executed by such Directors and key management personnel, certifying the authenticity of the information provided with respect to each such individual.

35. ***We may face labour disruptions and other planned and unplanned outages that would interfere with our operations.***

As on August 31, 2017, our Company employed a total of 1,298 permanent employees. We also engage contract labourers on a daily basis. While our management believes that current relations between our Company and employees are good, there can be no assurance that our employees will not unionise or that strikes, work stoppages or other industrial actions will not occur in the future. Labour disruptions could negatively impact our operations and capacity utilization and cause it to be unable to meet its customers' demands. In addition, such an event could result in increased wages and other benefits and otherwise have a material adverse effect on our business, results of operations and financial condition.

Further, we are subject to a number of stringent labour laws that protect the interests of our workers, including legislation that stipulates rigorous procedures for dispute resolution and retrenchment of workers and imposes financial obligations on employers. Furthermore, certain recent changes, and proposed changes to Indian labour laws could adversely affect our business. For instance, a recent amendment to the Payment of Bonus Act, 1965, has, *inter alia*, increased the ceiling for bonus payments to employees of factories and certain other establishments. The Government of India also proposes to enact the Code on Industrial Relations Bill, 2015 and the Labour Code on Wages Bill, 2015, which seeks to consolidate all existing labour legislation in relation to wages and bonus in the country (including the Minimum Wages Act, 1948) into distinct codes dealing with industrial relations, wages, social security, industrial safety and welfare. Furthermore, the Ministry of Labour and Employment, Government of India has recently proposed an amendment to Indian contract labour legislation that will increase the minimum wage of contract labour. Any such significant changes, if implemented, could adversely affect our operating margins, manufacturing operations, cash flows and results of operations.

36. ***Our insurance coverage may not adequately protect us against all losses or our insurance policies may not cover the entire amount of losses incurred, which could adversely impact our results of operations.***

We operate in a hazardous industry and our business involves many risks including liability for accidents that occur at our manufacturing facilities or losses otherwise arising out of our operations, that may adversely affect our operations and the availability of insurance is therefore important. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be held liable for the injuries. We maintain insurance policies which we believe are typical in our industry and in amounts which we believe to be commercially appropriate including for loss or damage to third party for any losses, damage to the properties of our company. Our insurance coverage may not cover the extent of any claims against us, including for environmental or industrial accidents or pollution or for loss of business.

Further, our insurance coverage expires from time to time and we cannot assure you that we will be able to renew or continue to maintain insurance with adequate coverage for liability or risks arising from our operations on commercially acceptable terms, or at all. Even if the insurance is adequate, our costs may rise significantly due to increased insurance premiums. Depending on the development of the industry, certain potential liabilities may be excluded from coverage under the terms of our insurance policies in the future. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results

of operations, cash flows and financial performance could be adversely affected. For further details on insurance arrangements, see “Our Business – Insurance” on page 104.

37. *Any inability to manage our growth and expansion could disrupt our business and reduce our profitability.*

We have experienced decent growth in recent years and expect our business to grow significantly. In Fiscal 2017, 2016 and 2015, our total revenue was ₹ 12,431.27 million, ₹ 9,218.86 million and ₹ 10,499.58 at a CAGR of 8.81% from Fiscal 2015 to 2017. We expect this growth to place significant demands on us and require us to increase our manufacturing capacity and continuously improve our operational, financial and internal controls. Estimation of optimal manufacturing capacities for various products is therefore, critical to our operations. Should we for any reason not invest in capacity expansion in the future, the same could result in us not being able to meet additional demand, stagnation in our sales and could impact our ability to add new customers and maintain our market share. Conversely, in the event we over- estimate the future demand, we may have excessive capacity, resulting in underutilization of assets or sales of surplus products at lower margins/loss, which would have a material adverse effect on our margins, results of operations and financial condition.

Further, continued expansion increases the challenges involved in maintaining high levels of customer satisfaction and sustaining existing relationships with our clients, competing effectively and adhering to high quality and execution standards, recruiting, training and retaining sufficient skilled management, technical and marketing personnel, adhering to quality and process execution standards that meet customer expectations, developing and improving internal administrative infrastructure, particularly our financial, operational, communications and other internal systems, time and attention required from the senior management to existing and proposed businesses, identifying new markets suitable for our products, entering into further arrangements for strengthening distribution network in India as well as globally, effectively manage and control historical and emerging risks.

We cannot assure that our expansion activities will be profitable for our Company since we may need to incur additional expenditure for the expansion of our manufacturing units. In such circumstance(s), we may be exposed to risks associated with its consequences and this in turn will affect our business reputation, growth and results of operations. Any failure to earn adequate revenues from these capital expenditures may result in a loss of capital as well as operating losses thereby adversely affecting our profits.

38. *Our inability to identify, hire and retain key technical support, sales and other qualified personnel would have a material adverse effect on our business, results of operations and financial condition.*

Our business is dependent on skilled and experienced managerial personnel including our Promoters and Directors. There is a possibility that we may not be able to retain skilled professionals or attract new skilled professionals in future. The loss of any of the members of senior management or other senior professionals would have a material adverse effect on our business, results of operations and financial condition. If any of these individuals resign or become unable to continue in their present role and is not adequately replaced, the business operations and its ability to successfully implement its business strategies could be materially affected. Our performance is also dependent on our ability to identify, hire and retain key technical support sales and other qualified personnel.

39. *Any increase in or realisation of our contingent liabilities could have a material adverse effect on our business, financial condition, results of operations and prospects.*

As on March 31, 2017, 2016 and 2015, our aggregate contingent liabilities, in accordance with the provisions of Accounting Standard 29 - Provisions, Contingent Liabilities, were ₹ 212.74 million, ₹ 173.94 million and ₹ 161.83 million, respectively. The details of our contingent liabilities which have not been provided for by us as of March 31, 2017 as per our financial statements are as follows:

Particulars	At March 31, 2017 (in ₹ million)
Partly paid- up investments	Nil
Claims, other than those under policies, not acknowledged as debt	Nil
Underwriting commitments outstanding	Nil
Guarantees given by or on behalf of us	47.80
Statutory demands/liabilities in dispute, not provide for	62.46
Reinsurance obligations to the extent not provided for	Nil
Others	102.48
Total	212.74

40. *We do not hold any patents or other form of intellectual property protection in relation to our manufacturing processes, and our inability to maintain the integrity and secrecy of our manufacturing processes may adversely affect our business.*

Generally, there are no patent registration processes used in this industry as many of the manufacturing processes involved, are not be eligible for intellectual property protection. We possess extensive technical knowledge about

our products and our know-how that may not be adequately protected by intellectual property rights. Others may be able to use the same or similar production processes, thereby undermining any competitive advantage we may have derived from such processes. There can be no assurance that we will be able to take a legal action against such use, to protect our trade secret or confidential information. Such unauthorised use of our technology/ process may lead to loss of our existing or potential customer base and may adversely affect our profitability, financial conditions and reputation.

41. *Any delay or default in payment from our dealers and customers could result in the reduction of our profits and affect our cash flows.*

Our operations involve extending credit for less than 60 days, to our dealers and customers in respect of our products, and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Accordingly, we have and may continue to have high level of outstanding receivables. For Fiscal 2017, 2016, and 2015, our trade receivables were ₹ 2,305.49 million, ₹ 1,666.79 million and ₹ 1,972.04 million respectively, which constituted 18.55 %, 18.08 %, and 18.78 % of our total revenues for the same periods, respectively. If our dealers and customers delay or default in making these payments, our profits margins and cash flows could be adversely affected.

42. *We engage with contract labour for carrying out certain business operations*

In order to retain operational efficiencies, we engage independent contractors through whom we engage contract labour for performance of certain functions at all our manufacturing units. We employ contract labourers on daily basis as per the needs of our production processes. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Further, in case of any disputes with such independent contractors could lead to refusal of supply of contract labourers. Any of these events could affect may adversely affect our operations, profitability and financial conditions.

43. *We have certain unsecured loans that may be recalled at anytime by the lenders.*

As on March 31, 2017, we have unsecured loans amounting to ₹ 526.69 million that are repayable on demand. We may have to repay the outstanding loan at any time or seek additional source of capital for repayment of loan, which could affect our cash flow consequently affecting our business, results of operations and financial condition.

44. *Inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business and results of operations.*

Our financing agreements contain certain restrictive covenants that limit our ability to undertake, or require us to obtain a prior consent, or other such conditions, in certain types of transactions, including effecting change in capital structure. In the event we breach any financial or other covenants contained in any of our financing arrangements, that is not waived by our lenders or is not otherwise cured by us, it may lead to termination of our credit facilities, acceleration of all amounts due under such facilities and may adversely affect our ability to conduct our business, results of operations and financial condition.

45. *We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.*

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties. For further details, see “Financial Statements” on page 157. We cannot assure you that we will receive similar terms in our related party transactions in the future or that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. The transactions we have entered into and any further transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company.

Further, the Companies Act, 2013 has brought into effect specific compliance requirements with respect to related party transactions, such as obtaining prior approval from the audit committee, board of directors and shareholders for certain related party transactions. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

46. *Certain data in this Placement Document is based on reports prepared by third party sources and management estimates.*

Industry related data and projections in this Placement Document are based on reports prepared by third parties such as CARE. We have not independently verified such data and therefore we are unable to confirm the accuracy of such data. Such information may be inconsistent with the facts and statistics compiled by other studies within or outside India. We are also unable to assure you that that such data is complete or accurate. Moreover, the industry report referred to in this Placement Document includes projections that by their very nature are estimations. Therefore,

discussions of matters relating to India, its economy and the industries in which we currently operate and their growth prospects, in this Placement Document, are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete and are speculative. For further details, see “Industry Overview” on page 82.

B. Risks relating to India

1. *Our business is affected by prevailing economic, political and other prevailing conditions in India and the markets we currently service.*

Our operations are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India’s principal stock exchanges;
- changes in India’s tax, trade, fiscal or monetary policies, like application of GST;
- political changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, interest rates, commodity and energy prices including in India’s various neighbouring countries;
- occurrence of natural or man-made disasters;
- infectious disease outbreaks or other serious public health concerns;
- prevailing regional or global economic conditions, including in India’s principal export markets and;
- other significant regulatory or economic developments in or affecting India or its dye stuff or chemical sectors.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares.

2. *Changing laws, rules and regulations and legal uncertainties including adverse application of tax laws and regulations such as application of Goods and Service Tax (GST), may adversely affect our business results of operations, cash flows and financial performance.*

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. There can be no assurance that the central or the state governments will not implement new regulations and policies which will require us to obtain approvals and licenses from the governments and other regulatory bodies or impose onerous requirements and conditions on our operations. Any new regulations and policies and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. In 2017, the Government of India recently enacted the Central Goods and Services Tax Act, 2017 which lays down a comprehensive national GST regime which has combined taxes and levies collected by the central and state governments into a unified rate structure. This legislation was notified and made effective from July 1, 2017.

Based on such available information and to the best of our understanding we are of the view that there will be an increase in overall taxes on procurement which will lead to an additional working capital requirement. While there will be an increase in overall taxes on procurement, the procurement cost is likely to reduce on account of the free flow of credits under GST regime. The ability of our Company to take the benefit of reduction in procurement cost shall be dependent on its ability to increase or maintain the sale price of its products and negotiation of the purchase price with its vendors. Further in the transition period, our Company expects some disruptions in the procurement and sale of goods, which could affect the immediate financial performance, however this is expected to a temporary and short term event.

3. ***Significant differences exist between Indian GAAP and Ind AS, which may be material to investors' assessments of our financial condition.***

We are required to prepare our financial statements in accordance with Ind AS for periods beginning on or after April 1, 2017, under Section 133 of the Companies Act, 2013. Given that Ind AS is different in many respects from Indian GAAP under which our financial statements are currently prepared, our financial statements for the period commencing from April 1, 2017 may not be comparable to our historical financial statements. Further, our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and SEBI Listing Regulations. These statements have not been drawn up in accordance with Ind AS and they may be impacted if Ind AS were applied to them.

There can be no assurance that the adoption of Ind AS will not affect our reported results of operations or cash flows. In addition, our management may also have to divert its time and other resources for the successful and timely implementation of Ind AS. Any failure to successfully adopt Ind AS may have an adverse effect on the trading price of our Equity Shares and/or may lead to regulatory action and other legal consequences. Such factors relating to the use of Ind AS may adversely affect our financial condition, results of operations and cash flows.

4. ***Our business and activities are regulated by the Competition Act, 2002 ("Competition Act") and any application of the Competition Act to us could have a material adverse effect on our business, financial condition and result of operations.***

The Competition Act is designed to prevent business practices that have an appreciable adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement which directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, market or number of customers in the market is presumed to have an appreciable adverse effect on competition. Provisions of the Competition Act relating to combinations (i.e. acquisitions, mergers or amalgamations of enterprises) that meet certain asset or turnover thresholds and the regulations notifying the procedures in relation to such combinations, including notification requirements, came into force in June 2011. Further, acquisitions, mergers or amalgamations by us may require the prior approval of the Competition Commission of India, which may not be obtained in a timely manner or at all. Further, if it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and liable to be punished.

If we are affected, directly or indirectly, by any provision of the Competition Act, or its application or interpretation, including any enforcement proceedings initiated by the Competition Commission and any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission, it may have a material adverse effect on our business, financial condition and results of operations.

5. ***It may not be possible for you to enforce any judgment obtained outside India against us, our management or any of our respective affiliates in India, except by way of a suit in India on such judgment.***

We are incorporated under the laws of India. A majority of our Directors and executive officers are residents of India and a substantial portion of our assets and such persons' assets are located in India. As a result, it may not be possible for our investors to:

- effect service of process outside of India upon us and such other persons or entities; or
- enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities.

For further details, see "Enforcement of Civil Liabilities" on page 12.

6. ***A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Securities and Exchange Board of India (Substantial Acquisition of Shares And Takeovers) Regulations, 1997, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

7. ***Any downgrading of India's sovereign credit rating by an international rating agency could adversely affect our business, result of operations and the price of our Equity Shares.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our business, our future financial performance, our shareholders' funds and the price of our Equity Shares.

8. ***Fluctuation in the exchange rate between the Indian Rupee and other foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

Our Equity Shares are quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders.

For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

C. **Risks Relating to the Equity Shares and the Issue**

1. ***Public companies in India, including us, are required to compute income tax under the ICDS. The transition to ICDS in India is very recent and we may be negatively affected by this transition.***

The Ministry of Finance had issued a notification dated March 31, 2015 presenting the ICDS which creates a new framework for the computation of taxable income. The ICDS was to take effect from April 1, 2015. However, in view of the representations from stakeholders, the Central Board of Direct Taxes ("CBDT"), Ministry of Finance, according to its press release dated July 6, 2016, has deferred the applicability of the ICDS with fiscal 2017 being the first assessment year. The ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. For example, where ICDS-based calculations of taxable income differ from Indian GAAP or Ind AS-based concepts, the ICDS-based calculations have the effect of requiring taxable income to be recognised earlier, increasing overall levels of taxation or both. There can be no assurance that the adoption of the ICDS will not adversely affect our business, results of operation and financial condition.

2. ***Investors will be subject to market risks until the Equity Shares credited to the investors demat account are listed and permitted to trade.***

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

3. ***There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.***

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us; and;
- significant developments in India's economic liberalization and deregulation policies.

The Indian securities markets are smaller and more volatile than securities markets in more developed economies. In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. The governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. The trading price of our equity shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors,

among others, could adversely affect the price of our equity shares. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

4. *Certain information about our Company available in the public domain may not be independently verified and accurate.*

Certain information about our Company including projections on our financial growth and performance, has is available in public domain. Such information has not been verified independently and may not be accurate. Investors should rely on the information contained in this Placement Document for making any investment decisions.

5. *Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.*

The Indian securities markets are smaller and more volatile than securities markets in more developed economies. The Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Currently prices of securities listed on Indian exchanges are displaying signs of volatility linked among other factors to the uncertainty in the global markets and the rising inflationary and interest rate pressures domestically. The governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Future fluctuations or trading restrictions could have a material adverse effect on the price of our Equity Shares.

6. *The trading price of our Equity Shares may be subject to volatility and you may not be able to sell your Equity Shares at or above the Issue Price.*

The price of the Equity Shares may fluctuate after this Issue as a result of various factors, including volatility in the Indian and global securities markets, the results of our operations including our profitability and performance, the performance of our competitors and perception in the market about investments in our industry, significant developments in India's economic fiscal, liberalization and deregulation policies, adverse media reports and changes in developments in, perceptions in the market about investments in or estimates by financial analysts of us and the sectors in which we operate in.

Further, an active trading market for the Equity Shares may not develop or be sustained after this Issue and the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

7. *Any future issuance of the Equity Shares may further dilute your shareholding and sales of the Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.*

Any future equity issuances by us, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of the Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences for us including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

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

The Equity Shares are subject to daily circuit breaker imposed by all stock exchanges in India on all listed companies which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Stock Exchanges. The percentage limits on our circuit breakers are set by the Stock Exchanges. The Stock Exchanges are not required to inform us of the percentage limit of such circuit breakers and may change it without our knowledge. This circuit breaker effectively limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of the Equity Shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed the Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if securities transaction tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of the Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed the Equity Shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India.

The recent Finance Act, 2017 amendments provided that where the shares have been acquired on or after October 1, 2004 and on which STT has not been paid at the time of acquisition, then the exemption of long term capital gains under section 10(38) of the Income Tax Act would not be available. This amendment further provides that the Government will notify certain modes of acquisition to which the recent amendment made by Finance Act 2017 would not be applicable and the shares acquired by such modes of acquisition would continue to get the benefit of section 10(38) of the Income Tax Act. The Government has issued a notification dated June 5, 2017 listing out certain modes of acquisition where the benefit of section 10(38) will not be applicable, subject to certain exceptions. For further details, see “Statement of Tax Benefits” on page 140.

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

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the 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 shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us 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. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

11. *Foreign investors are subject to foreign investment restriction under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI and such transaction is within the sectional cap prescribed for foreign investment. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or fall under an exception, then the prior approval of the RBI or the appropriate authorities will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of Equity Shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

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

12. *An investor will not be able to sell any of the Equity Shares other than on a recognized Indian stock exchange for a period of 12 months from the date of this Issue.*

The Equity Shares are subject to restrictions on transfers. Pursuant to the SEBI Regulations, for a period of 12 months from the date of the issue of the Equity Shares, QIBs subscribing to the Equity Shares may only sell their Equity Shares on the Stock Exchanges and may not enter into any off market trading in respect of these Equity Shares. Further, allotment to eligible VCFs and AIFs are subject to applicable rules and regulations, including in relation to lock-in. We cannot be certain that these restrictions will not have an impact on the price and liquidity of the Equity Shares.

13. *Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*

Our Company underwent CDR mechanism in Fiscal 2012, during which the directors of our Company could not recommend any dividend to our shareholders. Our Company started declaring dividend since Fiscal 2016, after it exited the CDR package. Dividends that we have paid in the past may not be reflective of the dividends that we may pay in a future period. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows and capital requirements as well as existing restrictive covenants in our financing arrangements. Dividends distributed by us may also be subject to the requirements prescribed by the applicable laws and regulations. There can be no assurance that we will be able to pay dividends in the future.

14. *Applicants to the Issue are not allowed to withdraw their bids after the Bid/Issue Closing Date.*

Applicants to the Issue are not allowed to withdraw their bids after the bid/issue closing date. The allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven working days from the Bid/Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our Company's business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of allotment of Equity Shares in the Issue. The occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence without the prior approval of the SEBI. We may complete the allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

MARKET PRICE INFORMATION

As on the date of this Placement Document, 109,107,370 Equity Shares are issued, subscribed and are fully paid up. The Equity Shares have been listed and are available for trading on BSE and NSE.

On October 9, 2017 the closing price of the Equity Shares on BSE and NSE was ₹ 179.05 and ₹ 178.80 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

- (i) The following tables set forth the reported high, low, average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading volumes for Fiscal Years ended March 31, 2017, March 31, 2016 and March 31, 2015:

BSE									
Fiscal	High (₹)	Date of high	Volume on date of High (Number of Equity Shares traded on the date of high)	Total value of Equity Shares traded on date of high (₹ million)	Low (₹)	Date of low	Volume on date of Low (Number of Equity Shares traded on the date of low)	Total value of Equity Shares traded on date of low (₹million)	Average price for the year (₹)
2015	73.30	August 5, 2014	301,285	22.01	18.45	April 3, 2014	66,233	1.23	40.15
2016	73.25	March 31, 2016	330,358	24.42	26.10	June 15, 2015	18,858	0.49	40.16
2017	160.25	March 31, 2017	354,896	57.04	71.65	April 4, 2016	194,227	14.17	118.16

(Source: www.bseindia.com)

NSE									
Fiscal	High (₹)	Date of high	Volume on date of high (Number of Equity Shares traded on the date of high)	Total value of Equity Shares traded on date of high (₹ million)	Low (₹)	Date of low	Volume on date of low (Number of Equity Shares traded on the date of low)	Total value of Equity Shares traded on date of low (₹million)	Average price for the year (₹)
2015	73.55	August 5, 2014	801,288	58.80	18.50	April 3, 2014	35,200	0.66	38.94
2016	73.35	March 31, 2016	716,156	52.93	26.10	June 15, 2015	82,392	2.17	40.18
2017	160.50	March 31, 2017	1044,346	167.71	72.00	April 4, 2016	384,186	28.03	118.25

(Source: www.nseindia.com)

Notes:

- High, low and average price for the year are based on the daily closing prices.
- In case of two days with the same high or low price, the date with the higher volume has been chosen.

- (ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months:

BSE									
Month, year	High (₹)	Date of high	Volume on date of high (Number of Equity Shares traded on date of high)	Total value of Equity Shares traded on date of high (₹ million)	Low (₹)	Date of low	Volume on date of low (Number of Equity Shares traded on date of low)	Total value of Equity Shares traded on date of low (₹million)	Average price for the month (₹)
April 2017	164.90	April 3, 2017	249,337	41.12	152.75	April 19, 2017	84,290	12.98	157.48
May 2017	166.45	May 17, 2017	158,035	26.55	150.60	May 3, 2017	87,634	13.36	157.99
June 2017	167.90	June 1, 2017	227,697	38.58	157.10	June 28, 2017	21,833	3.43	161.87
July 2017	186.80	July 13, 2017	511,384	96.56	160.30	July 4, 2017	63,270	10.24	175.87
August 2017	180.20	August 1, 2017	27,815	5.04	160.15	August 22, 2017	72,722	11.73	168.72
September 2017	183.50	September 06, 2017	81,580	14.77	160.10	September 25, 2017	68,655	11.25	172.02

(Source: www.bseindia.com)

NSE									
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Month, year	High (₹)	Date of high	Volume on date of high (Number of Equity Shares traded on date of high)	Total value of Equity Shares traded on date of high (₹ million)	Low (₹)	Date of low	Volume on date of low (Number of Equity Shares traded on date of low)	Total value of Equity Shares traded on date of low (₹ million)	Average price for the month (₹)
April 2017	165.30	April 3, 2017	956,308	157.98	152.45	April 19, 2017	267,921	41.07	157.49
May 2017	166.75	May 17, 2017	971,528	162.81	150.40	May 3, 2017	270,499	41.24	158.03
June 2017	169.20	June 1, 2017	788,492	134.01	157.25	June 28, 2017	102,104	16.05	161.84
July 2017	187.15	July 13, 2017	1,712,024	323.55	160.85	July 4, 2017	195,273	31.69	176.11
August 2017	180.10	August 1, 2017	222,028	40.25	160.35	August 22, 2017	206,932	33.38	168.70
September 2017	183.90	September 06, 2017	462,249	83.67	160.05	September 25, 2017	302,857	49.70	172.13

(Source: www.nseindia.com)

Notes:

1. High, low and average price for the month are based on the daily closing prices.
2. In case of two days with the same high or low price, the date with the higher volume has been chosen.

- (iii) The following table set forth the details of the number of Equity Shares traded and the turnover during the financial years ended March 31, 2017, March 31, 2016 and March 31, 2015 on the Stock Exchanges:

Period	Number of Equity Shares Traded		Turnover (In ₹ million)	
	BSE	NSE	BSE	NSE
Year ended March 31, 2015	41,518,430	48,244,759	1,808.02	2,099.29
Year ended March 31, 2016	38,116,138	78,057,274	1,856.02	3,864.31
Year ended March 31, 2017	78,375,017	253,301,999	8,797.26	28,932.68

(Source: www.bseindia.com and www.nseindia.com)

- (iv) The following table set forth the details of the number of Equity Shares traded and the turnover during the six immediately preceding months on the Stock Exchanges:

Period	Number of Equity Shares Traded		Turnover (In ₹ million)	
	BSE	NSE	BSE	NSE
April 2017	2,086,594	7,015,019	331.59	1,116.11
May 2017	2,424,833	9,441,377	385.57	1,511.75
June 2017	1,361,050	6,222,315	222.61	1,018.73
July 2017	6,584,563	14,300,232	1,145.25	2,574.90
August 2017	1,778,294	7,121,979	300.65	1,203.05
September 2017	1,853,660	8,795.953	321.76	1,529.66

(Source: www.bseindia.com and www.nseindia.com)

- (v) The following table sets forth the market price on the Stock Exchanges on August 28, 2017 the first working day following the approval of our Board for the Issue:

BSE						NSE					
Open	High	Low	Close	Number of Equity Shares traded	Volume (₹ million)	Open	High	Low	Close	Number of Equity Shares traded	Volume (₹ million)
167.00	168.00	161.05	161.80	95,474	15.65	167.45	167.45	161.00	162.00	465,552	76.28

(Source: www.bseindia.com and www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from the Issue shall be approximately ₹ 2,250 million. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹2,190 million (the “**Net Proceeds**”).

Subject to compliance with applicable laws and the Memorandum of Association, we intend to use the Net Proceeds primarily to fund our long-term capital expenditure requirements, including with respect to establishing a Thionyl Chloride plant of 36,000 MTPA, expansion of the dyes plant (including the ice facilities and multi effect evaporator plant), setting up of the vinyl sulphone plant under our Subsidiary, upgrading the utility section (including a establishing a cogeneration power plant of 5 MW), and regular maintenance capital expenditure. In addition to the aforementioned capital expenditure, our Company proposes to utilise the Net Proceeds for general corporate purposes arising in the normal course our business activities.

The aforesaid capital expenditure, that our Company proposes to undertake, is expected to span over a period between the Financial Year 2017-2018 to Financial Year 2019- 2020. The proposed long term capital expenditure and maintenance capital expenditure is expected to cost ₹ 2,170.88 million in aggregate, of which ₹ 520.88 million has been deployed from the internal accruals of our Company, as on September 15, 2017, and approximately ₹ 1,650 million shall be met from the Net Proceeds.

Our fund requirements and deployment of the Net Proceeds is primarily based on our internal management estimates and discussions with the project consultant, which are based on current conditions and are subject to change in light of external circumstances or costs, or in other financial condition, business or strategy.

As permissible under applicable laws, our management will have flexibility in deploying the Net Proceeds received by our Company from the Issue. Pending utilisation for the purposes described above, our Company intends to temporarily invest funds in creditworthy instruments, including money market mutual funds and deposits with banks. Such investments would be in accordance with the investment policies as approved by our Board from time to time and applicable laws.

Neither our Promoters nor the Directors are making any contribution either as part of the Issue or separately in furtherance of the objects of the Issue.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at March 31, 2017 on a standalone and consolidated basis and as adjusted for the Issue. This table should be read in conjunction with the sections titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 60 and 157, respectively:

A. On a Standalone basis:

(in ₹ million)

Particulars	March 31, 2017	As adjusted for the Issue ⁽¹⁾
Short term borrowing :		
Secured	891.97	891.97
Unsecured	519.55	519.55
Long term borrowing:		
Secured	Nil	Nil
Unsecured	7.14	7.14
Total borrowing (a)	1,418.66	1,418.66
Shareholders' funds:		
Share capital	218.21	244.37
Securities premium	222.04	2445.88
Reserves and surplus (excluding securities premium)	3,152.89	3,152.89
Total funds (excluding borrowings) (b)	3,593.14	5,843.14
Total capitalization (a + b)	5,011.80	7,261.80
Debt – Equity Ratio	0.39	0.24

⁽¹⁾ As adjusted for the number of Equity Shares issued in the Issue.

B. On a Consolidated basis:

(in ₹ million)

Particulars	March 31, 2017	As adjusted for the Issue ⁽¹⁾
Short term borrowing :		
Secured	891.97	891.97
Unsecured	519.55	519.55
Long term borrowing:		
Secured	71.49	71.49
Unsecured	7.14	7.14
Total borrowing (a)	1,490.15	1,490.15
Shareholders' funds:		
Share capital	218.21	244.37
Securities premium	222.04	2445.88
Reserves and surplus (excluding securities premium)	3,152.35	3,152.35
Total funds (excluding borrowings) (b)	3,592.60	5,842.60
Total capitalization (a + b)	5,082.75	7,332.75
Debt – Equity Ratio	0.42	0.26

⁽¹⁾ As adjusted for the number of Equity Shares issued in the Issue.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Placement Document is set forth below:

	Aggregate value at face value ⁽²⁾ (In ₹ million)
A AUTHORISED SHARE CAPITAL	
135,000,000 Equity Shares ⁽¹⁾ of ₹ 2 each	270.00
25,000,000 Preference Shares of ₹ 10 each	250.00
B ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE	
109,107,370 Equity Shares of ₹ 2 each	218.21
Preference Shares ⁽³⁾	-
C PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT⁽¹⁾	
Up to 13,081,395 Equity Shares aggregating up to ₹ 2,250 million	26.16
D PAID-UP CAPITAL AFTER THE ISSUE	
122,188,765 Equity Shares	244.37
E SECURITIES PREMIUM ACCOUNT	
Before the Issue	222.04
After the Issue ⁽⁴⁾	2445.88

⁽¹⁾ The Issue has been authorised by our Board pursuant to resolution dated August 24, 2017, and by the shareholders of our Company pursuant to the resolution dated September 23, 2017, passed in the AGM of our Company.

⁽²⁾ Except for information with respect to the Securities Premium Account.

⁽³⁾ For details in relation to the issued, subscribed and paid-up preference share capital, refer to the history of preference share capital of our Company on page 58.

Equity Share Capital History of our Company

(1) The history of the Equity Share capital of our Company is set forth below:

Date of Issue	No. of Equity Shares Issued	Face Value (₹)	Issue price per Equity Share (₹)	Consideration	Cumulative No. of Equity Shares
September 24, 1986	20	100	100	Cash	20
October 20, 1986	205	100	100	Cash	225
December 30, 1986	1,700	100	100	Cash	1,925
January 27, 1987	200	100	100	Cash	2,125
August 31, 1987	550	100	100	Cash	2,675
October 10, 1987	2,025	100	100	Cash	4,700
June 6, 1988	80	100	100	Cash	4,780
June 23, 1988	5,220	100	100	Cash	10,000
June 29, 1992 ⁽¹⁾	35,000	100	100	Cash	45,000
September 28, 1992 ⁽²⁾	30,000	100	-	Cash	75,000
October 2, 1992	Pursuant to resolution dated October 2, 1992 of the board of directors, and the shareholders resolution dated October 12, 1992, the face value of the equity shares was reduced from ₹ 100 each to ₹ 10 each. Accordingly, the subscribed and paid-up equity share capital of our Company, being 75,000 of ₹ 100 each was subdivided into 750,000 equity shares of ₹ 10 each.				750,000
October 4, 1993 ⁽³⁾	2,600,000	10	20	Cash	3,350,000
May 13, 2006	Pursuant to scheme of amalgamation of Bodal Chemicals Private Limited with Dintex Dyechem Limited, sanctioned by the High Court of Gujarat by way of its order dated March 31, 2006 and as modified on April 12, 2006, 7,052,704 equity shares of face value ₹ 10 each were allotted.				10,402,704
May 24, 2008 ⁽⁴⁾	5,201,352	10	20	Cash	15,604,056
September 25, 2008	Pursuant to the scheme of amalgamation of Milestone Organic Limited with our Company, sanctioned by the High Court of Gujarat by way of its order dated April 7, 2008, 67,612 equity shares of face value ₹ 10 each were allotted.				15,671,668
March 10, 2009	Out of 5,201,352 detachable warrants allotted on May 24, 2008, 4,230,634 detachable warrants were converted into 4,230,634 equity shares of face value ₹ 10 each.				19,902,302
June 11, 2010	Authorised share capital of our Company of 30,000,000 equity shares of ₹ 10 each was sub-divided into 150,000,000 equity shares of ₹ 2 each. Accordingly, the subscribed and paid-up equity share capital of our Company, being 19,902,302 equity shares of ₹ 10 was sub-divided into 99,511,510 equity shares of ₹ 2 each. The record date for such sub division was June 11, 2010.				99,511,510
November 10, 2011	6,750,000 warrants allotted on May 11, 2010 were convertible into 6,750,000 Equity Shares pursuant to approval of the shareholders of our Company on April 28, 2010. Subsequent to the sub-division of the paid-up equity share capital of our Company				109,107,370

Date of Issue	No. of Equity Shares Issued	Face Value (₹)	Issue price per Equity Share (₹)	Consideration	Cumulative No. of Equity Shares
	on June 11, 2010, the warrants were reclassified into 9,595,860 warrants convertible into 9,595,860 equity shares, and accordingly such warrants were converted into equity shares.				

- (1) Rights issue to the existing shareholders of our Company in the ratio of 3.5:1.
(2) Bonus issue to the existing shareholders of our Company in the ratio of 2:3.
(3) Allotment of 2,600,000 equity shares by way of a public offering of which 450,000 equity shares were allotted to the promoters and 2,150,000 equity shares were allotted to the public; and
(4) Our Company also issued 5,201,352 detachable warrants.

The allotments made from September 24, 1986 (forming part of the Equity Share Capital History of our Company disclosed in the table herein above) pertain to allotments by Dintex Dyechem Limited and not allotments made by Bodal Chemicals Private Limited, which amalgamated with Dintex Dyechem Limited, pursuant to a scheme of amalgamation sanctioned by the High Court of Gujarat by way of its order dated March 31, 2006 (as modified on April 12, 2006). For further details in relation to Dintex Dyechem Limited and Bodal Chemicals Private Limited, see “General Information” on page 155.

Preference Share Capital History of our Company

- (1) The history of the preference share capital of our Company is provided in the following table:

Date of Allotment	No. of Redeemable Preference Shares Allotted	Face Value (In ₹)	Issue Price per Redeemable Preference Share (In ₹)	Consideration (Cash/Other than Cash)	Date of Redemption
March 30, 2013	15,500,000	10	10*	Cash	August 6, 2015
September 30, 2013	3,500,000	10	10*	Cash	August 6, 2015
December 31, 2013	3,000,000	10	10*	Cash	August 6, 2015
March 31, 2014	3,000,000	10	10*	Cash	August 6, 2015
Total	25,000,000				

*Carrying a rate of dividend of ₹ 9 per preference share

The 9% non-cumulative redeemable preference shares of ₹ 10 each fully paid, aggregating to 25 million preference shares, were redeemed on August 6, 2015, in terms of the resolution dated August 3, 2015, passed by the shareholders of our Company and as per the terms of their issuance. As on the date of this Placement Document, there are no outstanding preference shares of our Company.

DIVIDENDS

The declaration and payment of dividends, if any, will be recommended by our Board and approved by the shareholders of our Company, in their discretion, subject to the provisions of the Articles and the Companies Act 2013.

The declaration of dividends will be dependent on a number of internal and external factors, including, but not limited to, the stability of earnings, cash flow position from operations, future capital expenditure, inorganic growth plans and reinvestment opportunities, industry outlook and stage of business cycle for underlying businesses, leverage profile and capital adequacy metrics, overall economic or regulatory environment, contingent liabilities, past dividend trends, buyback of shares or any such alternate profit distribution measure and any other contingency plans. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

Our Board may consider declaring interim dividend based on our Company's performance during the year. Our Board may also recommend final dividend at the end of the year.

The following table sets forth the dividend per Equity Share and the total amount of dividends declared on the Equity Shares for Fiscal Years 2017, 2016 and 2015:

Particulars	Fiscal 2017 ⁽¹⁾	Fiscal 2016 ⁽²⁾	Fiscal 2015
Face value of Equity Shares (₹ per Equity Share)	2	2	2
Dividend on Equity Shares (₹ per Equity Share)	0.80	0.60	Nil
Total dividend on Equity Shares (In ₹ million)	87.28	65.46	Nil
Corporate dividend tax (In ₹ million)	17.77	13.32	Nil

(1) During the Fiscal Year 2017, our Company issued an interim dividend of ₹ 0.30 per Equity Share (or 15% of face value ₹2). The total dividend of ₹ 87.28 million for Fiscal 2017 includes an interim dividend of ₹ 32.73 million.

(2) During the Fiscal Year 2016, our Company issued two interim dividends of ₹0.20 per Equity Share (or 10% of face value ₹2) and ₹0.40 per Equity Share (or 20% of face value ₹2), respectively. The total interim dividend of ₹ 65.46 million for Fiscal 2016 includes first interim dividend of ₹ 21.82 million and second interim dividend of ₹ 43.64 million.

The amounts paid as dividends in the past are not necessarily indicative of our Company's future dividend amounts.

For a summary of certain consequences under Indian taxation law of dividend distributions to shareholders, see "Statement of Tax Benefits" on page 140.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Audited Consolidated Financial Statements for the Fiscal 2017, 2016 and 2015 and the standalone unaudited financial results ended June 30, 2017, including the notes thereto and reports thereon, each included in this document. You should also read "Risk Factors", and "Forward Looking Statements" on pages 35 and 11, both of which discuss a number of factors and contingencies that could affect our financial condition, results of operations and cash flows.

The amounts derived from the Audited Consolidated Financial Statements included herein are presented in ₹ millions rather than ₹ lakhs, which is the manner in which the numbers are presented in our financial statements for Fiscal 2017, Fiscal 2016 and Fiscal 2015. The figures disclosed herein for the three months ended June 30, 2017 are based on the standalone unaudited financial results, which was filed with the Stock Exchanges under the SEBI Listing Regulations. As per the option given to our Company under Regulation 33 of the SEBI Listing Regulations, our Company opted to publish the standalone unaudited financial results for the three months ended June 30, 2017. All information in relation to the three months ended June 30, 2017 and 2016 is given on a standalone basis. Unless stated otherwise, all information in relation to Fiscal 2015, 2016 and 2017 is given on a consolidated basis.

Our Audited Consolidated Financial Statements have been prepared in accordance with Indian GAAP. Since April 1, 2017, we have been required to prepare our financial statements in accordance with Ind AS. Ind AS is different in many respects from Indian GAAP and therefore, our Ind AS financial statements for three months ended June 30, 2017 may not be comparable to our Indian GAAP financial statements for three months ended June 30, 2016. See "Risk Factors— Significant differences exist between Indian GAAP and Ind AS, which may be material to investors' assessments of our financial condition" on page 47. See "Summary of Key Differences between Indian GAAP and Ind AS" on page 75.

Our fiscal ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the 12 months ended March 31 of that year.

Overview

We are one of the largest integrated companies with a diversified product portfolio offering in dyestuff, dye intermediates and basic chemicals segments. We are the largest manufacturer of vinyl sulphone in India, and are amongst the leading players in the dye intermediates segment in the Indian market with an estimated market share of 18% (This figure includes production of our Subsidiary for a period of 10 days in Fiscal 2017) as of March 31, 2017 (source: CARE Industry Report). In the Indian dyestuff market, we accounted for an estimated share of 9% as of March 31, 2017 (source: CARE Industry Report). Apart from our industry, we cater to various industries such as textiles, leather and paper, which provides us with a wide and diversified customer base. During Fiscal 2017, we supplied our products to 355 customers in India and 151 customers in 41 countries, including USA and certain European and ASEAN countries.

This figure includes production of our Subsidiary for a period of 10 days in Fiscal 2017

We commenced our operations as a partnership firm in 1989 in the name and style of JK Pharma. We converted into a private limited company in 1993 and became a listed company pursuant to our amalgamation with Dintex Dyechem Limited in 2006. Subsequent to such amalgamation, the name of our Company was changed to Bodal Chemicals Limited. For further details, see "General Information" on page 15.

Our business has grown from manufacturing of dye intermediates to entering into the dyestuff and basic chemicals segments through forward and backward integration. We believe that our expertise in chemical manufacturing has enabled us to expeditiously increase our production capacity and expand into new value added products such as liquid dyestuff. In addition to our organic growth, we have also pursued selective inorganic growth strategy, which has resulted in an increased production capacity and addition of new products such as TCCA and LABSA.

We organise our business activities into the following product segments:

- **Dyestuff:** We offer more than 150 variants of dyestuff in reactive, as well as acid and direct dyes. We also offer more than 15 variants in liquid dyestuff. These dyes have application in textile, leather and paper industries. Our major clients in this segment include Exel Chemicals India Private Limited, Raj Chemicals Limited and UNIDYE S.A. In Fiscal 2017, this segment accounted for 23.18 % of our total revenue.
- **Dye intermediates:** We offer more than 25 variants of dye intermediates with vinyl sulphone and H- acid as the core products. These variants are used captively for manufacturing dyestuff as well as for sales to other dyestuff manufacturers. Our major clients in this segment include Jay Chemicals Industries Limited, Bansal Alkalies Private Limited, and Oh Young Inc. In Fiscal 2017, this segment accounted for 58.93 % of our total revenue.
- **Basic chemicals:** We offer more than 10 basic chemicals, including sulphuric acid, oleum, beta naphthol and acetanilide. These chemicals are used captively for production of dye intermediates and have application in various industries such as iron and steel, explosives, organic synthetics, soaps and detergents, and pharmaceuticals. Our

major clients in this segment include Macson Products, Aceto Corporation, and Bhageria Industries Limited. In Fiscal 2017, this segment accounted for 10.21 % of our total revenue.

In January 2017, we started production of TCCA, through our Associate to specifically target the US water treatment market. TCCA is a speciality chemical with application in water treatment plants as a disinfectant and as a bleaching agent in the textile industry. In Fiscal 2017, exports accounted for 98.95% of the revenue generated by TCCA. We also started manufacturing LABSA in March 2016, which is used in the production of detergents, cake, and dish washers. In Fiscal 2017, sales revenue from LABSA accounted for 3.14 % of our total revenue. Further, we started production of liquid dyestuff in October 2014, which is used in the paper industry for purposes of colouring paper. In Fiscal 2017, sales revenue from dyestuff including liquid dyestuff accounted for 23.18% of our total revenue.

We have 10 manufacturing facilities, of which nine are located in Gujarat and one is located in Uttar Pradesh. We believe that concentration of our manufacturing facilities in Gujarat provides us the advantages of the strategic location of Gujarat, including access to raw materials, common effluent treatment plants, concentration of our domestic customers, and access to our international customers due to proximity to ports. As of March 31, 2017, our manufacturing facilities had a manufacturing capacity of 17,000, 30,000 and 190,000 MTPA and utilization rate of 73.50%, 77.00% and 98.43% in dyestuff, dye intermediates, and basic chemicals, respectively.

Our total revenue increased to ₹12,431.27 million from ₹ 9,218.86 million and ₹ 10,499.58 million in Fiscal 2017, 2016 and 2015, respectively, at a CAGR of 8.81 % from Fiscal 2015 to Fiscal 2017. Our EBITDA for Fiscal 2017, 2016, and 2015 was ₹ 2,374.77 million, ₹ 1,685.15 million, and ₹ 1,887.52 million, respectively, while our PAT was ₹ 1,285.84 million, ₹ 859.87 million, ₹ 917.82 million, respectively. As on March 31, 2017, our debt to equity ratio is 0.42:1.

We have, over the years, received many awards and accolades for our performance. In 2017, we received awards from the Dyestuffs Manufacturers Association of India for excellent performance in exports of dyes intermediates and for outstanding performance in the domestic market by a large scale unit for 2016-2017. In 2016, we received the 'Trishul award' from Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council, Government of India, for outstanding export performance of dyes and dye intermediates during 2011-2012 and 2013-2014. In 2015, we received an award from The Gujarat Dyestuff Manufacturers Association for highest self-manufacturing turnover from domestic and export of dyes and dye intermediates during the year 2013-2014. Further, as per the Dun & Bradstreet survey, we were amongst India's top 500 companies in 2016, and were recognized as a 'Three Star Export House' by the Government of India in 2015. We have also received an award in appreciation of our efforts towards health and safety drives in Fiscal 2017.

Significant Factors Affecting Our Results of Operations

Our results of operations and financial condition are affected by several factors, including the following:

Production Costs, Quality of our Manufacturing Facilities and Capacity Utilisation

Our ability to maintain our position as an efficient and cost-effective producer of dyestuff, dye intermediates and basic chemicals and to increase our cost competitiveness is dependent on the efficient management of our production costs. In addition, in order to maximize our profits, we must maintain a high level of capacity utilization at our manufacturing facilities and an appropriate standard of quality in our manufacturing facilities' equipment and processes. We currently have 10 manufacturing facilities, of which nine are based in Gujarat and one in Uttar Pradesh. Attaining and maintaining our certifications and approvals requires considerable expense and planning. For further details of our manufacturing facilities and the certifications held by such facilities, see "Business-Manufacturing Facilities" on pages 99 to 100. We strive to maximize our operational leverage as our scale of operations increase.

As of March 31, 2017, our combined installed manufacturing capacity for dyestuff, dye intermediates and basic chemicals was 17,000, 30,000 and 190,000 MTPA, respectively. Higher capacity utilization results in greater production volumes and higher sales, and allows us to spread our fixed costs over a higher quantity of products sold, thereby increasing our profit margins. Our capacity utilisation for Fiscal 2017, 2016 and 2015 was 73.50%, 77% and 98.43%, respectively. We continuously focus on integration and on improving our operational efficiencies and reducing operating costs in order to improve our results of operations. We also focus on continuously upgrading the quality of our products and manufacturing processes addressing specific customer requirements and market segments and to improve operational efficiencies. Such investment is also expected to result in significant reduction in operating costs. We have also made incremental improvements to our equipment over the past few years to increase utilisation rates as well as operational efficiencies.

Diversification of our product portfolio

We have been focusing on diversifying our product portfolio, emphasizing on value addition to products under the dyestuff segment and diversifying into speciality chemicals. We have invested in our Subsidiary to increase our production capacity and increase the share of dye intermediates in our total production. Further, through our Associate, we have started production of TCCA adding this speciality chemical to our product basket. We believe that our efforts will enable us to expand our product offerings, enable us to serve multiple industries and help us to remain one of the leading players in our industry. In the recent past, we have added liquid dyestuff, LABSA, and speciality chemical TCCA to our product basket. Our new

products may not always gain buyer acceptance and may not be able to achieve competitive products to meet customer expectations.

Our Inorganic Growth

We have pursued acquisition opportunities to complement our existing business offerings in the past and intend to continue doing so in the future. Set forth below are details about some of our key acquisitions that we have undertaken in Fiscal 2017: Acquisition of 70% stake in our Subsidiary, having a zero discharge manufacturing facility in Kosi, Uttar Pradesh. This unit had a H-acid plant and permission to manufacture dye intermediates including vinyl sulphone, a key raw material for manufacturing of dyestuff.

Acquisition of 41.51% stake in our Associate, having a zero discharge manufacturing facility in Khambhat, Gujarat. This acquisition added speciality chemical to our chemical basket, to specifically target the US water treatment market.

Acquisition of Unit X, located at Vadodara Gujarat, through erstwhile our wholly owned subsidiary Bodal Agrotech Limited. This unit produces LABSA which has application in detergent, cake and dish washers.

These key acquisitions have been significant factors towards the growth of our portfolio of products, our distribution networks, the markets where we distribute our products and our results of operations. For further details on our past acquisitions, see “Business – Acquisitions” on page 102.

We have in the past and continue to focus on inorganic growth by way of acquisitions of distressed assets and turning these assets into viable manufacturing units for us. While we undertake necessary diligence prior to acquiring such distressed assets and we believe that our management has the necessary expertise to turn these around, we can provide no assurance that they will be viable for our manufacturing operations. Also, we cannot assure that we will be able to set up additional manufacturing units by acquisition of distressed assets in future. For further details, see “Risk Factors” on page 39.

Exchange rate risk

We have currency exposures relating to exports of our products in currencies other than in Indian Rupees. For Fiscal 2017, 2016 and 2015, the value of our exports for Fiscal 2017, 2016, 2015 was ₹3,489.20 million, ₹ 3,009.86 million and ₹ 4,091.54 million which comprises 28.07%, 32.65% and 38.97% of our total revenue, respectively. Also, the value of imported raw materials consumed by us for Fiscal 2017, 2016 and 2015 was ₹ 693.68 million, ₹ 478.85 million and ₹ 498.94 million which is 8.70%, 8.35% and 8.21% of total raw material consumption, respectively. In Fiscal, 2016 and 2015, we have incurred foreign exchange losses of ₹ 48.04 million and ₹ 24.83 million, respectively. While we hedge a portion of the resulting net foreign exchange position, we are still affected by fluctuations in exchange rates among the U.S. dollar, Indian Rupee and other currencies.

Long term relationship with our customers

Client relationships are core of our business. We have a history of client retention and derive a significant proportion of our revenues from repeat business (defined as repeat business generated in the preceding fiscal year) built on our successful execution of prior engagements. In addition, we are dependent on certain key clients who may exert pricing pressure upon us. As a client relationship matures and deepens, we seek to maximise our revenues and profitability by expanding the scope of products offered to that client with the objective of winning more business from our clients, particularly in relation to our more substantive and value-added product offerings. To do this, we take part in client analysis to identify opportunities with our portfolio of existing clients, and use our relevant industry experience to market additional offerings to our clients. We view this approach as important in order to re-evaluate the relevance and criticality of our product offerings to our clients' businesses as they grow and evolve, as well as an opportunity to further strengthen and build long-term relationships with such clients. We believe that our ability to establish and strengthen client relationships and expand the scope of product we offer to clients will be an important factor in our future growth and our ability to continue increasing our profitability.

Our Company is dependent on few customers including Jay Chemicals Industries Ltd., Bansal Alkalies Private Limited, Oh Young Inc., Pranav Industries and Mcfills Enterprises Private Limited contributing 8.34%, 7.16%, 8.10%, 6.21%, 4.20% to our total revenue, respectively. Though we do not have any long-term agreement with our significant customers, we have a history of client retention and repeat business. We normally provide credit period of less than 60 days, however any delay in payments by such customers over the usual payment cycles may also affect the results of our operations and financial conditions.

Cost of raw materials

Our expenditure on cost of raw materials consumed purchase of stock in trade and changes in inventories of finished goods and stock in process constitutes the most significant component of our operating expenses. For Fiscal 2017, 2016 and 2015, expenditure on materials consumed constituted 76.07%, 71.49% and 72.24%, respectively, of our total expenses, and 64.14%, 61.89% and 62.66% of our total revenues for such periods. Our financial condition and results of subsequent segments are significantly impacted by the availability and cost of our raw materials.

We procure certain of our raw materials from a limited number of third party suppliers. While we are not significantly dependent on any single raw material supplier, supply and pricing of our raw materials can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation, competition, import duties and tariffs. Further, we usually do not enter into long term supply contracts with any of our raw material suppliers, however, absence of long term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require. While we endeavour to pass on all raw material price increase to customers, in the event that we are unable to compensate for or pass on our increased costs to end-consumers, such price increases could have an adverse impact on our result of operations, financial condition and cash flows.

The availability of key raw materials at competitive prices is critical to our profitability, and price fluctuations may affect our margins and, as a result, our profits. Additionally, any significant changes in input taxes, such as the goods and services tax, and other commercial taxes levied on raw materials, packaging materials and finished products that cannot be recovered from or passed on to customers would have an adverse effect on our production costs.

Higher export margins

We export approximately one third of our production including in Europe and the USA. In the event any of our arrangements with clients in these countries are terminated, it may have an adverse effect on our financial condition and results of operation. The value of our exports for Fiscal 2017, 2016, 2015 are ₹ 3,489.20 million, ₹ 3,009.86 million and ₹ 4,091.54 million which comprises 28.22%, 33.08% and 39.14% of total operating revenues, respectively. In the event our arrangements with our clients outside India are terminated our exports will be affected, which may have an adverse effect on our results of operations.

Significant accounting policies

Basis of Preparation of Financial Statements

a. Basis of accounting

The financial statements of our Company have been prepared on an accrual basis under historical cost convention and in accordance with Generally Accepted Accounting Principles in India (“**Indian GAAP**”) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act and the relevant provisions of the Companies Act, as applicable. The accounting policies adopted in the presentation of the financial statements are consistent with those followed in the previous year.

b. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known.

c. Current / Non-Current Classification

All assets and liabilities have been classified as current or noncurrent as per our Company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, our Company has ascertained its operating cycle as 12 months for the purpose of current/noncurrent classification of assets and liabilities.

Tangible and Intangible Assets

a. Tangible Fixed Assets

Tangible Fixed Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use. Expenses directly attributable to new manufacturing facility during its construction period are capitalized

Subsequent expenditures related to an item of Tangible Fixed Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation on tangible fixed assets of the company is provided using written down value method on pro-rata basis at rates and in manner specified in Schedule II of the Companies Act except based on technical analysis carried out

by the management, remaining useful life in respect of certain plant and machineries situated at Unit II, Unit III and Unit V is considered as five years.

b. Intangible Assets

The intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Intangible assets are amortized on a straight-line basis over their technically assessed useful lives, as mentioned below:

Intangible assets	Estimated useful lives (years)
Software	5
License	10
Website	5

c. Capital Work in Progress and Capital Advances

Cost of Assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans and Advances.

d. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

Investments

Investments are classified into current and non-current. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried at the lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Non-current investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss.

Inventories

- Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realisable value after providing for obsolescence, if any. The comparison of cost and net realisable value is made on an item-by item basis.
- In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, First-in-First-Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
- Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.
- Materials in transit are valued at cost-to-date.

Transactions in Foreign Currency:

- Initial recognition:

Transactions in foreign currencies entered into by our Company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.

b. Measurement of foreign currency items at the Balance Sheet date:

Foreign currency monetary items of our Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

c. Forward exchange contracts:

Our Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. Our Company does not enter into any derivative instruments for trading or speculative purposes.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

Revenue Recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax/VAT and is net of returns and discounts. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognised separately as part of changes in inventories of finished goods, work in progress and stock in trade.

Export Incentives are recognised when the right to receive credit as per the terms of incentives is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.

Trade Receivables

Trade receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered doubtful.

Employee Benefits

a. Short Term Employees Benefit

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, short term compensated absences, ex-gratia, etc. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

b. Post Employment Benefit

Defined Contribution Plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. Our Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme and Employees' State Insurance Corporation (ESIC) which are a defined contribution plan. Our Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans:

Our Company's gratuity benefit scheme is a defined benefit plan. Our Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of our Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each

unit separately to build up the final obligation. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance sheet date.

Our Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. Our Company recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Our Company has funded its gratuity liability with Life Insurance Corporation of India (LIC) and Star Union Daiichi under the Group Gratuity Cash Accumulation Plan and SUD Life Group Gratuity Scheme respectively.

c. Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. Our Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Borrowing Cost

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, upto the date when the assets are ready for their intended use. All other borrowing costs are expensed in the period they occur.

Provisions and Contingencies

A provision is recognised if, as a result of a past event, our Company has a present obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Taxes on Income

Income tax expenses comprise current and deferred taxes. Current tax is determined on income for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws and after considering credit for Minimum Alternate Tax (MAT) available under the said Act. MAT paid in accordance with the tax laws which gives future economic benefits in the form of adjustments to future tax liability, is considered as an asset if there is convincing evidence that the future economic benefit associated with it will flow to our Company resulting in payment of normal income tax.

Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that there is a reasonable certainty that there will be sufficient future taxable income to realise the assets. Deferred tax asset pertaining to unabsorbed depreciation and carry forward of losses are recognised only to the extent there is a virtual certainty of its realisation.

Governments Grants/Subsidy

Government Grants is recognized when there is a reasonable assurance that the company will comply with the conditions attached to them and grants will be received.

Grant related to depreciable assets is shown as a deduction from the gross value of the asset concerned in arriving at its book value. The grant is thus recognised in the profit and loss statement over the useful life of a depreciable asset by way of a reduced depreciation charge.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders after deducting preference dividends and attributable taxes by the weighted average number of equity shares outstanding during the year.

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, if any.

Cash and Cash Equivalent

Our Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of our Company are segregated.

Proposed Dividend

Dividend recommended by our Board of Directors is provided for in the accounts, pending approval at the Annual General Meeting.

Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for our Company. Our Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers.

Change in accounting policies

In the last three Fiscals, there has been no change in the accounting policies. However, since April 1, 2017, we required to prepare our financial statements in accordance with Ind AS.

Components of Income and Expenses

The components of our income and expenses are as set forth below:

Income

Our total income consists of revenue from operations and other income.

Revenue from Operations

Our revenues from operations includes revenue from (i) sale of products, which includes vinyl sulphone, H-Acid, Acid Black 210, Black 5, Acid Black 234 and Beta Naphthol, manufactured by our Company; and (ii) other operating revenue.

Revenue from operations further includes other operating income comprising export incentives, sale of scrap and brokerage income received by our Company.

Other Income

Other income primarily consists of income from interest income on deposits, investments in the form of dividends, profits from sales of investments and assets, exchange rate difference and premium on forward contracts received by our Company. Our investments primarily include non- current investments including investment in equit shares of Bhageria Dychem Limited and equity and preference shares of our Associate.

Expenses

Our expenses consist of the cost of materials consumed, purchases of stock-in trade, changes in inventories of finished goods and stock in process, employee benefits expenses, finance costs, depreciation and amortization expenses and other expenses.

Cost of Goods Sold

We define Cost of Goods Sold as (i) cost of materials consumed, (ii) purchases of stock-in-trade and (iii) changes in inventories of finished goods and stock-in-process. Cost of materials consumed includes the cost of raw materials for manufacturing our products. Purchases of stock-in-trade includes the costs incurred in material meant for trading sales. Changes in inventories of finished goods and stock-in-process consist of the net increases or decreases in inventory levels of finished goods and stock-in-process.

Employee Benefits Expense

Employee benefits expenses consist of salaries and wages, contributions to employee benefit plans such as our provident fund, gratuity expenses and staff welfare expenses.

Finance Costs

Finance costs consist of finance charges on financial liabilities and other borrowing costs.

Depreciation and Amortization Expense

Depreciation and amortization expense includes the depreciation and amortization of plant and equipment, office equipment, furniture and fixtures, motor vehicles, buildings and intangible assets.

Other Expenses

Other expenses primarily include manufacturing expenses, repairs and maintenance expenses, travelling expenses, rates and taxes, power, fuel and water charges, stores consumption, pollution control expenses, insurance expenses, legal and professional expenses, packing material consumption, freight and handling charges, corporate social responsibility, business related promotions and advertisements.

Exceptional Items

Exceptional items primarily include profit from sale of Unit V, excess provision written back and writing off of loans and advances.

Tax Expenses

Tax expenses include current tax, taxes from earlier years and deferred taxes. Current income tax is measured in amounts expected to be paid to the tax authorities in accordance with the applicable tax law in the relevant jurisdiction. Deferred income tax is recognised on temporary differences between the carrying amount of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit.

Three months ended June 30, 2017 compared to June 30, 2016

Income

Revenue from operations

Our revenue from operations decreased by 1.37% to ₹ 2,946.24 million for three months ended June 30, 2017 from ₹ 2,987.09 million for three months ended June 30, 2016.

Other Income

Our other income increased by 117.11% to ₹ 47.85 million for three months ended June 30, 2017 from ₹ 22.04 million for three months ended June 30, 2016, primarily due to increase in other interest income and foreign exchange fluctuation gain.

Total Income

As a result of the foregoing, our total income decreased by 0.50% to ₹ 2,994.09 million for three months ended June 30, 2017 from ₹ 3,009.13 million for three months ended June 30, 2016.

Expenses

Our total expenses increased by 0.36% to ₹ 2,515.22 million for three months ended June 30, 2017 from ₹ 2,506.13 million for three months ended June 30, 2016.

Cost of materials consumed

Our cost of materials consumed decreased by 5.75% to ₹ 1,575.38 million for three months ended June 30, 2017 from ₹ 1,671.54 million for three months ended June 30, 2016, primarily due to decrease in cost of raw materials along with lower requirement of raw materials.

Purchase of stock-in-trade

Our expenses on purchase of stock-in-trade decreased by 36.51% to ₹ 21.20 million for three months ended June 30, 2017 from ₹ 33.39 million for three months ended June 30, 2016, primarily due to increase in trading activity along with increase in the price of traded goods.

Changes in inventories of finished goods and stock in process

Our closing inventories of finished goods and stock in process were higher as compared to opening inventories by ₹ 85.64 million and ₹ 12.97 million for three months ended June 30, 2017 and June 30, 2016, respectively.

Employee benefit expenses

Our employee benefit expenses increased by 13.83% to ₹ 108.23 million for three months ended June 30, 2017 from ₹ 95.08 million for three months ended June 30, 2016, primarily due to increase in salaries, wages and bonus on account of increase in the salary and wage increments.

Finance costs

Our finance costs decreased by 9.86% to ₹ 17.09 million for three months ended June 30, 2017 from ₹ 18.96 million for three months ended June 30, 2016, primarily due to decrease in bank charges, interest rate and interest amount on lower utilization of working capital facilities.

Depreciation and amortization expense

Depreciation and amortization increased by 1.89% to ₹ 61.38 million for three months ended June 30, 2017 from ₹ 60.24 million for three months ended June 30, 2016.

Other expenses

Our other expenses increased by 10.99% to ₹ 419.90 million for three months ended June 30, 2017 from ₹ 378.31 million for three months ended June 30, 2016, primarily due to increase in repairs and maintenance, freight and handling charges and pollution control expense.

Profit before exceptional items and Taxes and Profit before Tax

As a result of foregoing items, our profit before exceptional items and taxes decreased by 4.80% to ₹ 478.87 million for three months ended June 30, 2017 from ₹ 503 million for three months ended June 30, 2016.

Tax Expense

Our total tax expense decreased by 2.32% to ₹ 167.37 million for three months ended June 30, 2017 from ₹ 171.34 million for three months ended June 30, 2016.

Profit for the period

As a result of the foregoing, our profit for the period decreased by 6.08% to ₹ 311.50 million for three months ended June 30, 2017 from ₹ 331.66 million for three months ended June 30, 2016.

Fiscal 2017 compared to Fiscal 2016

Income

Revenue from operations

Our revenue from operations increased by 35.87% to ₹ 12,362.97 million for Fiscal 2017 from ₹ 9,099.16 million for Fiscal 2016, primarily due to higher price realisation to our finished goods.

Other Income

Our other income decreased by 42.94% to ₹ 68.30 million for Fiscal 2017 from ₹ 119.70 million for Fiscal 2016, primarily due to recovery of bad debts in Fiscal 2016 being non-recurring income.

Total Income

As a result of the foregoing, our total income increased by 34.85% to ₹ 12,431.27 million for Fiscal 2017 from ₹ 9,218.86 million for Fiscal 2016.

Expenses

Our total expenses increased by 31.32% to ₹ 10,480.89 million for Fiscal 2017 from ₹ 7,981.15 million for Fiscal 2016, primarily due to increase in cost of materials consumed, purchase of stock-in-trade, employee benefit expenses and other expenses.

Cost of materials consumed

Our cost of materials consumed increased by 39.07% to ₹ 7,971.06 million for Fiscal 2017 from ₹ 5,731.51 million for Fiscal 2016, primarily due to increase in cost of raw materials along with higher requirement of raw materials.

Purchase of stock-in-trade

Our expenses on purchase of stock-in-trade increased by 35.55% to ₹ 102.99 million for Fiscal 2017 from ₹ 75.98 million for Fiscal 2016, primarily due to increase in trading activity along with increase in the price of traded goods.

Changes in inventories of finished goods and stock in process

Our closing inventories of finished goods and stock in process were higher by ₹ 100.81 million for Fiscal 2017 compared to our opening for Fiscal 2017. Such increase in our closing inventories was primarily due to increase in inventories of stock in process and finished goods.

Employee benefit expenses

Our employee benefit expenses increased by 16.52% to ₹ 428.68 million for Fiscal 2017 from ₹ 367.89 million for Fiscal 2016, primarily due to increase in salaries, wages, bonus and incentives given by us.

Finance costs

Our finance costs decreased by 28.76% to ₹ 86.91 million for Fiscal 2017 from ₹ 121.99 million for Fiscal 2016, primarily due to decrease in bank charges, interest rate and interest amount on lower utilization of working capital facilities by us.

Depreciation and amortization expense

Depreciation and amortization increased by 12.04% to ₹ 288.94 million for Fiscal 2017 from ₹ 257.90 million for Fiscal 2016, primarily due to acquisitions and expansions made during the year.

Other expenses

Our other expenses increased by 11.48% to ₹1,703.12 million for Fiscal 2017 from ₹1,527.68 million for Fiscal 2016, primarily due to increase in *inter alia*, cost of power and fuel, repairs and maintenance of machinery and pollution control expense.

Profit before exceptional items and Taxes

As a result of foregoing items, our profit before exceptional items and taxes increased by 57.58% to ₹1,950.38 million for Fiscal 2017 from ₹ 1,237.71 million for Fiscal 2016.

Profit before Tax

As a result of the above, our profit before tax increased by 53.14% to ₹1,998.92 million for Fiscal 2017 from ₹ 1,305.26 million for Fiscal 2016.

Tax Expense

Our total tax expense increased by 59.96% to ₹ 712.46 million for Fiscal 2017 from ₹ 445.39 million for Fiscal 2016, primarily due to increase in profit before tax.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 49.54 % to ₹ 1,285.84 million for Fiscal 2017 from ₹ 859.87 million for Fiscal 2016.

Fiscal 2016 compared to Fiscal 2015

Income

Revenue from operations

Our revenue from operations decreased by 12.95% to ₹9,099.16 million for Fiscal 2016 from ₹10,453.12 million for Fiscal 2015, primarily due to lower price realisation to our finished goods.

Other Income

Our other income increased by 157.64% to ₹119.70 million for Fiscal 2016 from ₹46.46 million for Fiscal 2015, primarily due to recovery of bad debts in Fiscal 2016 being non-recurring income.

Total Income

As a result of the foregoing, our total income decreased by 12.20% to ₹9,218.86 million for Fiscal 2016 from ₹10,499.58 million for Fiscal 2015, primarily due to lower price realisation to our finished goods.

Expenses

Our total expenses decreased by 12.37% to ₹7,981.15 million for Fiscal 2016 from ₹9,107.32 million for Fiscal 2015, primarily due to decrease in purchase of stock in trade, employee benefits expense, finance cost and other expenses .

Cost of materials consumed

Our cost of materials consumed decreased by 5.71% to ₹ 5,731.51 million for Fiscal 2016 from ₹ 6, 078.91 million for Fiscal 2015, primarily due to decrease in cost of raw materials along with lower requirement of raw materials.

Purchase of stock-in-trade

Our expenses on purchase of stock-in-trade decreased by 74.66% to ₹ 75.98 million for Fiscal 2016 from ₹ 299.82 million for Fiscal 2015, primarily due to decrease in trading activity along with decrease in the price of traded goods.

Changes in inventories of finished goods and stock in process

Our closing inventories of finished goods and stock in process were higher by ₹101.80 million for Fiscal 2016 compared to our opening for Fiscal 2016. Such increase in our closing inventories was primarily due to increase in inventories of stock in process and decrease in inventories of finished goods.

Employee benefit expenses

Our employee benefit expenses decreased by 18.75% to ₹ 367.89 million for Fiscal 2016 from ₹ 452.80 million for Fiscal 2015, primarily due to lower claim of commission by executive directors.

Finance costs

Our finance costs decreased by 55.27% to ₹ 121.99 million for Fiscal 2016 from ₹ 272.75 million for Fiscal 2015, primarily due to substantial reduction in our term loan from Union Bank of India of ₹ 490.40 million, Bank of India of ₹ 230.00 million and in working capital term loan from Union Bank of India of ₹134.95 million.

Depreciation and amortization expense

Depreciation and amortization increased by 15.91% to ₹ 257.91 million for Fiscal 2016 from ₹ 222.51 million for Fiscal 2015, primarily due to addition to fixed assets.

Other expenses

Our other expenses decreased by 3.32% to ₹1,527.68 million for Fiscal 2016 from ₹1,580.11 million for Fiscal 2015, primarily due to decrease in cost of power and fuel, repairing of plants and machinery and sales commission.

Profits before exceptional items and Taxes

As a result of foregoing items, our profit before exceptional items and taxes decreased by 11.1% to ₹ 1,237.71 million for Fiscal 2016 from ₹1,392.26 million for Fiscal 2015, primarily due to lower sales realisation of finish goods.

Profit before Tax

As a result of the above, our profit before tax decreased by 6.25% to ₹ 1,305.26 million for Fiscal 2016 from ₹ 1,392.26 million for Fiscal 2015, primarily due to lower sales realisation of finish goods.

Tax Expense

Our total tax expense decreased by 6.12% to ₹445.39 million for Fiscal 2016 from ₹474.44 million for Fiscal 2015, primarily due to lower profit before tax.

Profit for the Year

As a result of the foregoing, our profit for the year decreased by 6.31% to ₹859.87 million for Fiscal 2016 from ₹ 917.82 million for Fiscal 2015, primarily due to lower profit before tax.

Liquidity and Capital Resources

Our liquidity requirements arise primarily from our operating activities and capital expenditure. We have financed our operations primarily by way of cash flow from operations. We had cash and cash equivalents of ₹ 145.20 million and ₹ 4.70 million as of March 31, 2017 and March 31, 2016, respectively.

Set forth below is a summary of our cash flow data for the periods indicated:

(in ₹ millions)

Particulars	Year ended March 31,		
	2017	2016	2015
Cash flow from operating activities	1,129.27	1,312.27	1,977.16
Cash flow from investing activities	(767.32)	(225.51)	(353.41)
Cash flow from financing activities	(227.78)	(1,094.08)	(1,621.45)
Cash and cash equivalent at the end of the year	145.19	4.70	12.02

Cash flow from operating activities

Our net cash generated from operating activities was ₹1,129.27 million for Fiscal 2017, compared to ₹1,312.27 million for the Fiscal 2016. The decrease was primarily due to change in inventories, trade receivables and trade payables.

Our net cash generated from operating activities was ₹ 1,312.27 million for Fiscal 2016, compared to ₹ 1,977.16 million for the Fiscal 2015. The decrease was primarily due to change in inventories, trade receivables and trade payables.

Cash flow from investing activities

Our net cash used in investing activities was ₹ 767.32 million for Fiscal 2017, compared to ₹ 225.51 million for the Fiscal 2016. The increase was primarily due to addition of fixed assets and non-current investments.

Our net cash used in investing activities was ₹ 225.51 million for Fiscal 2016, compared to ₹ 353.41 million for the Fiscal 2015. The decrease was primarily due to reduction in capital expenditure.

Cash flow from financing activities

Our net cash used in financing activities was ₹ 227.77 million for Fiscal 2017, compared to ₹ 1,094.08 million for the Fiscal 2016. The decrease was primarily due to addition of fixed assets.

Our net cash used in financing activities was ₹ 1,094.08 million for Fiscal 2016, compared to ₹ 1,621.45 million for the Fiscal 2015. The decrease was primarily due to repayment of long term borrowings, dividend paid and finance cost.

Indebtedness

As at March 31, 2017, our borrowings (long term and short term) aggregated to ₹ 1,490.15 million which consisted of long term borrowings (excluding other current liabilities) amounting to ₹78.63 million, short term borrowings amounting ₹ 1,411.52 million and other current liabilities to ₹ 19.12 million.

(In ₹ millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Long term borrowings			
Secured	71.49	Nil	855.38
Unsecured	7.14	6.79	6.70
Total (A)	78.63	6.79	862.08
Short term borrowings			
Secured	891.97	1,396.14	1,224.91
Unsecured	519.55	26.11	Nil
Total (B)	1,411.52	1,422.25	1,224.91
Other current liabilities			
Current maturities of long term borrowings	19.12	Nil	0.79
Advance Received from Customers	5.24	15.00	27.78
Unclaimed Dividends	2.24	2.38	1.57
Unclaimed share application money	Nil	Nil	0.04

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Creditors for Capital Goods	22.22	22.37	30.34
Other Current Liabilities	9.92	11.00	62.88
Statutory Liabilities	44.44	27.68	63.223
Total (C)	103.18	78.43	186.61
Total borrowings (A+B+C)	1,593.33	1,507.47	2,273.60

Contingent Liabilities and Commitments

Set forth below is a breakdown of our contingent liabilities and commitments as of March 31, 2017, 2016 and 2015:

<i>(In ₹ millions)</i>			
Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
Contingent liabilities			
Disputed matters in appeals/contested in respect of:			
i Income tax	30.12	29.61	26.83
ii Excise	31.95	31.47	19.34
iii Service Tax	0.39	0.61	0.39
iv Customs Department	Nil	0.01	1.17
Letter of Credit issued by bankers and outstanding as on 31st March, 2017.	91.50	59.50	66.92
Bank Guarantee issued by bankers and outstanding as on 31st March, 2017/2016/2015	47.80	52.74	47.18
Share in the Contingent Liabilities of Associate Company	10.98	Nil	Nil
Total (A)	212.74	173.94	161.83
Commitments			
Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances. (B)	297.91	0.44	8.28
Total (A+B)	510.65	174.38	170.11

Off- Balance Sheet Commitments and Arrangements

We do not have any off- balance sheet commitments and arrangements.

Contractual Obligations

We do not have any contractual obligations.

Interest Coverage Ratio

Our interest coverage ratio (earnings before interest and tax against interest expended) as of March 31, 2017, 2016 and 2015 was 29.70, 13.4 and 6.40 respectively.

Set forth below is the details of borrowings of our Company as of March 31, 2017, 2016 and 2015:

	<i>(In ₹ millions)</i> As of March 31,		
	2017	2016	2015
Long-term borrowings	78.63	6.79	862.07
Current maturity of long term debt	19.12	Nil	0.78
Short-term borrowings	1,411.52	1,422.25	1,224.91
Total	1,509.27	1,429.04	2,087.76

Qualitative and Quantitative Disclosures about Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are subject to currency rate risk and interest rate risk. The financial instruments that are affected by these risks include loans, bonds and borrowing, deposits, available-for-sale investments and derivative financial instruments. We use derivative financial instruments such as forward exchange contracts to manage our exposures to such foreign exchange movements.

Interest rate risk

Our exposure to interest rate risk is primarily due to short-term and long-term borrowings. As of March 31, 2017, our Company has a total borrowings of ₹ 1,509.27 million, bearing interest at floating rates. Accordingly, we are subject to market risks due to fluctuations in interest rates primarily in relation to our debt obligations with floating interest rates. We do not actively hedge our interest rate risk.

Foreign exchange risk

We are exposed to exchange rate risk. A certain portion of our products are exported by us in U.S. dollars. Any appreciation in the value of the Rupee against U.S. dollar or other foreign currencies would decrease the realisation of Rupee value of our products. The exchange rate between the Rupee and the U.S. dollar has changed substantially in recent years and may continue to fluctuate significantly in the future. Although we currently enter into certain hedging arrangements against currency exchange rate risks, there can be no assurance that these arrangements will successfully protect us from losses due to fluctuations in currency exchange rates. Adverse movements in foreign exchange rates may adversely affect our results of operations and financial condition.

Credit risk

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly or at all, we may have to make provisions for or write-off such amounts. In Fiscal 2017 and Fiscal 2016, our trade receivables were ₹2,305.49 million and ₹1,666.79 million.

Commodity price risk

We are exposed to the price risk associated with purchasing our key raw materials. We generally do not enter into long-term firm price contracts for the supply of our key raw materials. Therefore fluctuations in the price and availability of these raw materials may adversely affect our business and results of operations.

Employee stock option scheme

Our Board and shareholders have approved, pursuant to the resolutions dated May 11, 2017 and September 23, 2017, respectively, the implementation of the employee stock option scheme “ESOP 2017” for grant of options to employees of our Company, our subsidiaries and holding company, in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. As on the date of this Placement Document, there are no stock options granted by our Company under the aforesaid scheme.

Observations by Auditors

There are no reservations, qualifications or adverse remarks highlighted by our auditors in their reports to our consolidated financial statements as of and for the Fiscal Years ended March 31, 2017, 2016, 2015, 2014 and 2013.

Significant Developments after March 31, 2017

There are no significant developments after March 31, 2017.

SUMMARY OF KEY DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

Certain differences exist between Indian GAAP and Indian Accounting Standard (Ind AS) which might be material to the financial information herein. The matters described below summarize certain differences between Indian GAAP and Ind AS that may be material. Such comparative statement has been included for illustrative purposes only and does not imply that all such differences apply, or will apply, to the manner in which our financial statements are prepared and presented under Ind AS or otherwise. No assurance is provided that the following summary of differences between Indian GAAP and Ind AS is complete. In making an investment decision, investors must rely upon their own examination of our Company, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for and understanding of the differences between Indian GAAP and Ind AS, and how those differences might affect the financial information herein.

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.
Ind-AS 1		Statement of Change 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.	Statement of Change in Equity: 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, are reconciliation between the opening and closing balances, separately disclosing each change.
Ind-AS 1		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.	Extraordinary items: Presentation of any items of income or expense as extraordinary is prohibited
Ind-AS 1		Change in Accounting Policies: Under Indian GAAP, Changes in accounting policies should be made only if it is required by statute, for compliance	Change in Accounting Policies: Ind-AS-1 requires retrospective application of changes in accounting policies by adjusting the opening balance

Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
		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.	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.
Ind-AS 1		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 Standards 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.	Dividends: 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.
Ind-AS 1		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.	Errors: 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.
Ind-AS 1		Presentation of profit or loss attributable to non-controlling interests (minority interests): 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	Presentation of profit or loss attributable to non-controlling interests (minority interests): Profit or loss attributable to non-controlling interests and equity holders of the parent are disclosed in the statement of profit or loss and Other comprehensive income as allocations of profit or loss and total comprehensive income for the period.
Ind-AS 1	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 Flows	Under Indian GAAP, AS is silent about inclusion of bank overdraft in cash and cash equivalents. Effect of changes in Bank overdraft is included under financing activities.	As per Ind AS 7, bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents.
Ind-AS 8	Accounting Policies, Changes in	Change in Accounting Policies:	Change in Accounting Policies:

Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
	Accounting Estimates and Error	Under Indian GAAP, Changes in accounting policies should be made only if it is required by statute, for compliance with an Accounting Standard or for a more appropriate presentation of the financial statements on a prospective basis together with a disclosure of the impact of the same, if material. If a change in the accounting policy is expected to have a material effect in the later periods, the same should be appropriately disclosed. However, change in depreciation method, though considered a change in accounting policy, is given retrospective effect. 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.	Ind-AS-8 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. Errors: 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.
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 12		Deferred tax is not recognized on unrealized intragroup profits. Deferred tax expense is an aggregation from separate financial statements of each group entity and no adjustment is made on consolidation.	Deferred tax assets/Deferred Tax Liabilities will need to be created on unrealized intragroup profit. Deferred tax on unrealized intra group profits is recognized at the buyer's rate.
Ind AS 16	Property Plant and Equipment – Reviewing Depreciation and residual value	Property, plant and equipment are not required to be componentised as per AS-10. However, companies Act require the company to adopt component accounting. The Companies Act, 2013 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 from the useful life specifies in the Companies Act, 2013. 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 Standards 10, the standard is made in line with the requirements Ind AS.	Property, plant and equipment are componentized and are depreciated separately. There is no concept of minimum statutory depreciation under Ind AS. Ind AS 16 mandates reviewing the method of depreciation, estimated useful life and estimated residual value of an asset at least once in a year. The effect of any change in the estimated useful and residual value shall be taken prospectively. Ind AS 101 gives option to first time adopter to either take gross value of PPE at fair value or at their carrying value as on transition date and consider them as their deemed cost.
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 21	Effects of changes in Foreign Exchange	Foreign currency is a currency other than the reporting currency which is the	Functional currency is the currency of the primary economic environment in which

Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
	Rates: Functional and presentation currency	currency in which financial statements are presented. There is no concept of functional currency.	the entity operates. Foreign currency is a currency other than the functional currency. Presentation currency is the currency in which the financial statements are presented.
Ind-AS 32	Classification of Equity and Financial Liabilities	Under Indian GAAP, financial instruments are classified as a liability or equity based on legal form. Redeemable preference shares will be classified as Shareholders Funds. Preference dividends are always recognized similar to equity dividends and are not treated as interest expense.	Under Ind-AS, financial instruments are classified as a liability or equity according to the substance of the contractual arrangement (and not its legal form) and the definitions of financial liabilities and 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. Hence if preference shares meet the definition of financial liability, the dividend is treated as an interest expense.
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
	Accounting of current investment	Under Indian GAAP, long term investments including trade investments are carried at cost, after providing for any diminution in value, if such diminution is not temporary in nature. Current investments are stated at the lower of cost and fair value.	A financial asset is measured at amortized cost if it meets the following criteria: - the asset is held to collect its contractual cash flows. - the asset's contractual cash flows represent 'solely payments of principal and interest' ('SPPI'). - Financial assets included within the amortized cost category are initially recognized at fair value and subsequently measured at

Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
			amortized cost. A financial asset is measured at fair value through the Other Comprehensive Income if it fulfills the following requirements: - the objective of the business model is achieved both by collecting contractual cash flows and by selling financial assets. - the asset's contractual cash flows represent SPPI. Financial assets included within the Fair value through other comprehensive income (FVTOCI) category are initially recognized and subsequently measured at fair value. Movements in the carrying amount will be taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognized in profit and loss. Where the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Fair value through profit & loss (FVTPL) is the residual category. Financial assets will be classified as FVTPL if they do not meet the criteria of FVTOCI or amortized cost. Financial assets included within the FVTPL category will be measured at fair value with all changes taken through profit or loss. Regardless of the business model assessment, an entity can elect to classify a financial asset at FVTPL, if doing so, reduces or eliminates a measurement or recognition inconsistency ('accounting mismatch')
Ind AS 109	Financial guarantee contract	Under Indian GAAP, the financial guarantee contracts (i.e. guarantees given on behalf of subsidiary, associate or joint venture companies) are disclosed by way of contingent liabilities in the standalone financial statements of the parent company. Guarantees given on behalf of associate and joint venture companies are disclosed by way of contingent liabilities in the consolidated financial statements of the parent company.	Ind AS 109 requires all financial guarantee contracts to be recognised at fair value at inception. The fair value of the contract will be equal to the amount of premium receivable (or net present value of the premium if the same is paid over the period) determined on an arm's length basis. Thereafter, the same is required to be carried at the amount initially recognised less the cumulative amortization of income over the period of the contract.
	Financial Instruments	Under Indian GAAP, provisions are made	In addition to the specific provisions

Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
	- Provision for doubtful debts	for specific receivables based on circumstances such as. Credit default of customer or disputes with customers. An enterprise should assess the provision of doubtful debts at each period end which, in practice, is based on relevant information such as past experience, actual financial position and cash flows of the debtors. Different methods are used for making provisions for bad debts, including ageing analysis and individual assessment of recoverability.	under Indian GAAP, under Ind AS, at each reporting date, an entity shall assess whether the credit risk on trade receivables has increased significantly since initial recognition. When making the assessment, an entity shall use the Expected Credit Loss model to provide for a loss allowance over and above any provision for doubtful debts in the profit and loss statement. An entity shall measure expected credit losses to reflect the following: • an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; • the time value of money; and • reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.
Ind AS 110/111	Subsidiary vs. Joint Arrangements	Under Indian GAAP, a company is treated as a subsidiary company if the parent is holding more than 50% of the equity/voting rights during the year. Accordingly, the financial statements of the parent and its subsidiaries are consolidated on a line by line basis by adding together like items of assets, liabilities, income and expenses. The financial statement of Joint Venture is consolidated on a proportionate basis by adding together like items of assets, liabilities, income and expenses.	An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Accordingly, the financial statements of the parent and its subsidiaries are consolidated on a line by line basis by adding together like items of assets, liabilities, income and expenses. Joint arrangement is an arrangement in which two or more parties have joint control. Joint control is contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Based on legal form of separate vehicle, terms of contractual agreement and other facts, joint arrangement shall be classified either into joint venture or joint operation. In case of joint venture, equity method in accordance with Ind AS 28 is applied at the time of consolidation.
Ind AS 102	Share-based Payment	Under existing Indian GAAP, only employee related share based payments are covered by the guidance note. Further the guidance note is not a notified accounting standard and hence the accounting practices around share based payment are not consistent. Guidance note on share based payments used to provide an accounting alternative in which a Company was allowed to determine the	Ind-AS 102 now will require accounting for the same using the fair value method. This will essentially require the determination of the fair value of the options (as against the share in the intrinsic value method) and recording of such costs over the vesting period of such option with the employees. This method inherently assumes that every option has a value and its fair value should be

Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
		fair value of the share on the date of the grant and if the fair value of the share and the exercise price of the share was same on the date of grant then no accounting charge was required to be recorded by the Company. This method is currently being called as intrinsic value method.	accounted through statement of income.

The table above is only illustrative and is not intended to present a comprehensive list of areas which may have some implications on our Company's financial statements.

INDUSTRY OVERVIEW

*The information disclosed in this section has been primarily derived from the report on Indian Dyes and Dyes Intermediate Industry issued by Care Research, a division of Care Ratings Limited (“**CARE Research**”). This data has not been prepared or independently verified by us or the Lead Managers or any of their respective affiliates or advisors. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. In this section, all references to a particular year are to the 12-month period ended December 31, of that year, all references to a particular Fiscal are to the 12-month period ended March 31, of that year, and all references to CY are for the period January 1 to December 31 of that year.*

Indian Macroeconomic Environment

India has emerged as one of the largest economies globally, attaining sixth position amongst the world economies based on gross domestic product (“**GDP**” at current price i.e., USD 2,454 billion) for 2016. The acceleration of structural reforms, move towards rule based policy framework coupled with low commodity prices has provided a strong growth impetus. The economic growth of the country has remained buoyant over the past few years, and the same is indicated by the growth rates of key macroeconomic indicators such as GDP. GDP registered an impressive growth over the past few years (7.6% in Fiscal 2016) and has grown at 7.1% during Fiscal 2017 albeit at a slower pace which was being dragged down by mining and construction activities. The spur in consumption was expected in the second half of the year on account of favorable monsoon and revision in the wages post implementation of the 7th Pay Commission. However, owing to demonetization activity undertaken by the Government of India, there was a temporary slowdown in economic activities during the third quarter of Fiscal 2017 on account of the cash crunch.

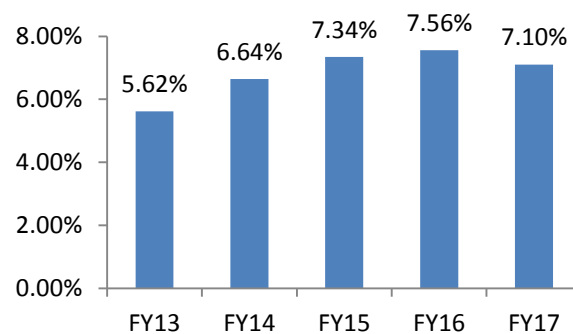


Figure 1: GDP Growth over last five years; Source: CARE Research

The Q1 Fiscal 2018 GDP growth stood at 5.7% at the slowest pace in past five years. The weakened economic performance indicates the disruption caused by demonetization and implementation of GST in business activity. Amongst sectors, the service sector led by trade, transport and communication, financial services along with public administration and electricity propelled economic growth in Q1 Fiscal 2018. However, the implementation of GST could help iron out the operational bottlenecks for businesses for growth in remaining three quarters of Fiscal 2018.

CARE Research expects GDP to grow at 7.1 to 7.3% during Fiscal 2018 on the basis of:

- Increased government spending in infrastructure
- Pick up in private investment
- Good monsoon
- Expected surge in the consumer spending

Certain threats, however, prevail in terms of increasing global commodity prices, especially crude oil, rising bad loans and uncertain trade prospects with appreciation in the value of Indian Rupee vis-à-vis other currencies.

Indian Chemical Industry – an overview

India is the third largest producer of chemicals in Asia and seventh largest in the world with an estimated market size of USD 139 billion as of Fiscal 2016. Wide gamut of products produced by the chemical industry find application across various segments like textile, paper, leather, paints, pesticides, plastic, fertilizers, pharmaceuticals, detergents, soaps, automobiles and food industries. The chemical industry in India is projected to grow at CAGR of 9% during Fiscal 2017 to Fiscal 2021.

The Indian chemical industry can be classified into three broad segments: Basic Chemicals, Specialty Chemicals and Agro Chemicals.

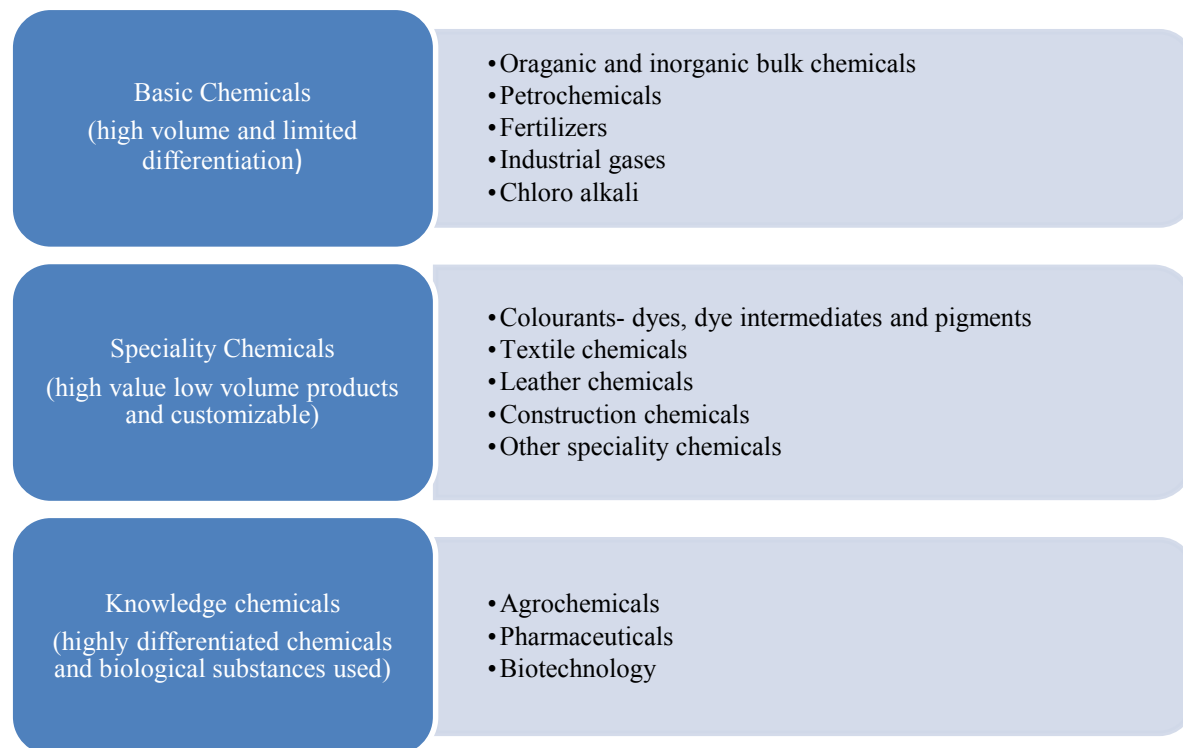


Figure 2: Classification of Indian chemical industry; Source: CARE Research

Colorants Industry

The colorants industry can be divided into three segments, i.e., Dye Intermediates (“DI”), Dyestuff (“DS”) and Pigments (“PG”).

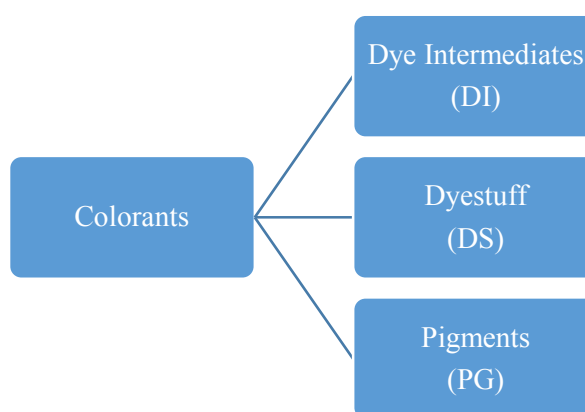


Figure 3: Classification of colorant industry

Particulars	DI	DS	PG
Definition	An organic compound prepared for synthesizing dyes	A colored substance that has affinity to the substrate to which it is being applied	A material, usually insoluble and doesn't affect the substrate on which it is applied. It alters color appearance by selective absorption-scattering of light
Application	DS synthesis	textiles, paper, leather, etc.	coating, ink, plastic, automobile etc.
Global manufacturing	India and China share majority of the global	China, India and other Asian countries	Europe, US, Japan and India

Particulars	DI	DS	PG
geographies	share		

Table 1: Key Characteristics of DI, DS & PG; Source: CARE Research

Dyes and Dye Intermediates

Dyes: Dyes are colored aromatic organic compounds, which show affinity towards the substrate to which they are applied. Dyes are differentiated based on application properties such as solubility, fastness to light and washing, absorption, retention, bonding pattern with the substrate etc. Various types of dyes, key differentiating properties and their application are as set out below:

Type of Dyes	Key Properties	Application
Reactive dyes	Reactive dyes utilize a chromophore containing a substituent that is capable of directly reacting with the fiber substrate. The covalent bonds that attach reactive dyes to natural fibers make it among the most permanent of dyes.	Preferred choice in cotton textiles
Acid dyes	Their attachment to the fiber is attributed, at least partly, to salt formation between anionic groups in the dyes and cationic groups in the fiber. Acid dyes are not substantive to cellulosic fibers.	Wool, silk, nylon, and some other manmade fiber
Basic dyes	Water soluble cationic dyes	Paper, wood, straw and leather
Direct dyes	Direct dyeing is carried out in a neutral or slightly alkaline dye bath at or near boiling point with addition of salt.	Cotton, linen, rayon, wool, silk and nylon.
Disperse dyes	Relatively insoluble in water and are ground into relatively fine powder in the presence of dispersing agents. Finer particle size gives a large surface area that aids dissolution to allow uptake by fiber	Synthetic fabric
Azo dyes	It is insoluble and can be directly applied to fabric.	Printing inks
Sulphur dyes	They have good resistance to washing but poor resistance to sunlight	Cotton with low brightness
VAT dyes	Known for fastness to washing and sunlight	Cotton, linen, rayon, wool, and silk

Table 2: Types of Dyes; Source: Industry research

Dye Intermediates: Dye intermediates are the organic compounds that are used for synthesizing various dyes. The various types of dye intermediates and their end uses are as set out below:

DI Name	End Use
Vinyl Sulphone (VS)	Reactive dyes
H-Acid	Reactive dyes and azo dyes,
Gamma Acid	Acid and direct dyes
DASA	Leather dyes
Beta naphthol	Gama-acid
K-Acid	Reactive, direct and acid dyes for production of specific colors- Blue, Black , Red
G- Salt	Food dyes and manufacturing of Amido G
R-Salt	Acid dyes and food color
Acetanilide	Manufacturing of VS
Meta Ureido Aniline	Used along with K-acid to manufacture Yellow dyes

Table 3: Major types of DI

Global Dyes and Dye Intermediates Industry

The size of global dyes industry was estimated at USD 5.60 billion as of CY 2016. The global dyes market has gradually shifted from countries like Europe, Japan and United States of America to Asian countries, predominantly China and India, in the last two decades on account of stricter environmental and pollution control norms in developed countries.

China is the largest manufacturer of dyes followed by India. During CY 2016, India accounted for approximately 16% of the world production of dyes and dye intermediates. India is a leader in the production and export of reactive dyes while China is the largest player in disperse and azo dyes. Global dye intermediates capacity was estimated at 17,50,000 metric tonne per annum (“MTPA”) to 18,00,000 MTPA as of CY 2016. In terms of production, China contributes more than 70% share followed by about 17% share of India as of CY 2016. Out of large portfolio of intermediates, vinyl sulphone and H-acid are expected to constitute about 60% of the aggregate dye intermediates production.

Indian Dyes and Dye Intermediates Industry

Dye Intermediates Industry

The total installed capacity of various dye intermediates in India was estimated in the range of 2,65,000 MTPA to 2,80,000 MTPA as of Fiscal 2017, of which H-acid and VS accounted for about 40% of the installed capacity and 60% of the domestic

dye intermediates production. The estimated production of dye intermediate during Fiscal 2017 was in the range of 1,45,000 to 1,55,000 MTPA. Bodal Chemicals Limited, Colourtex Industries Private Limited, Kutch Chemical Industries Limited, Kiri Industries Limited, Mayur Dyechem Intermediates Limited, Bhageria Industries Limited, Aksharchem India Limited, Jay Chemical Industries Limited and Shree Pushkar Chemicals and Fertilizers Limited are major players in the domestic intermediates industry. While Colourtex Industries Private Limited and Jay Chemical Industries Limited consume intermediates for in-house production of dyes, balance players sell large portions of intermediates in the domestic and export markets. Bodal Chemicals Limited's estimated market share based on actual production of intermediates on a consolidated basis in domestic dyes intermediate production was about 18% during Fiscal 2017. Since SPS Processors was acquired by Bodal Chemicals Limited on March 21, 2017, the above share includes production of SPS Processors for the period of ten days during Fiscal 2017.

Vinyl Sulphone ("VS"): The total installed capacity of VS in India was estimated at 79,000 MTPA while annual production was estimated in the range of 55,000 to 58,000 MT as of Fiscal 2017. The demand of VS is largely dependent on reactive dyes and hence the demand growth of VS replicates the growth in the production of reactive dyes. Trend of estimated domestic production and demand is as below.

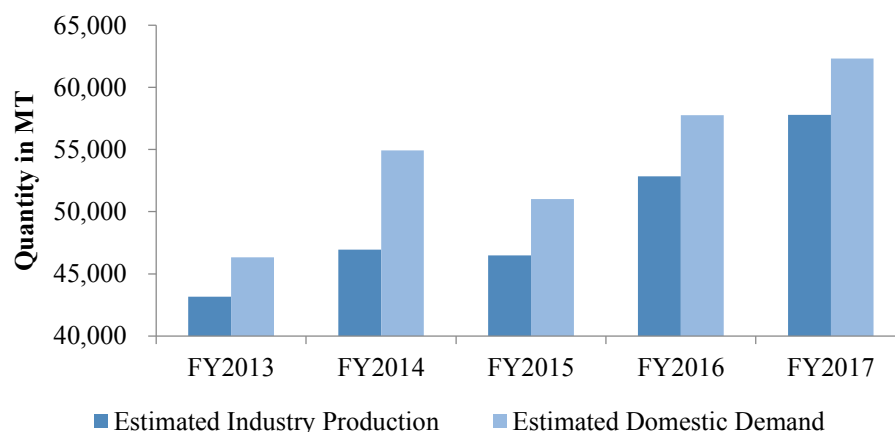


Figure 4: Estimated production & estimated domestic demand of VS; Source: CARE Research

India has been a net exporter of VS with stable export volumes over the period of Fiscal 2012 to Fiscal 2017. Asian countries like Korea, Taiwan, China, Indonesia and Thailand are the major export destinations for VS. Details of exports and imports of VS for Fiscal 2012 to Fiscal 2017 are tabulated below:

Year	Exports			Imports			Average Domestic Prices
	Value	Quantity	Export Realization	Value	Quantity	Import Cost	
	(Rs crore)	MT	(Rs/Kg)	(Rs crore)	MT	(Rs/Kg)	
FY2012	209	15,784	133	19	1,229	152	120
FY2013	253	14,369	176	50	3,179	156	153
FY2014	379	14,432	263	191	8,005	238	243
FY2015	361	14,205	254	111	4,536	245	209
FY2016	272	12,302	221	86	4,912	174	176
FY2017	430	15,304	281	121	4,535	266	270

Table 2: Exports and Imports of VS and respective realization; Source: Ministry of Commerce and Industry & CARE Research

The price differential between average domestic prices of VS and average import prices has been lower. Although the quantity of imports of VS has more than doubled during the period from Fiscal 2012 to Fiscal 2017, the imports as a percentage of domestic demand has been on a declining trend during the same period from 15% during 2014 to 7% during 2017. Prices of VS were largely stable till April 2016. However, shutdown of one of the largest producer of VS in China, Hubei Chuyuan during Fiscal 2017 due to environmental issues had resulted in spike in prices of VS in Fiscal 2017 as presented below:

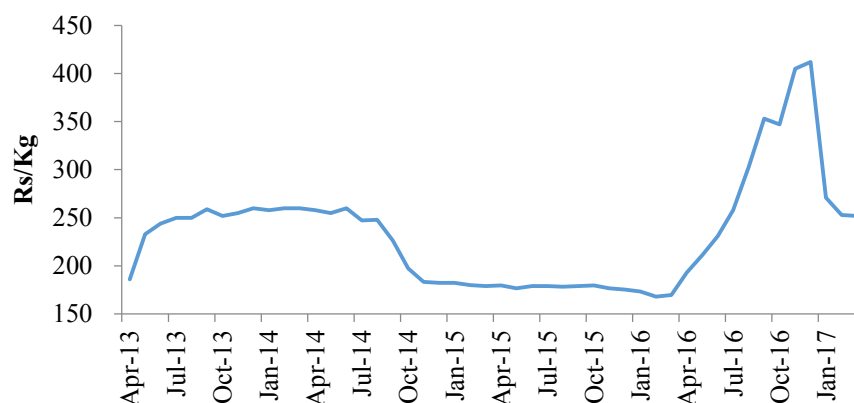


Figure 5: Volatility in the prices of VS; Source: CARE Research

Prices of VS have stabilized since January 2017. CARE Research expects that prices of VS shall remain range bound around ₹220 to ₹230 per kg notwithstanding disruption in production in China.

Domestic VS market is largely controlled by 10 to 12 players. Bodal Chemicals Limited, Kutch Chemical Industries Limited, Kiri Industries Limited, Aksharchem India Limited and Mayur Dyechem Industries Limited are major players in the domestic VS market. BCL is the largest producer of VS in India with an estimated market share of 21% in domestic VS production and 19.75% of domestic demand during Fiscal 2017.

H-Acid: The total installed capacity of H-acid in India was estimated at 40,750 MTPA as of Fiscal 2017. As H-acid is one of the most polluting industrial effluents that generates 50kg of waste for every one kg of useable material, there has been no large/major capacity expansion in the industry in the past five years. The production of H-acid in India was estimated in the range of 27,000 MTPA to 28,500 MTPA during Fiscal 2017. Domestic capacity utilization of H-acid has increased since Fiscal 2015 post implementation of stringent pollution control norms in China. Demand growth of H-acid is also derived from demand growth of reactive dyes.

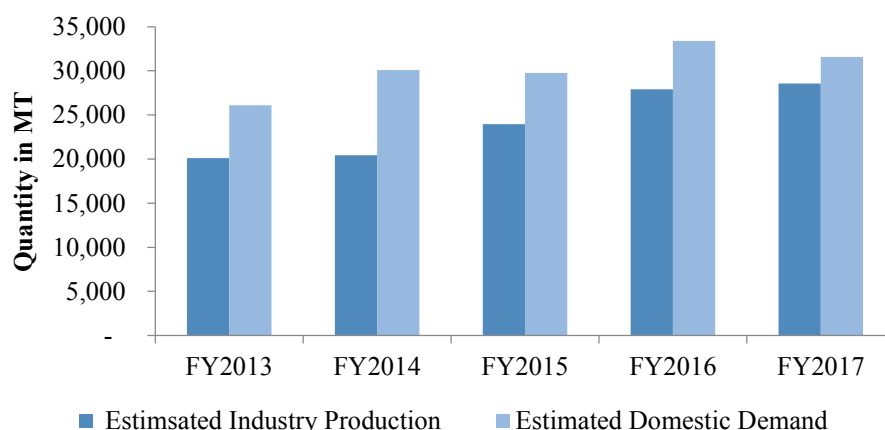


Figure 6: Estimated production & estimated domestic demand of H-acid; Source: CARE Research

Subsequent to Fiscal 2014, import of H-acid from China has declined considerably while the export of the same has grown at a steady pace as tabulated below:

Year	Exports			Imports			Average Domestic Prices
	Value	Quantity	Export Realization	Value	Quantity	Import Cost	
	(Rs crore)	MT	(Rs/Kg)	(Rs crore)	MT	(Rs/Kg)	
FY2012	68	2,928	234	61	2,436	250	225
FY2013	54	2,186	246	164	5,976	274	232
FY2014	145	2,329	620	532	9,651	552	650
FY2015	258	2,766	934	440	5,776	763	760
FY2016	163	3,689	442	234	5,449	425	400
FY2017	188	5,607	335	122	3,012	406	320

Table 3 : Exports and Imports of VS and respective realization; Source: Ministry of Commerce and Industry & CARE Research

During Fiscal 2014, the average sales prices of H-acid in the domestic market were higher than import prices which resulted in an increase in imports. However, subsequent to stabilization of prices, imports declined considerably from Fiscal 2015. Imports as proportion of domestic demand has reduced steadily and declined from 32% during Fiscal 2014 to 10% during Fiscal 2017.

Given lower supply from China, the export of H-acid from India registered a healthy CAGR growth of 22% and 14% in value and volume, respectively, over the period from Fiscal 2012 to Fiscal 2017. Major export destinations of H-acid from India were Korea, Taiwan, China, Thailand and Turkey during Fiscal 2017. It is to be noted that India's exports of H-acid to China was around ₹210 million in Fiscal 2017 as compared to almost nil during Fiscal 2013 to Fiscal 2016.

The prices of H-acid had remained stable and in the range of ₹200 to ₹250 per kg till Fiscal 2012. However, the implementation of stricter pollution and environmental norms in both China and India has created shortage of H-acid, hence resulting into high volatility in the prices of H-acid during last three years. However, prices have stabilized over the last one year to around ₹320 to ₹340 per kg. CARE Research expects that prices of H-acid shall remain range bound and higher than Fiscal 2013 levels.

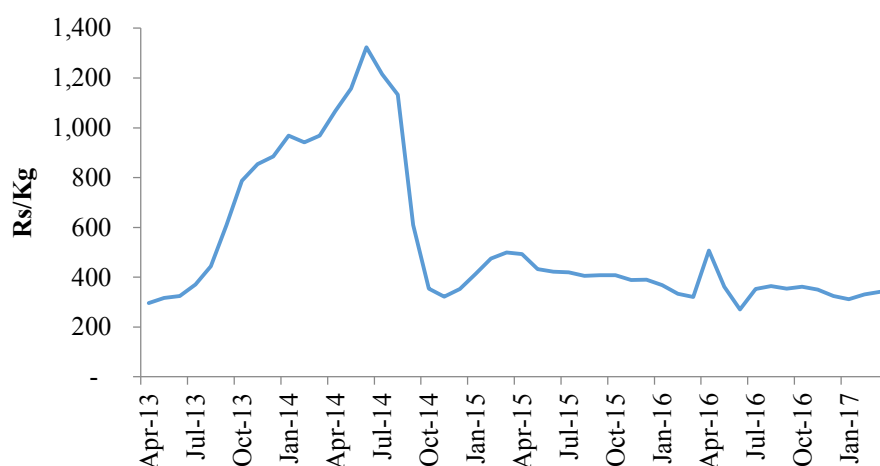


Figure 7: Volatility in the prices of H-acid; Source: CARE Research

H-acid market is governed by about 9 to 10 players in the domestic market. Bodal Chemicals Limited, Kiri Industries Limited, Bhageria Industries Limited, Mayur Dyechem Industries Limited, Kutch Chemical Industries Limited and Shree Pushkar Chemical and Fertilizers Limited are major players in the H-acid segment. The estimated market share of BCL was 16% in the domestic H-acid production and 15% of domestic demand in Fiscal 2017.

Overview of key raw materials used in dye intermediates

The basic raw materials used for the manufacture of dyes intermediates are Benzene, Toluene, Xylene and Naphthalene (BTXN). Apart from basic raw materials sulphuric acid, chlorosulphonic acid, oleum 65% (together referred to as basic chemicals), acetanilide, caustic soda flakes, ethylene oxide and soda ash are also used for manufacturing dyes intermediates and dyes. These raw materials are processed via nitration, sulphonation, amination, reduction and are transformed into dye intermediates. This is followed by processes such as diazotition, coupling and formulation to produce the dyes. The key raw materials used in the production are as below:

Name	End Use	Procurement & availability	Major Players
Acetanilide (Made from Aniline Oil & hence linkages with crude)	Production of VS	Domestic	Bodal Chemicals Limited, Kutch Chemical Industries Limited, Panoli Intermediates (India) Private Limited
Crude Naphthalene (Derivative of coal tar)	Production of H-acid & Beta Naphthol	Domestic and Import	Himadri Speciality Chemicals Limited
Aniline Oil (Derivative of Benzene and hence linkages with crude price movement)	Production of Acetanilide	Largely imported	Largely imported from China
Caustic Soda	Production of VS and beta Naphthol	Domestic & Import	Gujarat Alkalies and Chemicals Limited
Soda Ash	Production of H-acid	Domestic	Easily available; key players: GHCL Limited, TATA Chemicals Limited, Nirma Limited
Ethylene Oxide	Production of VS	Domestic	Reliance Industries Limited is the sole player manufacturing the product.

Name	End Use	Procurement & availability	Major Players
Thionyl Chloride	Production of VS	Domestic	Kutch Chemical Industries Limited, Shree Sulphuric Private Limited Lanxess India Private Limited
Beta Naphthol	Production of Gamma acid		Bodal Chemicals Limited
Sulphur	Production of sulphuric acid and oleum	Domestic & Import	Indian Oil Corporation Limited, Essar Oil Limited and Reliance Industries Limited
Sulphuric Acid	Production of VS, H-acid & beta naphthol	Captive consumption for BCL	Easily available and by product of Hindustan Zinc Limited
Oleum 65%	Production of H-acid	Captive consumption for BCL	Bodal Chemicals Limited, Kutch Chemical Industries Limited, Panoli Intermediates (India) Private Limited, Kiri Industries Limited
Chlorosulphonic Acid	Production of VS	Captive consumption for BCL	Bodal Chemicals Limited, Kutch Chemical Industries Limited, Panoli Intermediates (India) Private Limited, Kiri Industries Limited

Table 4: Key Raw materials; Source: CARE Research

Majority of Bodal Chemicals Limited's raw materials are petroleum based and sulphur based and subject to volatility of crude oil and sulphur prices in domestic and international markets. This makes the profitability vulnerable to sharp movements of raw material prices. Nevertheless, prices of basic chemicals have not exhibited major volatility in the past. Further, sulphuric acid being by product of large zinc manufacturers is easily available in the domestic market. Moreover, integrated players also get benefit of captive production of basic chemicals and some of the dyes intermediates.

Dyes Industry

The dyes industry in the India is fragmented and unorganized comprising of more than 800 small scale units and 15 to 20 large sized organized players manufacturing more than 600 different types of dyes. The western states of Gujarat and Maharashtra account for more than 90% of India's production. The total installed capacity for various dyes in India was estimated at 3,80,000 to 4,00,000 MTPA as of Fiscal 2017, while the domestic production of the dyes was estimated at 2,05,000 MT during Fiscal 2017. The domestic installed capacity and the production is largely driven by the reactive dyes, followed by disperse dyes which majorly finds application across various segments of textile industry.

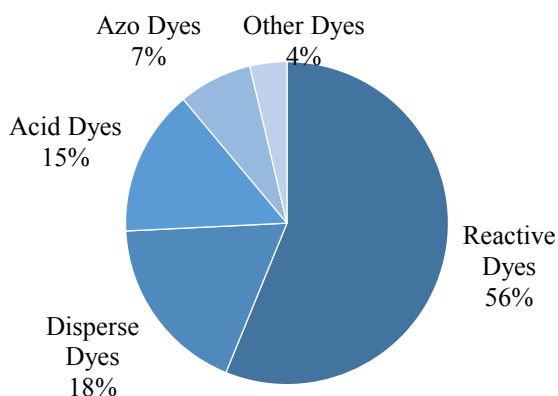


Figure 8: Share of various dyes in the total installed capacity during Fiscal 2017; Source: Department of Chemicals & Petrochemicals

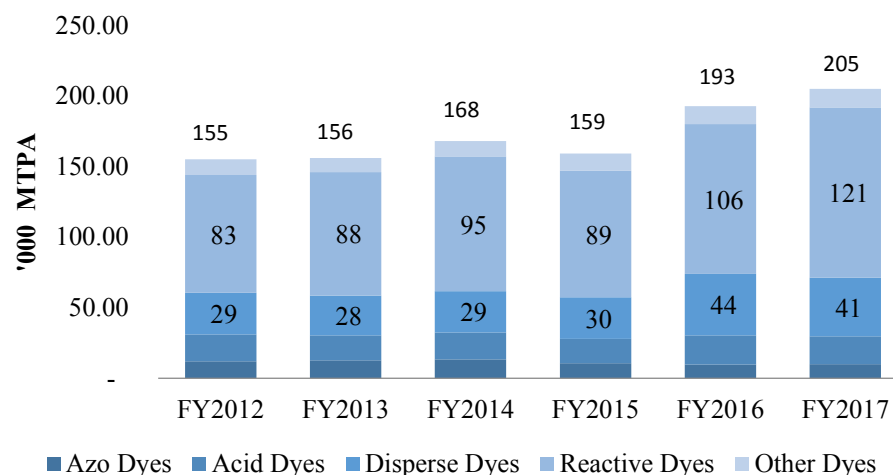


Figure 9: Domestic Production of various Dyes; Source: Department of Chemicals & Petrochemicals

Over the years, the end users focus has shifted from highly toxic azo dyes to reactive and disperse dyes resulting into increased contribution of the reactive dyes and disperse dyes in domestic production during Fiscal 2012 to Fiscal 2017 as tabulated below:

Types of Dyes	Production of Dyes '000 MTPA				
	Fiscal 2012	% Share	Fiscal 2017	% Share	CAGR of 5 years
Reactive Dyes	83.38	54%	120.87	59%	8%
Disperse Dyes	29.44	19%	41.35	20%	7%
Acid Dyes	19.00	12%	19.86	10%	1%
Azo Dyes	12.10	8%	9.89	5%	-4%
Other Dyes	11.11	7%	13.07	6%	1%

Table 5: Production comparison across two years; Source: Department of Chemicals & Petrochemicals; CAGR: Compounded Annual Growth Rate

India is the major player in the reactive dyes segment with low threat of imports. Hence, demand of reactive dyes has grown at healthy CAGR of 8% for the period Fiscal 2012 to Fiscal 2017.

Demand drivers of dyes

Overall demand driver for the domestic dyes industry is the textile industry with 70% consumption of dyes followed by various other sectors as presented below:

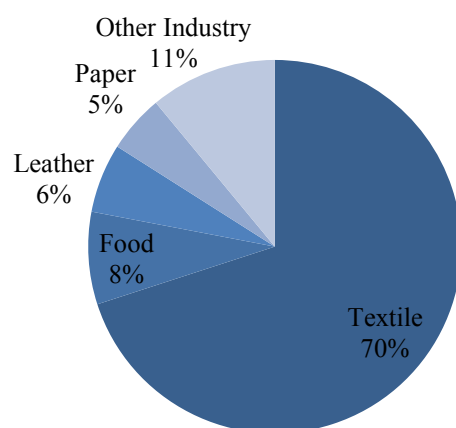


Figure 10: Key dye consuming industries in India; Source: CARE Research

Indian textile industry contributes about 4% of India's GDP and 13% of total export earnings. Size of India's textile market in Fiscal 2016 was estimated at USD 137 billion. Indian textile industry continues to be dominated by cotton with nearly 75% share in total fiber consumption of the country. Production of cotton fabric in India in which has increased from 30,570 million square meter in Fiscal 2012 to 38,853 million square meter in Fiscal 2017 indicating CAGR of about 5% as against CAGR of 1.40% for total fabric production in Fiscal 2012 to Fiscal 2017. CARE Research expects stable growth of 4 to 5% in textile segment during Fiscal 2017 to Fiscal 2022.

The exports volume of the dyes registered CAGR of 9% for the period Fiscal 2012 to Fiscal 2017 as presented below. In terms of value, the export of dyes has increased from ₹32,160 million during Fiscal 2012 to ₹75,350 million during Fiscal 2017 registering a healthy CAGR of about 19%. It was on account of healthy volume growth and increase in the average sales realization subsequent to volatility in the prices of dyes intermediates mainly H-acid and VS from Fiscal 2014.

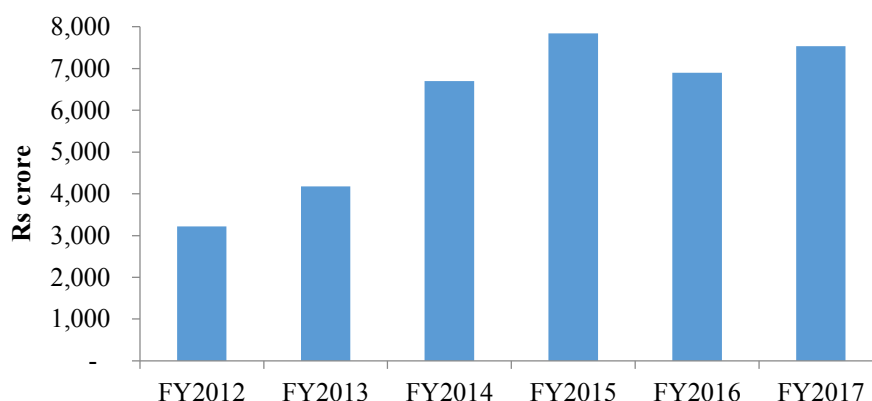


Figure 11: Export trend of dyes in India; Source: Department of Chemicals and Petrochemicals

The major export destinations of dyes are United States of America, followed by Turkey, Bangladesh, Germany, Italy, Brazil and China. Reactive dyes contributed 52% in total exports volume followed by azo dyes (25%), disperse dyes (6%), basic dyes (4%), acid dyes (2%) and other dyes (11%) during Fiscal 2017.

Average sales realization of reactive dyes has increased from around ₹204 per kg during Fiscal 2013 to ₹335 per kg during Fiscal 2014 and declined marginally to ₹312 per kg during Fiscal 2017. CARE Research expects softening of the prices of reactive dyes to around ₹265 to ₹280 per kg in the medium term on the back of decline in the prices of dyes intermediates and appreciation of rupee against USD. However, sales prices are expected to remain higher than pre-Fiscal 2013 levels.

Given the volatility in the dyes intermediate prices and strict pollution control norms, market share of organized players with backward integration for intermediates has increased over the last five years. Bodal Chemicals Limited, Colourtex Industries Private Limited, Jay Chemical Industries Limited, Atul Limited, Kiri Industries Limited, Lonsen Kiri Industries Limited and Asiatic Colourchem Industries Limited are major players in the domestic dyes market. Share of top seven players including Bodal Chemicals Limited in the domestic production of dyes has increased from 67% in Fiscal 2013 to 73% in Fiscal 2017.

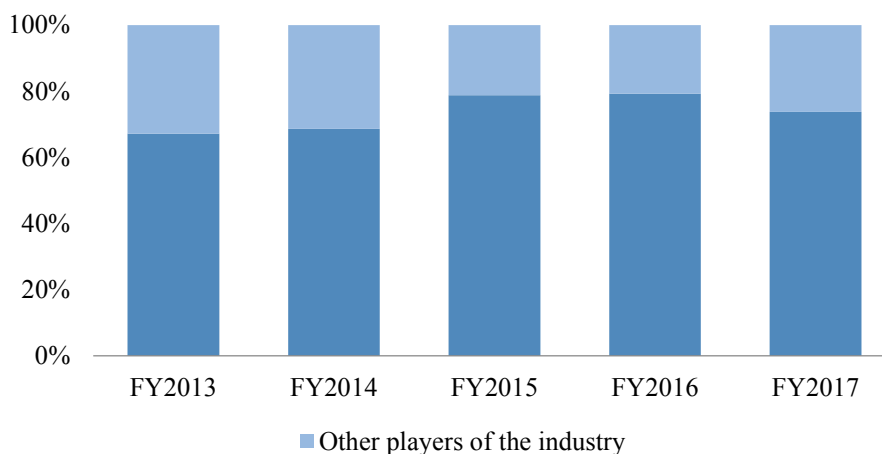


Figure 12: Estimated Share of top seven players in dye production; Source: CARE Research

CARE Research estimates about 9% share of Bodal Chemicals Limited during Fiscal 2017 in the domestic dyes stuff production excluding production of disperse and azo dyes.

Regulatory Environment in Dyes and Dyes Intermediates Industry

Changes in the environmental regulations in China

China is the largest producer of disperse dyes and various dye intermediates with an estimated capacity of dye intermediates of 12,50,000 MTPA to 13,50,000 MTPA as of CY 2016. Cheap imports of intermediates from China were a threat for domestic manufacturers till 2014. Imports from China catered around 21% of aggregate demand of VS and H-acid in India during Fiscal CY 2014. H-acid and VS generate relatively higher effluents as compared to reactive dyes and other intermediates. Hence, one of the major reasons for higher imports was lower effluent treatment costs in China with relatively

less stringent norms. Nevertheless, China has imposed stringent norms for handling of effluents from January 2015 which requires sizeable investment in the effluent treatment capacity along with increase in its cost of production.

China's local authorities have also taken the following steps to curb chemical pollution plaguing the Yangtze river as middle and lower reaches of the river are home to more than 4,00,000 chemical enterprises:

- Since CY 2015, more than 150 heavily polluting companies have been shut down and hundreds of environmental damage cases investigated in Hubei, according to the provincial environmental protection department.
- In the neighboring Hunan Province, 1,182 heavily polluting companies were closed along the Xiangjiang river, a tributary of the Yangtze, from CY 2011 to CY 2015. During the same period, Jiangsu Province, located on the lower reaches of the Yangtze, shut down about 7,000 chemical companies.
- In June 2016, the local environmental watchdog in central China's Hubei Province heavily fined Hubei Chuyuan Group, a leading domestic dye and dyes intermediates manufacturer for discharging excessive pollutants. Hubei Chuyuan is the largest producer of VS in China with an estimated annual production of 40,000 MT which is equivalent to 70% of domestic demand of VS in India. Shutdown of the plant of Hubei Chuyuan group had resulted in spike in VS prices during Fiscal 2017. Environment Health and Safety department of North China has also imposed ban on exports of hazardous chemicals from Qingdao port from August 2017.

The implementation of stringent pollution control norms by China since 2015 has increased competitive advantage for Indian dyes manufacturers. Over and above this, China has also taken certain other steps as mentioned below, which have improved competitiveness of Indian dye intermediates producers:

- Setup of effluent treatment mechanism and strict adherence to effluent handling norms has been pre-requisite for availing export incentives for dyes and dye intermediates manufacturers.
- Export as well as tax incentive on dyes and dye intermediates have also been reduced considerably.

The impact has been as follows:

- Structural changes in environmental regulations in China have increased both capital cost and operating cost for companies in China. This has also resulted in decline in capacity utilization for dye intermediates producers in China along with an increase in their cost of production. This has provided further access to Indian players of global customer base.
- Increase in cost of products of dye intermediates manufacturing companies in China along with reduction in supply has improved competitiveness of Indian dye intermediates manufacturers. However, domestic players continue to be exposed to threat of imports from China on account of its large capacities in dye intermediates segment. This has also been reflected from decline in aggregate import of VS and H-acid in India since 2015 as tabulated below:

Particulars	FY2014	FY2015	FY2016	FY2017
Aggregate imports of VS and H-acid as % of domestic demand	21%	13%	11%	8%

Table 6: Import of VS and H-acid from China as a % of domestic demand; Source: Ministry of Commerce & Industry; CARE Research

- Reduction in imports from China has also increased sales volume and sales prices for domestic dyes intermediate players such as Bodal Chemicals Limited.

Regulatory environmental norms in India

Pollution control authorities in India have also tightened environmental norms, especially for companies manufacturing dye intermediates. Recently, the Gujarat Pollution Control Board has issued a directive for granting permission of new capacities of dye intermediates only in Petroleum, Chemical, Petrochemicals and Investment Region (PCPIR). Further, companies have also been directed to install both VS and H-acid facilities with permitted capacity ratio of 1.50:1.00 at single location in place of standalone facility of VS or H-acid. Rationale of integrated facilities is to reduce the generation of waste and utilize the spent acid generated in VS for manufacturing H-acid. Effluent handling cost for domestic companies has also increased over last three years.

REACH Regulations

In June 2007, the European Union (the "EU") introduced the REACH Regulations (Registration, Evaluation, Authorization and Restriction of Chemicals), under which registration of properties of chemical substances for its safe handling is required on central data base in the European Chemicals Agency. Under the registration provision, chemical manufacturers and importers are required to carry out health and environmental safety tests on their products. Number of tests and testing standards under REACH increase with increase in sales volume to the EU. The results of these tests are registered with a central regulatory agency. In registering a chemical, the manufacturer or importer is responsible for specifying safer

conditions of use and appropriate risk management techniques for each known use of the chemical. In the evaluation phase, EU member states evaluate the information provided in the registration phase and assess the hazards associated with each chemical. Substances of particularly high concern are subject to authorization and hence they can be used only with special permission. Finally, in case a substance is not adequately controlled through these measures, REACH also empowers for restriction of substances that pose unacceptable risks to health or the environment. Restrictions also include partial or complete ban on products.

Regulatory environmental norms in India and the REACH regulations have had the following impact:

- Increase in cost of effluent handling due to stringent pollution control norms is expected to benefit large integrated players like Bodal Chemicals Limited as compared to players in the unorganized sector. Effluent handling costs for the integrated players in India is estimated at around ₹18 to ₹25 per kg. These players derive synergy due to benefit of use of spent acid generated in VS while manufacturing H-acid and sulphur dioxide generated in manufacturing H-acid for manufacturing VS along with economies of scale as compared to small and unorganized players.
- Expected shift of dyes production from Europe to Asia due to REACH regulations.
- Cost of compliance due to implementation of REACH regulations is also expected to increase for small players in the unorganized sector.

Outlook

Global outlook

Global dyes industry is expected to grow at around 3.5% from CY 2016 to CY 2021 driven by growth in the textile, leather and food industries. Growth in volume is expected to be driven by China and India due to growth in the textile industry in Asian countries due to advantage of low labor costs. Further, demand growth is expected to be relatively higher around 5 to 6% from CY 2016 to CY 2021 from leather and food segments.

Domestic Outlook

Demand of reactive dyes has grown at a healthy CAGR of 8% for the period Fiscal 2012 to Fiscal 2017. CARE Research expects domestic dyes industry to witness growth of around 8.50% during Fiscal 2017 to Fiscal 2022 mainly driven by growth in exports volume and demand from the textile industry. Key drivers for growth shall be increase in disposable income, higher penetration in the rural market, and about 75% share of cotton fabric in total fabric consumption. Implementation of stringent pollution control norms in China is expected to increase India's share in the global dyes and dyes intermediate market from 16% currently to 20% by Fiscal 2021. Consequently, dyes intermediate segment is also expected to witness similar demand growth due to demand from dyes and increase in dyes intermediates exports from India. CARE Research expects that the overall size of dyes and dyes intermediate industry is expected to remain constant despite growth in volume due to correction in sales prices.

On supply front, capacity addition of 23,000 to 25,000 MTPA is estimated in the dyes segment over Fiscal 2018 to Fiscal 2019. Dyes intermediate segment has higher entry barriers for environmental clearance due to generation of large quantum of effluents and challenges involved in treating the same. Hence, CARE Research doesn't envisage major capacity addition in the dyes intermediate segment over next three years except for balancing capacity of VS and H-acid aggregating around 8,000 MTPA for efficient handling of effluents and 4,000 to 5,000 MTPA for other intermediates.

Significant increase in average sales realization of dyes intermediates and dyes had resulted in healthy profitability for industry players. Profitability though expected to be moderated in Fiscal 2018 on account of stabilization of sales prices of dyes and intermediates (notwithstanding disruption of production in China) and increase in some of the crude linked raw material prices, shall continue to remain healthy in the medium term. Furthermore, increase in effluent handling cost, price fluctuations of intermediates and implementation of GST are expected to provide a competitive edge to the organized integrated players over unorganized dyes manufacturers lacking backward integration for intermediates.

OUR BUSINESS

Overview

We are one of the largest integrated companies with a diversified product portfolio offering in dyestuff, dye intermediates and basic chemicals segments. We are the largest manufacturer of vinyl sulphone in India, and are amongst the leading players in the dye intermediates segment in the Indian market with an estimated market share of 18% (This figure includes production of our Subsidiary for a period of 10 days in Fiscal 2017) as of March 31, 2017 (*source: CARE Industry Report*). In the Indian dyestuff market, we accounted for an estimated share of 9% as of March 31, 2017 (*source: CARE Industry Report*). Apart from our industry, we cater to various industries such as textiles, leather and paper, which provides us with a wide and diversified customer base. During Fiscal 2017, we supplied our products to 355 customers in India and 151 customers in 41 countries, including USA and certain European and ASEAN countries.

We commenced our operations as a partnership firm in 1989 in the name and style of JK Pharma. We converted into a private limited company in 1993 and became a listed company pursuant to our amalgamation with Dintex Dyechem Limited in 2006. Subsequent to such amalgamation, the name of our Company was changed to Bodal Chemicals Limited. For further details, see “General Information” on page 155.

Our business has grown from manufacturing of dye intermediates to entering into the dyestuff and basic chemicals segments through forward and backward integration. We believe that our expertise in chemical manufacturing has enabled us to expeditiously increase our production capacity and expand into new value added products such as liquid dyestuff. In addition to our organic growth, we have also pursued selective inorganic growth strategy, which has resulted in an increased production capacity and addition of new products such as TCCA and LABSA.

We organise our business activities into the following product segments:

- *Dyestuff*: We offer more than 150 variants of dyestuff in reactive, as well as acid and direct dyes. We also offer more than 15 variants in liquid dyestuff. These dyes have application in textile, leather and paper industries. Our major clients in this segment include Exel Chemicals India Private Limited, Raj Chemicals Limited and UNIDYE S.A. In Fiscal 2017, this segment accounted for 23.18 % of our total revenue.
- *Dye intermediates*: We offer more than 25 variants of dye intermediates with vinyl sulphone and H- acid as the core products. These variants are used captively for manufacturing dyestuff as well as for sales to other dyestuff manufacturers. Our major clients in this segment include Jay Chemicals Industries Limited, Bansal Alkalies Private Limited, and Oh Young Inc. In Fiscal 2017, this segment accounted for 58.93 % of our total revenue.
- *Basic chemicals*: We offer more than 10 basic chemicals, including sulphuric acid, oleum, beta naphthol and acetanilide. These chemicals are used captively for production of dye intermediates and have application in various industries such as iron and steel, explosives, organic synthetics, soaps and detergents, and pharmaceuticals. Our major clients in this segment include Macson Products, Aceto Corporation, and Bhageria Industries Limited. In Fiscal 2017, this segment accounted for 10.21 % of our total revenue.

In January 2017, we started production of TCCA, through our Associate to specifically target the US water treatment market. TCCA is a speciality chemical with application in water treatment plants as a disinfectant and as a bleaching agent in the textile industry. In Fiscal 2017, exports accounted for 98.95% of the revenue generated by TCCA. We also started manufacturing LABSA in March 2016, which is used in the production of detergents, cake, and dish washers. In Fiscal 2017, sales revenue from LABSA accounted for 3.14 % of our total revenue. Further, we started production of liquid dyestuff in October 2014, which is used in the paper industry for purposes of colouring paper. In Fiscal 2017, sales revenue from dyestuff including liquid dyestuff accounted for 23.18% of our total revenue.

We have 10 manufacturing facilities, of which nine are located in Gujarat and one is located in Uttar Pradesh. We believe that concentration of our manufacturing facilities in Gujarat provides us the advantages of the strategic location of Gujarat, including access to raw materials, common effluent treatment plants, concentration of our domestic customers, and access to our international customers due to proximity to ports. As of March 31, 2017, our manufacturing facilities had a manufacturing capacity of 17,000, 30,000 and 190,000 MTPA and utilization rate of 73.50%, 77.00% and 98.43% in dyestuff, dye intermediates, and basic chemicals, respectively.

Our total revenue increased to ₹12,431.27 million from ₹ 9,218.86 million and ₹ 10,499.58 million in Fiscal 2017, 2016 and 2015, respectively, at a CAGR of 8.81 % from Fiscal 2015 to Fiscal 2017. Our EBITDA for Fiscal 2017, 2016, and 2015 was ₹ 2,374.77 million, ₹ 1,685.15 million, and ₹ 1,887.52 million, respectively, while our PAT was ₹ 1,285.84 million, ₹ 859.87 million, ₹ 917.82 million, respectively. As on March 31, 2017, our debt to equity ratio is 0.42:1.

We have, over the years, received many awards and accolades for our performance. In 2017, we received awards from the Dyestuffs Manufacturers Association of India for excellent performance in exports of dyes intermediates and for outstanding performance in the domestic market by a large scale unit for 2016-2017. In 2016, we received the ‘Trishul award’ from Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council, Government of India, for outstanding export performance of dyes and dye intermediates during 2011-2012 and 2013-2014. In 2015, we received an award from The

Gujarat Dyestuff Manufacturers Association for highest self-manufacturing turnover from domestic and export of dyes and dye intermediates during the year 2013-2014. Further, as per the Dun & Bradstreet survey, we were amongst India's top 500 companies in 2016, and were recognized as a 'Three Star Export House' by the Government of India in 2015. We have also received an award in appreciation of our efforts towards health and safety drives in Fiscal 2017.

Our Competitive Strengths

We believe that we have following competitive strengths:

Fully integrated business offering diversified product portfolio

We commenced our business with manufacturing of dye intermediates and strategically entered into forward and backward integration in our business value-chain to produce dyestuff and basic chemicals. Our products are used in a wide range of industries including textiles, leather, paper, detergent, and water treatment. Basic chemicals produced by us are captively utilised in the production of dye intermediates, and the dye intermediates produced by us are captively utilized in the production of dyestuff. Further, some of the bi-products generated in manufacturing of dye intermediates are also used captively. The backward integrated business model reduces our reliance on third party supplies, reduces our logistics costs, and improves our profitability. Our forward integrated business model enables us to innovate products and customize them to meet the needs of our customers.

We have experienced significant growth in each of our following product segments:

Dyestuff

We are one of the largest integrated players in manufacturing of dyestuff in India and are amongst the top seven manufacturers of dyestuff in India. We supply dyestuff in different forms such as liquid, powder and salt-free. We offer more than 150 variants in reactive, as well as acid and direct dyes. We also offer more than 15 variants in liquid dyestuff for use in the textile, leather and paper industries. Our major clients in this segment include Exel Chemicals India Private Limited, Raj Chemicals Limited and UNIDYE S.A. In Fiscal 2017, our sales revenue from the dyestuff segment was ₹ 2,882.12 million, accounting for 23.18 % of our total revenue.

Dye intermediates

We commenced our business with manufacturing of dye intermediates and graduated to become one of the leading manufacturers of dye intermediates in India. We offer more than 25 variants of dye intermediates with vinyl sulphone and H-acid as the core products. These dye intermediates are utilised captively for production of dyestuff as well as for sales to other dyestuff manufacturers. Our major clients in this segment include Jay Chemicals Industries Limited, Bansal Alkalies Private Limited, and Oh Young Inc. In Fiscal 2017, our sales revenue from the dye intermediates segment was ₹7,326.24 million, accounting for 58.93 % of our total revenue.

Basic chemicals

We offer more than 10 basic chemicals, including sulphuric acid, oleum, beta naphthol and acetanilide. These chemicals have application in various industries such as iron and steel, explosives, organic synthetics, soaps and detergents, and pharmaceuticals. Basic chemicals are also used captively for production of dye intermediates, which reduces logistics cost, enables uninterrupted and timely supply, and improves our profitability. Our major clients in this segment include Macson Products, Aceto Corporation, and Bhageria Industries Limited. In Fiscal 2017, our sales revenue from basic chemicals was ₹1,268.98 million, accounting for 10.21 % of our total revenue.

Through our Associate, we added TCCA to our product basket in January, 2017 to target the US water treatment market. TCCA is a specialty chemical with application in water treatment plants as a disinfectant and in textile industry as a bleaching agent. In Fiscal 2017, exports accounted for 98.95% of the revenue generated by TCCA. We also started manufacturing LABSA in March 2016, which is used in the production of detergents, cakes, and dish washers. In Fiscal 2017, sales revenue from LABSA accounted for 3.14 % of our total revenue. Further, we began production of liquid dyestuff in October 2014, which is used in the paper industry for purposes of colouring paper. In Fiscal 2017, sales revenue from dyestuff including liquid dyestuff accounted for 23.18% of our total revenue.

Successful and consistent track record of organic and inorganic growth

We continue to be leading producers in our key product segments, dyestuff and dye intermediates having a diverse and wide customer base. This is because of our diversified and new product offerings and increased manufacturing capacities. In October 2014, we introduced liquid dyestuff, which is used in the paper industry for purposes of colouring paper. We offer more than 15 variants in liquid dyestuff, and have installed manufacturing capacity of 10,000 MTPA for its production. In March 2016, we started production of LABSA, which is used in the production of detergents, cakes, and dish washers. We have an installed manufacturing capacity of 18,000 for its production. In January 2017, we started production of TCCA, through our Associate to specifically target the US water treatment market. TCCA is a specialty chemical with application as a disinfectant in water treatment plants and as a bleaching agent in the textile industry. We have installed manufacturing capacity of 12,000 MTPA for its production.

We have in the past and continue to focus on inorganic growth, including by way of acquisition of distressed assets, and turning such distressed assets into our manufacturing facilities. Such acquisitions include our reverse merger with Dintex Dychem Limited, and our manufacturing facility at Unit VIII which was acquired from Milestone Organics Limited. In Fiscal 2017, we further expanded our dye intermediates capacity by acquisition of our Subsidiary, which is a zero discharge facility with a H-acid plant.

Strong customer relationship

Customer relationships are core to our business. We provide a wide range of products to our customers in all our segments. For instance, we provide a wide range of colours in our dyestuff segment enabling our customers to procure all colours including different shades of such colours from us. We strategically align our offerings with the business needs of our customers and also customise our products to meet their requirements. Therefore, we are able to maintain long term relationships with our key customers. Our top international customers include Oh Young Inc., UNIDYE S.A., Hubei Color Root Technology Co. Limited, Aceto Corporation and Raj Chemicals Limited, and our top domestic customers include Jay Chemicals Industries Limited, Atul Limited, Bansal Alkalies Private Limited, Pranav Industries Limited, and Mcfills Enterprises Private Limited. We have a history of high customer retention and derive a significant proportion of our revenue from repeat business built on our execution of prior engagements. Our strong customer relationships provide us with revenue assurance and stable margins.

Further, closure of several chemical industries in the Chinese markets owing to strict environmental norms imposed by the Chinese government has provided us further access to the global platform. The Chinese government recently mandated strict implementation of effluent treatment plants by Chinese manufacturers resulting in a substantial increase in manufacturing costs for Chinese firms eradicating the low cost advantage enjoyed by them in the past. In 2016, one of the leading Chinese manufacturers of dyes and dye intermediates was heavily fined for discharging excessive pollutants, and its plant was shut down due to non-compliance with environmental regulations. This shifted the world's focus to Indian manufacturers in order to fill the void created by deficit in supply, presenting a substantial opportunity, especially for large integrated manufacturers like us. Further, industrial factors such as reduction in magnitude of export incentive by the Chinese government, and the requirement to treat the effluent released resulted in increased capital and revenue expenditure, and increased overhead costs lowering the difference between selling prices offered by Indian and Chinese manufacturers. The increased cost of production of dye intermediates manufacturing companies in China along with a reduction in supply has improved competitiveness of Indian dye intermediates manufacturers.

In Fiscal 2017, 2016 and 2015, we generated total revenue of ₹12,431.27 million, ₹9,218.86 million and ₹10,499.58 million, respectively out of which ₹ 5,458.64 million, ₹ 3,747.80 million and ₹ 4,379.57 million, respectively, is revenue from sales to our top 10 customers. We export about one third of our total production to 41 countries, thereby reducing our dependence on Indian markets. We export our products to the USA, and certain European and ASEAN countries such as Italy, Turkey, South Korea, Thailand and China. In Fiscal 2017, our significant export sales revenue came from South Korea and China at 31.57% and 12.28% of total export revenue, respectively.

Strategically located, compliant and sustainable manufacturing facilities

We have 10 manufacturing facilities, of which nine are located in Gujarat and one is located in Uttar Pradesh. Being a chemical industry hub, Gujarat provides us access to raw materials, concentration of domestic customers, and ability to export our products due to proximity to ports. Further, in Fiscal 2017, we acquired 70% equity stake in our Subsidiary located at Kosi, Uttar Pradesh, which extends to us locational advantage in the north at crossroads of four states strengthening our competitive position and expanding our access to other states.

Of our 10 manufacturing facilities, four are zero discharge facilities. Further, we have set up MEEPs at Units I, VII and VIII. We have proactively invested about ₹350 million in setting up the MEEP at Unit VII. The MEEPs re-use condensed water and recover salts from the effluents discharged by our production processes, which are captively utilised and sold by us. The effluents released by our manufacturing facilities are treated stage wise, to recover almost drinkable water in the first stage, salt in second stage and substandard water in third stage. Subsequently, the substandard water is treated by spray dryers to produce gypsum which is sold to companies manufacturing cement. For Units VII and VIII, we have received permission from Vadodara Enviro Channel Limited for discharge of 949,000 litres and 23,800 litres, respectively, of treated effluent per day in the RCC canal. Our manufacturing facilities located at Units I, II, III and IV are using facilities of CETP which has been set up by the Government of Gujarat in collaboration with private players. We have received ISO certifications for Units I, II and VII.

Further, we have in place, a corporate safety, health and environment (“SHE”) policy which attempts to align our operations with environmental protection norms. We have in-house facilities for air pollution management, solid waste management and water waste management. Our sulphuric acid plant generates steam, part of the same is used to run our dyestuff and dyes intermediates plants and balance is used to generate power, by installation of turbine to run the sulphuric acid plant. The adoption of such energy conservation measures makes our operations environment friendly and has a consequent impact on cost of production of goods by way of reduction of fuel cost.

Well- equipped laboratories, quality maintenance and R&D

Our R&D focuses on product testing, product development, increasing efficiency of manufacturing processes to reduce time and cost of production and increasing our production yield. Our laboratories conduct testing and evaluation of products based on certain parameters such as quality and strength, before our products are sent for mass production. Our laboratories facilitate customisation of certain products as per our customer requirements and preferences, particularly with regard to the shades of dyestuff required. Further, our R&D facility at Unit VII includes a pilot plant, a laboratory spray plant, a RO unit, and a vacuum distillation unit. Additionally, we have a technical service laboratory at Unit VII, which provides technical information of our products and their application properties to our customers. Such facility helps customers to select products that meets their needs and are economically viable. Thus, focus of our in-house laboratories on quality maintenance enables us to address our customer needs better, retain our existing customers and attract prospective customers.

Experienced promoters and strong management team

We are led by a qualified and experienced management team that we believe, has the expertise and vision to manage and grow our business. Our founder Chairman and Managing Director, Suresh J. Patel has been associated with our Company for more than 28 years and had introduced the dye intermediates segment. Our Executive Director, Bhavin S. Patel has been associated with our Company for 14 years and introduced the dyestuff segment to facilitate our forward integration. He also heads the liquid dyestuff division and Trion. Our Executive Director, Ankit S. Patel has been associated with our Company for 10 years and heads the basic chemicals division and is also leading the LABSA initiative. Our management continues to focus on production, marketing and new growth areas in their respective product segments. We believe that the knowledge and experience of our promoters, along with senior management, and team of skilled personnel provides us with a significant competitive advantage as we seek to expand in our existing markets and enter new geographic markets.

Strong profitability and financial stability

From Fiscal 2015 to Fiscal 2017, our total revenue increased at a CAGR of 8.81% from ₹ 10,499.58 million to ₹12,431.27 million, our PAT grew at a CAGR of 18.36 % from ₹ 917.82 million to ₹1,285.84 million, and our net worth increased at a CAGR of 40.69 % from ₹ 1,814.91 million to ₹ 3,592.60 million. Our debt to equity ratio is 0.42:1 as on March 31, 2017. We have maintained and continue to increase our profitability over the years. Our credit rating in long term and short term bank facilities has improved to CARE A and CARE A1, respectively, as on June 30, 2017. We have a risk management framework to identify and evaluate business risks, which facilitates fair presentation of our financial results in a complete and reliable manner and ensures financial discipline in the operations of our business.

In Fiscal 2013, due to our losses and inability to pay our outstanding debt, we had to undergo CDR for suitable realignment of our debt. We received the final letter of approval for exit from the Corporate Debt Restructuring Cell in September 2015. Our Board has been regularly declaring dividends since our exit from CDR. Our improved profitability enables us to use our internal accruals for business development activities including capacity and product expansion with reduced reliance on undertaking debt obligations.

Our Strategies

Focus on high value business

We continue to grow our product basket and manufacturing capacity through organic and inorganic growth. We entered into the liquid dyestuff, targeting clients in paper and detergent industries, respectively. Additionally, we acquired 41.51% stake in our Associate, adding TCCA, a speciality chemical, to our chemical basket, to specifically target the US water treatment market.

We intend to grow our business operations further through synergistic expansion into related products and forward integration. Our strategy is four pronged:

- further expand our product basket and production capacity in dyestuff;
- identify niche opportunities in relatively less crowded markets to gain market share rapidly;
- expand our product basket further with related products that are bi-products of our products, easily manufactured from the bi-products of such products and new products that can use the same raw materials and manufacturing facilities; and
- enter into opportunistic acquisitions, joint ventures and partnerships that can provide access to technology, capacity, effluent management capabilities and new markets.

We have a strong presence in acid base black, and with added dyestuff capacity, we intend to increase production of high value dyes including acid brown, direct yellow, and reactive printing dyes. We also intend to enter into multiple speciality chemical segments based on our existing competencies, infrastructure and backward integration.

We intend to expand our margins by improving our operational efficiency and synergies between different production processes running concurrently in our manufacturing facilities in the following ways:

- Setting up a thionyl chloride plant which will be forward integration for our sulphuric acid plant and backward integration for our vinyl sulphone plant. A portion of such produce will be captively consumed for more comprehensive integration and the balance production will be supplied to surrounding chemicals manufactures. Setting up this plant will provide us a competitive edge as there are limited thionyl chloride manufacturers in India.
- Setting up a co-generation captive power plant to generate power and steam. This will substantially save our energy cost, reduce our reliance on external sources of electricity and will enable uninterrupted production. We believe our profitability and production efficiency will also be improved with in-house electricity production.
- Expansion of our dyestuff production facility to enhance captive consumption of our dye intermediates for further integration. We also intend to set up an ice plant and additional MEEPs as an integral part of dyestuff expansion to reduce our reliance on external parties and improve our production efficiency.

Improving integration base for speciality chemicals

We are an established dyestuff player in India and a leading player in the dye intermediates segment of the Indian market. The efficiency of our dyestuff segment depends on our integration. With years of experience, strong integration, global exposure and a competent management, we intend to integrate our model further in the speciality chemicals segment. We intend to improve our integration by expanding our dyes capacity by 12,000 MTPA.

We intend to set up a thionyl chloride plant at Unit VII with an installed capacity of 36,000 MTPA. Sulphuric acid from existing basic chemicals will be used to manufacture thionyl chloride, which will further be utilised to produce vinyl sulphone, which is a key product of our dye intermediate segment. Thionyl chloride also has certain commercial application in industries such as pharmaceuticals, chemicals, and agrochemicals. We believe that such a plant will enable us to achieve value addition for final products, quality supply, low inventory, uninterrupted supply, economies of scale and savings in logistics cost. Further, Unit VII is situated in an area which is surrounded by other chemicals manufacturing companies. Our Company shall be able to deliver balance production of thionyl chloride at lower transportation costs to such neighbouring manufacturing companies. We also intend to set up a new vinyl sulphone plant of 6,000 MTPA at our Subsidiary's manufacturing unit. This unit has a H-acid plant and by producing both H-acid and vinyl sulphone together, we will be able to utilise the effluents of the two plants into each other's production. This will enable us to reduce costs of managing effluents and generate additional revenue.

Grow our market share in existing geographies and expand operations to new geographies

As of March 31, 2017, we accounted for 18% and 9% of the market share in the Indian dye intermediates and dye stuff industries, respectively. We seek to pursue organic and inorganic growth opportunities to improve integration of our business segments which will enable us to grow our market share in existing geographies. We exported our products to 151 customers in 41 countries as of March 31, 2017. We intend to expand our operations by exports to new geographies. Further, closure of several chemical industries in the Chinese markets owing to strict environmental norms imposed by the Chinese government has provided us further access to the global platform. The Chinese government recently mandated strict implementation of effluent treatment plants by Chinese manufacturers resulting in a substantial increase in manufacturing costs for Chinese firms eradicating the low cost advantage enjoyed by them in the past. In 2016, one of the leading Chinese manufacturers of dyes and dye intermediates was heavily fined for discharging excessive pollutants, and its plant was shut down due to non-compliance with environmental regulations. This shifted the world's focus to Indian manufacturers in order to fill the void created by deficit in supply, presenting a substantial opportunity, especially for large integrated manufacturers like us. Further, industrial factors such as reduction in magnitude of export incentive by the Chinese government, and the requirement to treat the effluent released resulted in increased capital and revenue expenditure, and increased overhead costs lowering the difference between selling prices offered by Indian and Chinese manufacturers. The increased cost of production of dye intermediates manufacturing companies in China along with a reduction in supply has improved competitiveness of Indian dye intermediates manufacturers.

Continue to focus on technology upgradation

We attempt to make the best use of our technical capabilities in order to fully utilize our multidimensional manufacturing capacity. We focus on advance multiple effect evaporation technology instead of traditional incinerator technology for treating the effluents discharged by our operations, which results into re-use of condensed water, recovery of salt and reduces considerable final solid waste. By using this technology, we also reduce the cost of power and fuel. We also have in place a comprehensive enterprise resource planning system which helps us increase the supply chain management and provides accurate forecasts for the sourcing and supply. We intend to upgrade our technology and equipment to improve quality, reduce process time and increase production yield.

Our Business Description

Business divisions

Dyestuff

We ventured into dyestuff production in 2004. We offer more than 150 variants in reactive, as well as acid and direct dyes, having application in textiles, leather and paper industries. Our top five dyes include acid black 210, reactive black bl/gr, reactive black -5, acid black 234 and acid black 194. In Fiscal 2017, our production capacity for powder and liquid form dyestuff was 17,000 MTPA and 10,000 MTPA with capacity utilisation of 73.50% and 12.40%, respectively. In Fiscal 2017, we exported 58.6% of our total dyestuff produce, amounting to ₹ 1,689.44 million. Our major clients in this segment include Exel Chemicals India Private Limited, Raj Chemicals Limited, UNIDYE S.A. In Fiscal 2017, 2016 and 2015, this segment generated revenue of ₹ 2,882.12 million, ₹ 3,098.07 million and ₹ 3,348.04 million accounting for 23.18%, 33.61% and 31.89 % of our total revenue, respectively.

Our dyestuff manufacturing has the following features:

- in house ice plant for 300 MT of ice per day for our dyestuff plant;
- R/O plants with total seventy modules to remove salt from products batches and developing high strength products;
- centralised raw material storage godown for store up to 2,000 MT of raw material for dyestuff and 4,500 MT for dyestuff in this godown; and
- pilot plant for developing new products and improving present batches of products.

Further, we provide certain facilities like Bodal “Textile Recipe Finder”, which is an online shade library of more than 6,000 shades dyed with bodactive dyes. This application provides instant, nearest recipe for any shade and is a data base of popular shades on various cellulosic substrate like knits, woven fabrics, twills, yarns, rugs, fibre etc. Further, we have a user friendly mobile application to track the orders placed with our dyestuff division.

Dyes intermediates

We commenced our operations in 1989 as manufacturers of vinyl sulphone, a dye intermediate, with a capacity of 200 MTPA with an objective to produce and supply basic raw materials for the dyestuff industry. We currently offer more than 25 variants of dye intermediates including vinyl sulphone and H-acid (as the core products), F C acid, DASA and gamma acid. We captively utilise our dye intermediates produce for manufacturing dyestuff and supply it to other dyestuff manufacturers. We require a variety of basic chemicals including sulphuric acid, oleum, and acetanilide for production of dye intermediates. In Fiscal 2017, we exported 24.6 % of our dye intermediate produce, amounting to ₹1,799.76 million. Our major clients in this segment include Jay Chemicals Industries Limited, Bansal Alkalies Private Limited, and Oh Young Inc. In Fiscal 2017, our production capacity for dye intermediates was 30,000 MTPA with capacity utilization of 77 %. Additionally, our acquisition of 70% stake in our Subsidiary enabled us to expand our dye intermediates capacity by 3,000 MTPA, thereby increasing our consolidated production capacity for dye intermediates to 33,000 MTPA. In Fiscal 2017, 2016 and 2015, this segment generated revenue of ₹ 7,326.24 million, ₹ 4,637.23 million and ₹5,697.14 million accounting for 58.93%, 50.30% and 54.26% of our total revenue, respectively.

Basic chemicals

We began production of basic chemicals in 2010. We offer more than 10 variants of basic chemicals including beta naphthol, acetanilide, para nitro aniline, sulphuric acid, oleum, sulphur trioxide and chlorosulphonic acid. These chemicals have application in various industries such as iron and steel, explosives, dye intermediates, organic synthetics, soaps and detergents, pharmaceuticals, and fertilizers. Key raw materials for production of basic chemicals include sulphur, naphthalene, water, aniline, caustic soda and chlorine. In addition to sale of basic chemicals, we captively utilise basic chemicals for production of dye intermediates. Some of our basic chemicals such as beta naphthol are also raw material for dyestuff. Our major clients in this segment include Macson Products, Aceto Corporation, and Bhageria Industries Limited. In Fiscal 2017, our production capacity for basic chemicals was 190,000 MTPA with capacity utilisation of 98.43%. In Fiscal 2017, 2016, and 2015, this segment generated revenue of ₹1,268.98 million, ₹1,064.79 million, and ₹856.51 million accounting for 10.21%, 11.55%, and 8.16% of our total revenue, respectively.

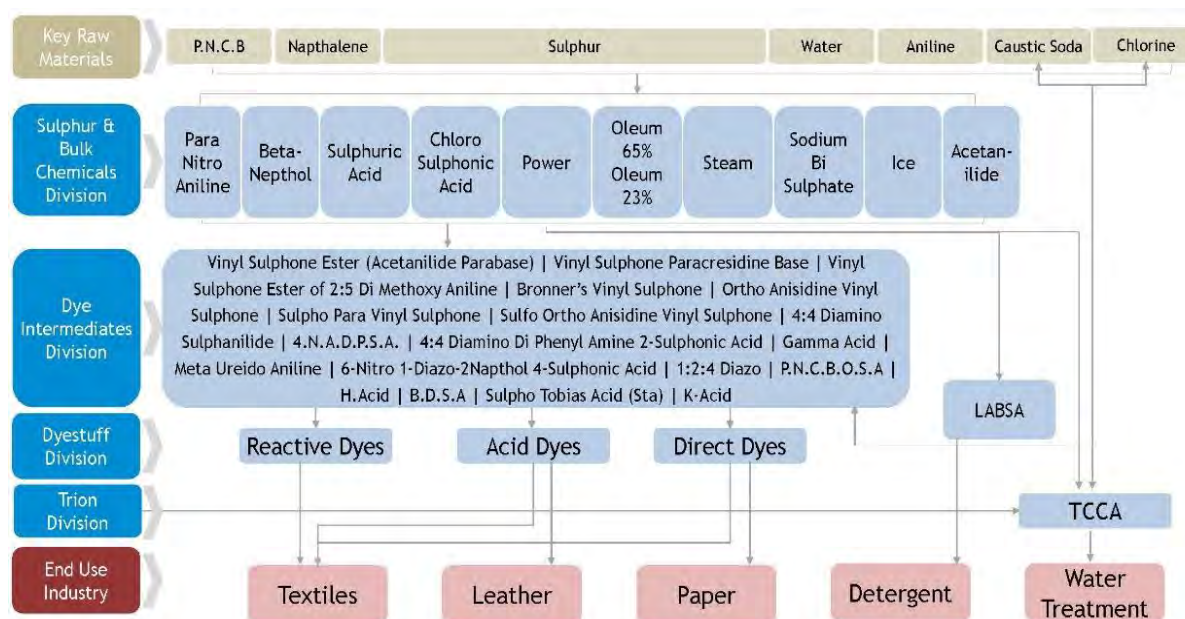
Through our Associate, we also offer TCCA, a speciality chemical with application in water treatment plants as a disinfectant and in textile industry as a bleaching agent. In Fiscal 2017, total sales revenue from TCCA was ₹ 5.24 million of which 98.95% was export revenue. We also manufacture LABSA, which is used in the production of detergents, cakes, and dish washers. In Fiscal 2017, sales revenue from LABSA was ₹389.96 million accounting for 3.14% of our total revenue.

Our major revenue segments and production analysis for Fiscal 2017, 2016 and 2015 is as set out below:

Segment	Fiscal 2017		Fiscal 2016		Fiscal 2015	
	Revenue	Production*	Revenue	Production*	Revenue	Production*
Dyestuff	23.18%	13,735	33.61%	12,764	31.89%	9,021
Dye intermediates	58.93%	25,415	50.30%	21,759	54.26 %	20,625
Basic chemicals	10.21%	187,009	11.55%	177,751	10.21%	148,608

*Production in MTPA

The key raw materials and products across our segments is set out in the chart below:



Laboratories, Research and Development

Our R&D focuses on product testing, product development, increasing efficiency of manufacturing processes to reduce time and cost of production and increasing our production yield. Our R&D also involves developing eco-friendly products, and improving production processes to reduce pollutants. In addition to in-house laboratories at all our manufacturing facilities, we operate three modern laboratories, of which one is located at Ahmedabad and two are located at Padra, near Vadodara. Our laboratories conduct testing and evaluation of products based on certain parameters such as quality and strength, before our products are sent for mass production. All our laboratories are well equipped with advanced instruments and machines, where all raw materials and finished goods are evaluated by qualified chemists. Further, our laboratories facilitate customisation of certain products as per our customer requirements and preferences, particularly with regard to the shades of dyestuff required. Focus of our in-house laboratories on quality maintenance enables us to address our customer needs better, retain our existing customers and attract prospective customers.

Our R&D facilities at Unit VII include:

- *Pilot plant for lab batches and R&D:* This plant takes small batches of products for improving present batches and developing new products;
- *Lab spray dryer:* It is used to spray-dry plant batches to study their quality of various parameters before drying in plant and also used for drying batches of products taken by the R&D laboratory;
- *Laboratory RO unit:* It is used to remove salt from products batches of products taken by the R&D laboratory and make it salt free. Also used for developing high strength products;
- *Vacuum distillation unit:* It is used to for preparing liquid dyes for batches of products taken by the R&D laboratory

We also have a technical service laboratory at Unit VII, which provides technical information of our products and their application properties to our customers. Such facility helps customers to select products that meets their needs and are economically viable.

Manufacturing facilities

We have a total of 10 manufacturing facilities spread across Gujarat and Uttar Pradesh, with a consolidated capacity to manufacture 27,000 MTPA of dyestuff, 33,000 MTPA of dye intermediates, and 190,000 MTPA of basic chemicals. Of our 10 manufacturing facilities, Unit VII is one of the largest integrated plants manufacturing basic chemicals, dye intermediates, and dyes in India. Details of our manufacturing facilities are mentioned below:

Manufacturing unit	Location	Key manufacturing capabilities	Effluent discharge mechanism
Unit I*	Ahmedabad, Gujarat	basic chemicals, dye intermediates and dyestuff	• CETP with booked effluent quantity of 250,500 litres/day under Category A (Intermediates)

Manufacturing unit	Location	Key manufacturing capabilities	Effluent discharge mechanism
			ESDP, solid waste incinerator plant and MEEP
Unit II*	Ahmedabad, Gujarat	basic chemicals, dye intermediates	CETP with booked effluent quantity of 58,000 litres/day under Category A (Intermediates)
Unit III	Ahmedabad, Gujarat	dye intermediates	CETP with booked effluent quantity of 58,000 litres/day under Category A (Intermediates)
Unit IV	Ahmedabad, Gujarat	dyestuff	CETP with booked effluent quantity of 24,500 litres/day under Category B (Dyes)
Unit VII*	Vadodara, Gujarat	basic chemicals, dye intermediates and dyestuff	- ETP with committed quantity discharge of 949,000 litres day - ESDP, solid waste incinerator plant and MEEP
Unit VIII	Vadodara, Gujarat	dye intermediates	- ETP with committed quantity of discharge being 23,800 litres per day - ESDP, solid waste incinerator plant and MEEP
Unit IX	Bharuch, Gujarat	basic chemicals	Zero discharge unit
Unit X	Vadodara, Gujarat	LABSA	Zero discharge unit
SPS Processors Private Limited	Kosi, Uttar Pradesh	dye intermediates	Zero discharge unit
Trion Chemicals Private Limited	Khambhat, Gujarat	TCCA	Zero discharge unit

* ISO certified units.

We are moving towards 'zero discharge' through the use of advanced treatment mechanism. The effluent released by our manufacturing operations is treated stage wise, to recover almost drinkable water in the first stage, salt in the second stage and substandard water in the third stage. Subsequently, the substandard water is treated by spray dryers to produce gypsum which is sold to companies manufacturing cement. Our expertise in the chemical industry enables us to undergo maximum incineration and captively use certain effluents for production. Of our 10 manufacturing units, four are zero discharge units, and four are using facilities of CETP, which has been set up by the Government of Gujarat in collaboration with private players. For the remaining two units, we have received permission from Vadodara Enviro Channel Limited for discharge of 949,000 litres and 23,800 litres, respectively, of treated effluent per day in the RCC canal.

The following chart sets out synergies that are utilised across multiple manufacturing processes:

We also have in place in-house facilities for air pollution management, solid and gaseous waste management and waste water management. We have the following facilities to contain environmental pollution caused by our operations:

- **ETP:** We have ETPs to treat 500,000 litres of low load waste water per day through chemical oxidation, flocculation, tertiary poly system, and online monitoring system. Further, we use advent integrated system process technology for bio-degradation which we have availed from Advent Corporation, US.
- **MEEP:** We have made an investment of ₹ 350 million in setting up of MEEP at Unit VII to treat high load waste water. MEEP re-uses condensed water and recovers salts which are captively used and sold by us.
- **ESDP:** In addition to MEEP, we have ESDP to treat high load waste water and to reduce treatment cost. We have three spray dryers and three incinerators with a capacity to treat high load waste water of 100,000 litres, and 125,000 litres per day, respectively.

Acquisitions

As part of our diversification strategy and to meet our future growth requirements, we have identified business opportunities for diversification by acquiring/ making investments in other chemical companies including:

Acquisition of SPS Processors Private Limited

In Fiscal 2017, we acquired 70% equity stake in our Subsidiary, which is engaged in the manufacturing of dye intermediates. It has a manufacturing plant located at Kosi, Uttar Pradesh having an operational capacity to produce 3,000 MTPA of H-Acid. The manufacturing plant is a zero discharge unit. We intend to set up a new vinyl sulphone plant of 6,000 MTPA at our Subsidiary's unit for production of both H-acid and vinyl sulphone together enabling us to utilise the effluents of two plants into each other's production. This will enable us to reduce costs of managing effluents and generate additional revenue.

Acquisition of Trion Chemicals Private Limited

In Fiscal 2017, we acquired 41.51% equity stake in our Associate. In January 2017, our Associate started production of TCCA. TCCA is a disinfectant, algacide and bactericide used for water treatment, and is also used as a bleaching agent in the textile industry. The manufacturing unit located at Neja, near Kambhat, Gujarat is a zero discharge facility having a manufacturing capacity of 12,000 MTPA. Investment in our Associate has enabled our expansion and diversification into manufacturing of speciality chemicals and other base products. Our Associate's business plan is focused to target the US water treatment market. Our Associate has registered certain of its products with the United States Environmental Protection Agency.

Marketing and distribution

Over 28 years of our experience has enabled us to build strong customer relationships enabling exports to 151 customers in 41 countries in Fiscal 2017. We have adopted a marketing strategy, through which we either sell directly to our customers based on our long term business relationships, or sell through commission agents, in case of entering new markets or dealing with new customers.

Competition

List of our key competitors in the segments we operate in is set out below:

Segment	Competitor
Dyestuff	Jay Chemical Industries Limited
	Colourtex Industries Private Limited
	Kiri Dyes and Chemicals Limited
	McFills Enterprises Private Limited
	Asiatic Colour Chem Industries Limited
Dye Intermediates	Mayur Dye Chem Intermediates LLP
	Bhageria Industries Limited
	AksharChem India Limited
	Shree Pushkar Chemicals & Fertilisers Limited
	Ambuja Intermediates Limited
Basic Chemicals	Kutch Chemical Industries Limited
	Kiri Dyes and Chemicals Limited
	Aarti Industries Limited
	Atul Limited
	Industrial Solvents & Chemicals Private Limited

Major events and Awards

List of major events in our Company is set out below:

Year	Event
1989	Incorporated as a partnership firm in the name of JK Pharma
1993	Converted into Bodal Chemicals Private Limited
1997	Acquired Units V and VI
2002	Acquired Units II-B and III
2004	Carried out forward integration to start producing dyestuff
2006	Completed reverse merger with Dintex Dychem Limited becoming a listed entity on BSE; Acquired Units IV
2008	Acquired Unit VIII from Milestone Organics Limited; Shut down operations at Units V and VI
2010	Carried out backward integration to start producing basic chemicals
2011	Completed setting up of Unit VII
2012	Approached CDR for suitable realignment of our debt
2015	Exited from CDR
2016	Amalgamation of our erstwhile subsidiary, Bodal Agrotech Limited with our Company
2017	Acquired 70% stake in our Subsidiary
2017	Acquired 41.51% stake in our Associate

List of awards received by our Company is set out below:

Year	Particulars of the Awards
2017	- Award in appreciation of our efforts towards health and safety drives. - Award from the Dyestuffs Manufacturers Association of India for excellent performance in exports of dyes intermediates by a large scale unit for 2016-2017. - Award from the Dyestuffs Manufacturers Association of India for outstanding performance in domestic market by a large scale unit for 2016-2017.
2016	‘Trishul award’ from Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council, Government of India, for outstanding export performance of dyes and dye intermediates during 2011-2012 and 2013-2014.
2015	- Recognised as a ‘Three Star Export House’ by the Government of India. - Award from the Gujarat Dyestuff Manufacturers Association for highest self-manufacturing turnover from domestic and export of dyes and dye intermediates during the year 2013-2014.

Utilities

Our manufacturing operations require continuous supply of electricity and water. We mainly source our water requirements from our borewells, and GIDC for all our manufacturing facilities. Further, our power requirements are sourced from state electricity supply and Torrent Power Limited. At Unit VII, we have a captive power plant with a capacity of 1.76 MW, and are planning to set up a co-generation power plant with a capacity of 5 MW to reduce our dependence on external supply, improve our production efficiency, and reduce our electricity costs.

Risk Management

We have in place a risk management framework through which our risk management team identifies and evaluates business risks, and means to mitigate adverse impact on our business objectives in order to enhance our competitive advantage. Our risk management approach includes documentation and reporting across various levels of our Company. We have deployed systems of internal control commensurate to our size and the complexities of our operations to facilitate fair presentation of financial results, measures to ensure statutory and regulatory compliance, and safeguards to protect investor interest. Further, as part of our risk management framework, our Board and senior management evaluate various types of risks from time to time, such as credit risk, industry risk, liquidity risk, operational risk, health and safety risk, geographical profitability risk, cyber security risk and others and means to mitigate the impact of such risks.

Intellectual Property Rights

Our Company has registered a total of 10 trade marks, including the “Bodal” logo under various classes of the Trade marks Act, 1999.

Insurance

We maintain a wide range of insurance policies for our manufacturing units such as public liability, fire industrial all risk, standard fire and special perils, and burglary policies which provide coverage to *inter alia*, our buildings, plant and machinery, and stock in trade. Additionally, we have also obtained workmen's compensation insurance, and directors and officers liability insurance. Our policies are subject to customary exclusions and deductibles. We believe that our insurance coverage is consistent with industry standards for companies in India.

Employees

As of August 31, 2017, we have employed a total of 1,298 permanent employees at our manufacturing facilities. Our human resource policies, *inter alia*, provide for the process of recruitment and selection of new employees and the induction process to enable new employees to become familiar with the work environment. Further, the policies address indiscipline and behaviour issues, non-performance, and shift timing and shift charge handover procedures.

Properties

Our registered office and corporate headquarters is located at Vatva in Ahmedabad, Gujarat on land leased from GIDC. Of our 10 manufacturing facilities, four Units are operated on owned property, and the remaining six Units are situated on land leased from state governments.

Corporate social responsibility

Our CSR initiatives are focused on development of rural infrastructure, promotion of education, and enhancement of healthcare. In Fiscal 2017, we contributed ₹ 21.50 million towards our CSR initiatives. Our CSR team works along with Yuva, a non-governmental organization, towards identifying social issues in our neighbouring communities with an aim to improving the quality of life enjoyed by such communities. We have donated funds towards setting up of drinking water pipelines to ensure safe drinking water for the community. For improved healthcare, we have donated funds towards organizing regular health check-up camps in the community. In the field of education, we have made contributions to various schools and universities for improvement of infrastructure facilities. Further, we also endeavour to promote individual talent in the field of sports, and have donated funds to organizations such as the All Gujarat Sports Council of the Deaf.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles. Our Board presently consists of six Directors, including three executive Directors, and three independent Directors. In accordance with the Articles, our Company shall not have less than three Directors and more than 15 Directors. The quorum for meetings of our Board is one-third of the total number of Directors, or two Directors, whichever is higher. Where the number of interested Directors exceeds or is equal to two-thirds of the total number of remaining Directors present at such meeting, the number of remaining Directors who are not interested and are present at the meeting, not being less than two, shall be the quorum for such meeting.

Pursuant to the provisions of the Companies Act 2013, at least two-thirds of the total numbers of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. A retiring Director is eligible for re-election. Further, pursuant to the Companies Act 2013, the Independent Directors may be appointed for a maximum of two consecutive terms of up to five consecutive years each and thereafter have a cooling off period of three years prior to re-appointment. Any re-appointment of Independent Directors shall be on the basis of, *inter alia*, the performance evaluation report and approval by the shareholders of our Company, by way of a special resolution.

The following table sets forth details regarding our Board as of the date of this Placement Document:

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation
1.	Suresh J. Patel <i>Address:</i> 32, Basant Bahar Bungalows, Bopal, Ahmedabad 380 058 <i>Occupation:</i> Industrialist <i>Nationality:</i> Indian <i>Term:</i> Three years with effect from May 13, 2015 <i>DIN:</i> 00007400	60	Chairman and Managing Director (Executive Director)
2.	Bhavin S. Patel <i>Address:</i> 32, Basant Bahar Bungalows, Bopal, Ahmedabad 380 058 <i>Occupation:</i> Industrialist <i>Nationality:</i> Indian <i>Term:</i> Liable to retire by rotation <i>DIN:</i> 00030464	36	Executive Director
3.	Ankit S. Patel <i>Address:</i> 32, Basant Bahar Bungalows, Bopal, Ahmedabad 380 058 <i>Occupation:</i> Industrialist <i>Nationality:</i> Indian <i>Term:</i> Liable to retire by rotation <i>DIN:</i> 02173231	34	Executive Director
4.	Bipin R. Patel <i>Address:</i> 44, Maithali Society, Opp. Shreyas Foundation, Ambawadi Ahmedabad 380 015 <i>Occupation:</i> Industrialist <i>Nationality:</i> Indian <i>Term:</i> Five years with effect from September 22, 2014 <i>DIN:</i> 01186974	72	Independent Director
5.	Nalin Kumar <i>Address:</i> B-1505, Ashok Towers, Dr. S. S. Rao Road, Near ITC Grand Central Hotel, Parel, Mumbai 400 012 <i>Occupation:</i> Banker <i>Nationality:</i> Indian <i>Term:</i> Five years with effect from February 13, 2017 <i>DIN:</i> 03060741	48	Independent Director

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation
6.	Neha Huddar Address: 1602, Satguru Sharan, Chaphekar Bandhu Marg Mulund East, Mumbai 400 081 Occupation: Service Nationality: Indian Term: Five years with effect from May 10, 2017 DIN: 00092245	56	Independent Director

Brief Biographies of the Directors

Suresh J. Patel is the Chairman and Managing Director of our Company. He holds a graduate degree in science from M B Patel College, Anand, Gujarat (Sardar Patel University, Vidyanagar) . He has experience of more than 28 years in the chemical industry, specifically in manufacturing and sale of dyes and dyes intermediates. He founded our Company and continues to inspire the senior management team towards growth and excellence. He is currently also a director at Novel Spent Acid Management, which is a company registered under Section 8 of the Companies Act 2013.

Bhavin S. Patel is an Executive Director of our Company. He holds a graduate degree in science from Gujarat University. He has 14 years of experience in the chemical industry, specifically in marketing of dyes and dyes intermediates. He has been associated with our Company for 14 years. Bhavin S. Patel heads the dyestuff division of our Company, including production, marketing and new growth areas. He is leading the liquid dyestuff initiatives, and is also involved in Trion Chemicals Private Limited's related initiatives of the Company.

Ankit S. Patel is an Executive Director of our Company. He holds a graduated degree in economics from University of Nevada and a master's degree in business administration from Devry University. He has been significantly involved in the development of the sulphuric acid plant of our Company. He has been associated with our Company for 10 years. He heads the basic chemicals division at our Company, including production, marketing and new growth areas. He is leading the LABSA initiative of our Company. He is also a director at Rudraksh Caterers Private Limited.

Bipin R. Patel is an independent Director of our Company. He holds a graduate degree in law and arts from Motilal Nehru Law and Commerce College and J.V. Arts College, respectively, and also holds a master's degree in economics from Gujarat University . He is an industrialist with more than three decades of experience in the dyes and pigments industry. He was president of the Gujarat Chamber of Commerce and Industry for the year 2016-17. In the past, he has also served as the chairman, Western Region, Export Promotion Council, Ministry of Commerce and Industry and chairman, Gujarat Region, Export Promotion Council, Ministry of Commerce and Industry. He has served under the Export Promotion Council, Ministry of Commerce and Industry, as an honorary member, for more than 12 years, to promote Indian export. He currently holds the following positions: (i) director of Confederation of Indian Clubs, which is a company registered under Section 8 of the Companies Act 2013; (ii) chairman of Ecocare Infrastructures Private Limited; (iii) chairman of Ami Pigments Private Limited; (iv) chairman of Ami Organics; (v) chairman of Ami Chemicals; (vi) chairman of Phthalo Pigments and (vii) partner at Ami Pharma. He was appointed as a director of our Company in 2007.

Nalin Kumar is an independent Director of our Company. He has a graduate degree in chemical engineering from the Indian Institute of Technology, Kharagpur, and has a post-graduate diploma in management from the Indian Institute of Management, Calcutta. He also completed global programs with HSBC at Hong Kong and with JP Morgan Chase in banking and corporate finance at New York. He is experienced as an investor and investment banker having worked in many global financial centres, with bulge bracket investment banks, during his 24years of experience in the financial services domain. He was head of the private equity and real estate business for JM Morgan Stanley/ JM Financial, India from 2005 to 2009, managing director at Rabobank from 2009 to 2011 and CEO, Corporate and Investment Bank, First Rand Bank, India during 2012 to 2013. His most recent role has been the chief investment officer for Alternate Investment Management Limited, Srei Group.

Neha Huddar is an independent Director of our Company. She holds a graduate degree in commerce from the University of Bombay and is a qualified chartered accountant. She has more than 34 years of experience in areas of finance, compliance, accounts, audit and human resources. Neha Huddar has worked as the group chief financial officer of Thirumalai Chemicals Limited.

Relationship with Other Directors

None of our Directors are related to each other, except as follows:

1. Bhavin S. Patel and Ankit S. Patel are sons of Suresh J. Patel; and
2. Bhavin S. Patel and Ankit S. Patel are brothers.

Borrowing Powers of our Board

Our Company has, pursuant to the special resolution passed by the shareholders, in the AGM of our Company held on September 22, 2014, resolved that in accordance with the provisions of the Companies Act 2013, our Board is authorised to borrow, from time to time, any sum or sums of money as it may deem proper for our Company's business, which, together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed the aggregate, for the time being, of the paid-up share capital of our Company and its free reserves, provided that the total amount of money or monies so borrowed by our Board and remaining outstanding shall not, at any time, exceed the limit of ₹ 10,000 million in excess of and in addition to the paid-up share capital and free reserves of our Company for the time being.

Interest of the Directors

All of the Independent Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or committees thereof, as well as to the extent of reimbursement of expenses, and the Chairman and the executive Directors of our Company may be deemed to be interested to the extent of remuneration and commission paid to them for services rendered.

All of the Directors may also be regarded as interested in any Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them. All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms, Hindu Undivided Families ("HUFs"), and trusts, in which they are interested as directors, members, partners, karta, trustees, etc.

Except as provided in "Financial Statements" at page 157, and except as disclosed below in this Placement Document, our Company has not entered into any contract, agreement or arrangement during the two years immediately preceding the date of this Placement Document in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

As on the date of this Placement Document, there are no outstanding loans which have been extended by our Company to any of the Directors. For the financial year 2016 – 2017, Suresh J. Patel, Ankit S. Patel and Bhavin S. Patel have advanced loans for Rs. 475,280,000, Rs. 5,000,000 and Rs. 116,825,000, respectively to our Company. The current outstanding amount for such loans, as on date of this Placement Document, is given below:

Name	Amount Outstanding (in ₹)
Suresh J. Patel	238,174,836
Ankit S. Patel	2,600,000
Bhavin S. Patel	102,925,000

Shareholding of Directors

The following table sets forth the shareholding of the Directors in our Company as on the date of this Placement Document:

Name	Number of Equity Shares	Percent of the issued and paid-up Equity Share capital (in %)
Suresh J. Patel	34,695,151	31.80
Bhavin S. Patel	9,459,549	8.67
Ankit S. Patel	6,536,550	5.99
Neha Huddar	1,000	Negligible
Total	50,692,250	46.46

Compensation of the Non-executive Directors

The non-executive Directors are paid remuneration consisting of sitting fees as determined by our Board. Presently, non-executive Directors on our Board are entitled, pursuant to the resolution passed by the Board on May 28, 2014, to sitting fees of ₹ 25,000 for attending each meeting of our Board or any committee thereof. Our Company currently does not pay any sitting fee to the Directors for attending meetings of the committee.

The following tables set forth the compensation paid by our Company to the non-executive Directors of our Company during the relevant period for the Fiscal 2017, Fiscal 2016 and Fiscal 2015:

Fiscal 2017:

Name of the Director	Commission	Sitting Fees	Total
Surendra N. Shah**	Nil	0.15	0.15
Bipin R. Patel	Nil	0.13	0.13
Nalin Kumar	Nil	0.03	0.03
Neha Huddar	NA	NA	NA
Sunil K. Mehta*	Nil	0.10	0.10
Kajal Ritesh Soni*	Nil	0.10	0.10

*Sunil K. Mehta and Kajal Ritesh Soni, resigned from our Board with effect from February 11, 2017.

**Surendra N. Shah, resigned from our Board with effect from October 7, 2017.

Fiscal 2016:*(in ₹ million)*

Name of the Director	Commission	Sitting Fees	Total
Surendra N. Shah	Nil	0.13	0.13
Bipin R. Patel	Nil	0.15	0.15
Sunil K. Mehta	Nil	0.13	0.13
Kajal Ritesh Soni	Nil	0.15	0.15

Fiscal 2015:*(in ₹ million)*

Name of the Director	Commission	Sitting Fees	Total
Surendra N. Shah	Nil	0.09	0.09
Bipin R. Patel	Nil	0.09	0.09
Sunil K. Mehta	Nil	0.09	0.09
Kajal Ritesh Soni	Nil	0.03	0.03

Compensation of the Executive Directors

The following tables set forth the details of remuneration paid by our Company to the executive Directors of our Company during the relevant period for Fiscal Year 2017, Fiscal Year 2016, and Fiscal Year 2015:

Fiscal 2017:*(in ₹ million)*

Name of the Director	Basic salary (including house rent allowance)	Perquisites (Value of pre requisites under section 17(2) of the Income Tax Act, 1961)	Other (Commission as % of profit)	Total
Suresh J. Patel	10.80	0.22	Nil	11.02
Bhavin S. Patel	7.20	0.04	Nil	7.24
Ankit S. Patel	7.20	0.55	Nil	7.75

Fiscal 2016:*(in ₹ million)*

Name of the Director	Basic salary (including house rent allowance)	Perquisites (Value of pre requisites under section 17(2) of the Income Tax Act, 1961)	Other (Commission as % of profit)	Total
Suresh J. Patel	10.80	1.03	Nil	11.83
Bhavin S. Patel	7.20	0.24	Nil	7.44
Ankit S. Patel	7.20	0.19	20.46	27.85

Fiscal 2015:*(in ₹ million)*

Name of the Director	Basic salary (including house rent allowance)	Perquisites (Value of pre requisites under section 17(2) of the Income Tax Act, 1961)	Other (Commission as % of profit)	Total
Suresh J. Patel	10.80	0.16	40.00	50.96
Bhavin S. Patel	7.20	0.28	30.00	37.48
Ankit S. Patel	7.20	0.33	30.00	37.53

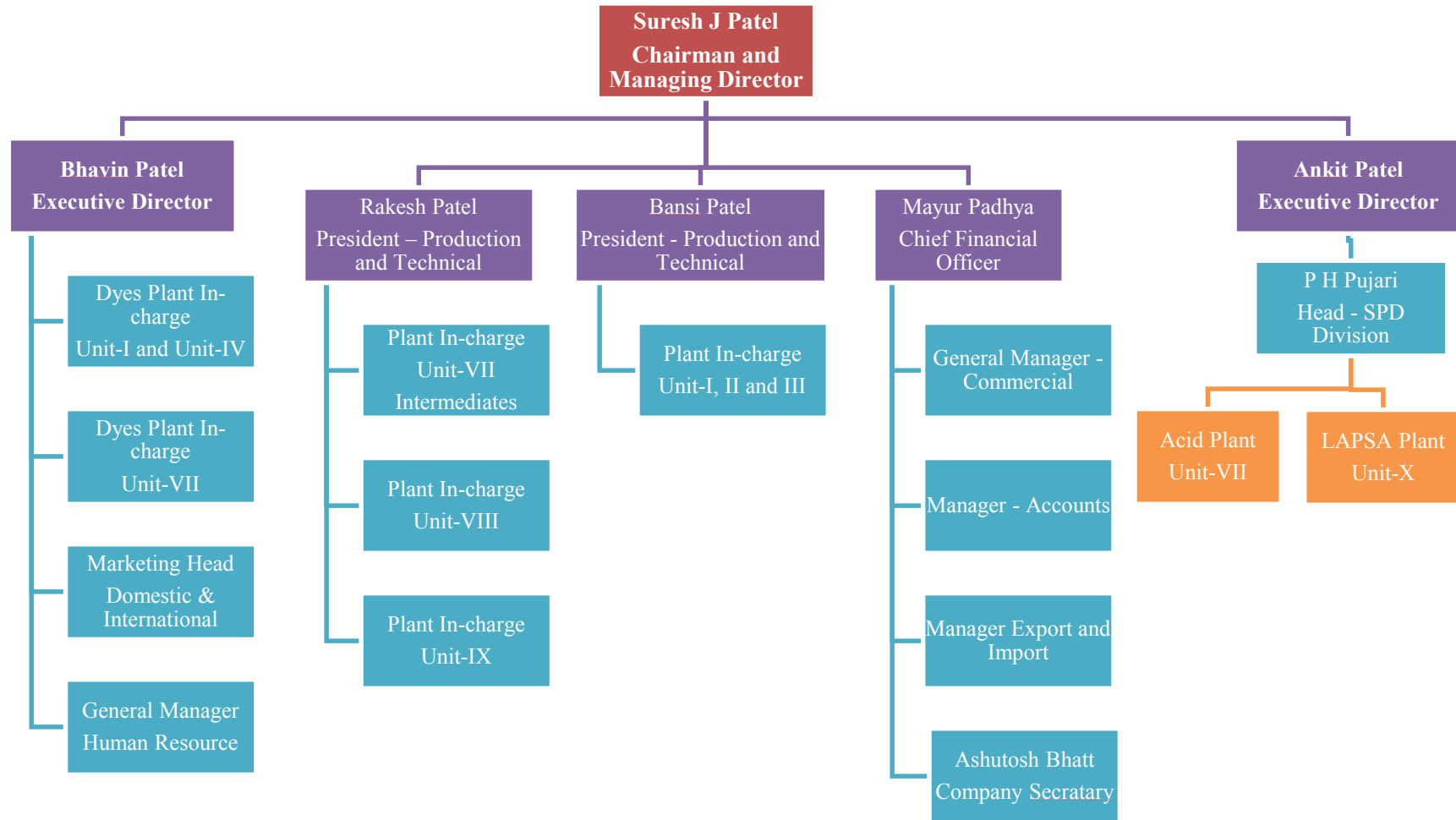
Note: The remuneration paid to the executive Directors is exclusive of gratuity and premium for personal accident policy.

Changes in directors of our Company

The following table sets forth details regarding changes in the directors of our Company in the last three financial years:

Name of the Director	Date	Reason for change
Kajal R. Soni	September 24, 2015	Appointment
	February 11, 2017	Resignation
Sunil K. Mehta	September 22, 2014	Appointment
	February 11, 2017	Resignation
Surendra N. Shah	September 22, 2014	Appointment
	October 7, 2017	Resignation

Organisation Chart of our Company



Key Managerial Personnel

In addition to our Company's executive Directors, Suresh J. Patel, Bhavin S. Patel and Ankit S. Patel, the following table sets forth details regarding our Company's key managerial personnel, as of the date of this Placement Document:

Sr. No.	Name	Age	Designation
1.	Mayur B. Padhya	46	Chief Financial Officer
2.	Ashutosh B. Bhatt	29	Company Secretary and Compliance Officer
3.	Prasad H. Pujari	54	Head – Sulphuric Products Division
4.	V.K. Sasidharan	67	Vice President – Technical
5.	Bansi M. Patel	57	President – Production and Technical
6.	Rakesh R. Patel	53	President – Production and Technical

For biographies of Suresh J. Patel, Bhavin S. Patel and Ankit S. Patel, see “- Biographies of Directors” on page 106.

Mayur B. Padhya is the Chief Financial Officer of our Company. He holds a graduate degree in commerce from H.L. Commerce College and is qualified as a chartered accountant. He is a senior corporate financial management executive with more than 22 years of experience. He handles finance, corporate affairs and investor relationship, and also supervises accounts, secretarial, internal audit and exports for our Company. He has been associated with our Company for 17 years.

Ashutosh B. Bhatt is the Company Secretary and Compliance Officer of our Company. He holds a graduate degree in commerce from Hemchandracharya North Gujarat University, Patan and is a qualified company secretary. He has more than five years of experience in secretarial compliance. He has been associated with our Company since July 30, 2012, and is responsible for secretarial and legal compliance of our Company.

Prasad H. Pujari is the Head of the Sulphuric Products Division of our Company. He holds a master's degree in chemical engineering from University Department of Chemical Technology, Mumbai. He also heads the expansion projects at our Company. He has been associated with our Company for nine years.

V.K. Sasidharan is the Vice President-Technical of our Company. He holds a bachelor's degree in metallurgy from NIT, Warangal. He oversees process innovation and efficiency initiatives in production and maintenance. He has been associated with our Company for eight years.

Bansi M. Patel is the President-Production and Technical of our Company. He holds a bachelor's degree and master's degree in science, both from C.U. Shah Science College, Gujarat University. He oversees our Company's Units I, II, III and IV. He has been associated with our Company for 27 years.

Rakesh R. Patel is the President-Production and Technical of our Company. He holds a bachelor's degree in science from Sardar Patel University. He oversees our Company's Units VII and VIII. He has been associated with our Company for more than 22 years, and he is also a director on the board of directors of the Subsidiary.

All the key managerial personnel are permanent employees of our Company.

Shareholding of Key Managerial Personnel

The following table sets forth the shareholding of the key managerial personnel in our Company as on the date of this Placement Document:

Name	Number of Equity Shares	Percentage of issued and paid-up Equity Share capital (in %)
Mayur B. Padhya	175,150	0.16
Bansi M. Patel	31,680	0.03
Rakesh R. Patel	31,680	0.03

For details of shareholding of Suresh J. Patel, Bhavin S. Patel and Ankit S. Patel, see “- Shareholding of Directors” on page 107.

Relationship

None of our key managerial personnel and Directors are related to each other, except as disclosed below:

Rakesh R. Patel is brother in law of Suresh J. Patel and is uncle of Bhavin S. Patel and Ankit S. Patel.

Interest of Key Managerial Personnel

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business and to the extent of the Equity Shares held by them or their dependants in

our Company, if any and any dividend payable to them and other distributions in respect of such Equity Shares. For details of interests of Suresh J. Patel, Bhavin S. Patel and Ankit S. Patel, see “- Interest of the Directors” on page 107.

A loan amount of Rs. 292,400,000 was advanced by Rakesh R. Patel to the Subsidiary in the financial year 2017 -2018 and as on date, the entire loan amount is outstanding. Except as disclosed herein above, as on the date of this Placement Document, there are no loans outstanding, extended by our Company to any of the key managerial personnel.

Except as provided in “Financial Statements” at page 157, and except as disclosed in this Placement Document, our Company has not entered into any contract, agreement or arrangement during the two years immediately preceding the date of this Placement Document in which any of the key managerial personnel are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

ESOP

Our Board and the shareholders of our Company have approved, pursuant to the resolutions dated May 11, 2017 and September 23, 2017, respectively, the implementation of the employee stock option scheme “ESOP 2017” for grant of options to employees (including directors but excluding Promoters, independent directors and directors holding (directly or indirectly) more than 10% of the outstanding equity share capital of the Company) of our Company, its subsidiaries and its holding company, in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. As on the date of this Placement Document, there are no stock options granted by our Company under the aforesaid scheme.

Corporate Governance

Our Board presently consists of six Directors. In compliance with the requirements of the SEBI Listing Regulations, our Board consists of three independent Directors.

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act 2013 and the SEBI Regulations, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board’s supervisory role from the executive management team and constitution of our Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act 2013 and the SEBI Listing Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our Company’s executive management provides our Board detailed reports on its performance periodically.

Committees of our Board of Directors

Our Board has constituted committees, which have been constituted and function in accordance with the relevant provisions of the Companies Act 2013 and the SEBI Listing Regulations:

The committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Securiestholder Grievance Committee/Stakeholders Relationship Committee; (iv) Corporate Social Responsibility Committee; (v) Management Committee; (vi) Share Transfer Committee; and (vii) QIP Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Placement Document:

S. No.	Committee	Members
1.	Audit Committee	Bipin R. Patel (<i>Chairman</i>) Bhavin S. Patel Nalin Kumar
2.	Nomination and Remuneration Committee	Bipin R. Patel (<i>Chairman</i>) Neha Huddar Nalin Kumar
3.	Securiestholder Grievance Committee/ Stakeholders Relationship Committee	Bipin R. Patel (<i>Chairman</i>) Bhavin S. Patel Nalin Kumar
4.	Corporate Social Responsibility Committee	Suresh J. Patel (<i>Chairman</i>) Bipin R. Patel Ankit S. Patel
5.	Management Committee	Suresh J. Patel (<i>Chairman</i>) Bhavin S. Patel Ankit S. Patel
6.	Share Transfer Committee	Suresh J. Patel (<i>Chairman</i>) Bhavin S. Patel Ankit S. Patel
7.	QIP Committee	Suresh J. Patel (<i>Chairman</i>)

S. No.	Committee	Members
		Bhavin S. Patel Ankit S. Patel

Other Confirmations

None of the Directors, Promoters or key managerial personnel of our Company has any financial or other material interest in the Issue and there is no effect of such interest as is different from the interest of other persons.

Neither our Company, nor the Directors or Promoters have ever been identified as willful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI.

Neither our Company, nor the Directors or Promoters have been debarred from accessing capital markets under any order or direction made by SEBI.

Policy on disclosures and internal procedure for prevention of insider trading

Regulation 9 of the Insider Trading Regulations applies to our Company and its employees and requires our Company to implement a code of internal procedures and conduct for the prevention of insider trading. Our Company has implemented a code of conduct for prevention of insider trading in accordance with the SEBI Prohibition of Insider Trading Regulations, as per which, the company secretary of our Company is the compliance officer of our Company for the purposes of this code.

Further, under the Companies Act 2013, the directors and key management personnel are prohibited from (a) acquiring an option over, or entering into forward dealings in, securities of our Company, its Subsidiary or its Associate; and (b) engaging in insider trading.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three Financial Years immediately preceding the year of circulation of this Placement Document, see “Financial Statements” on page 157.

PRINCIPAL SHAREHOLDERS

I. The following table sets forth the details regarding the shareholding pattern of our Company, as on June 30, 2017:

Category of shareholder	Nos. of shareholders	No. of fully paid up Equity Shares held	Total nos. Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Equity Shares held in dematerialized form
(A) Promoter and Promoter Group	11	69,864,959	69,864,959	64.03	6,986,4959
(B) Public	35,840	39,242,411	39,242,411	35.97	37,699,291
(C1) Shares underlying DRs	-	-	-	0.00	-
(C2) Shares held by Employee Trust	-	-	-	0.00	-
(C) Non Promoter-Non Public	-	-	-	0.00	-
Grand Total	35,851	109,107,370	109,107,370	100.00	107,564,250

Note: C=C1+C2; Grand Total=A+B+C

II. The following table sets forth the details regarding the shareholding of the Promoter and Promoter Group as on June 30, 2017:

Category of shareholder	Nos. of shareholders	No. of fully paid up Equity Shares held	Total nos. Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Equity Shares held in dematerialized form
A1) Indian					
Individuals/Hindu undivided Family	8	59,143,259	59,143,259	54.21	59,143,259
Sureshbhai Jayantibhai Patel	1	34,695,151	34,695,151	31.80	34,695,151
Bhavin Suresh Patel	1	9,459,549	9,459,549	8.67	9,459,549
Ankit Sureshbhai Patel	1	6,536,550	6,536,550	5.99	6,536,550
Meenaben Sureshbhai Patel	1	5,228,960	5,228,960	4.79	5,228,960
Rakeshbhai Ravjibhai Patel	1	2,581,680	2,581,680	2.37	2,581,680
Ramesh Prabodhchandra Patel	1	385,299	385,299	0.35	385,299
Bansibhai Maganbhai Patel	1	231,680	231,680	0.21	231,680
Ramesh Prabodhchandra Patel- HUF	1	24,390	24,390	0.02	24,390
Sub Total A1	8	59,143,259	59,143,259	54.21	59,143,259
A2) Foreign					
Individuals (Non Resident Individuals/ Foreign Individuals)	3	10,721,700	10,721,700	9.83	10,721,700
Rameshbhai Dahyabhai Patel	1	4,936,960	4,936,960	4.52	4,936,960
Jayanti Dahyabhai Patel	1	3,499,165	3,499,165	3.21	3,499,165
Shakuntala J Patel	1	2,285,575	2,285,575	2.09	2,285,575
Sub Total A2	3	10,721,700	10,721,700	9.83	10,721,700
A=A1+A2	11	69,864,959	69,864,959	64.03	69,864,959

III. The following table sets forth the details regarding the shareholding of persons belonging to the public category as on June 30, 2017:

Category and name of shareholder (I)	Nos. of shareholders (III)	No. of fully paid up Equity Shares held (IV)	Total nos. Equity Shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities			Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2) (XI)= (VII)+(X)	Number of Equity Shares held in dematerialized form (XIV)
					(IX)		Total as a % of (A+B+C)		
					No of Voting Rights Class X	Total			
Institutions	0	0	0	0	0	0	0	0	0
Mutual Funds/	1	300,000	300,000	0.27	300,000	300,000	0.27	0.27	300,000
Venture Capital Funds	0	0	0	0	0	0	0	0	0
Alternate Investment Funds	0	0	0	0	0	0	0	0	0
Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
Foreign Portfolio Investors	37	4,020,120	4,020,120	3.68	4,020,120	4,020,120	3.68	3.68	4,020,120
Financial Institutions/ Banks	4	129,633	129,633	0.12	129,633	129,633	0.12	0.12	129,633
Insurance Companies	1	4,000	4,000	0	4,000	4,000	0	0	0
Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
Any Other (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1)	43	4,453,753	4,453,753	4.07	4,453,753	4,453,753	4.07	4.07	4,449,753
Central Government/ State Government(s)/ President of India	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2)	0	0	0	0	0	0	0	0	0
Non-institutions	0	0	0	0	0	0	0	0	0
Individuals -	33040	25,060,671	25,060,671	22.97	25,060,671	25,060,671	22.97	22.97	23,533,151
Individual shareholders holding nominal share capital up to ₹ 200,000.	33025	21,942,845	21,942,845	20.11	21,942,845	21,942,845	20.11	20.11	20,539,325
Individual shareholders holding nominal share capital in excess of ₹ 200,000.	15	3,117,826	3,117,826	2.86	3,117,826	3,117,826	2.86	2.86	2,993,826
NBFCs registered with RBI	0	0	0	0	0	0	0	0	0
Employee Trusts	0	0	0	0	0	0	0	0	0
Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0
Any Other (specify)	2757	9,727,987	9,727,987	8.92	9,727,987	9,727,987	8.92	8.92	9,716,387
Trust	5	49,061	49,061	0.04	49,061	49,061	0.04	0.04	49,061
Foreign Nationals	2	6,993	6,993	0.01	6,993	6,993	0.01	0.01	6,993
Hindu Undivided Family	737	1,143,573	1,143,573	1.05	1,143,573	1,143,573	1.05	1.05	1,143,573
Non-Resident Indian (NRI)	644	431,576	431,576	0.40	431,576	431,576	0.40	0.40	419,976
Non-Resident Indian (NRI)	644	1,258,402	1,258,402	1.15	1,258,402	1,258,402	1.15	1.15	1,258,402
Clearing member	249	853,636	853,636	0.78	853,636	853,636	0.78	0.78	853,636

Category and name of shareholder (I)	Nos. of shareholders (III)	No. of fully paid up Equity Shares held (IV)	Total nos. Equity Shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities			Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2) (XI)= (VII)+(X)	Number of Equity Shares held in dematerialized form (XIV)
					(IX)				
					No of Voting Rights		Total as a % of (A+B+C)		
Class X	Total								
Body Corporate	472	5,908,299	5,908,299	5.42	5,908,299	5,908,299	5.42	5.42	5,908,299
Monarch Network Finserve Private limited	0	1,100,000	1,100,000	1.01	1,100,000	1,100,000	1.01	1.01	1,100,000
Other	4	76,447	76,447	0.07	76,447	76,447	0.07	0.07	76,447
Sub-Total (B)(3)	35797	34,788,658	34,788,658	31.89	34,788,658	34,788,658	31.89	31.89	33,249,538
Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	35840	39,242,411	39,242,411	35.96	39,242,411	39,242,411	35.96	35.96	37,699,291

IV. The following table sets forth the details regarding the shareholding of the non-promoter non-public shareholders as on June 30, 2017:

Category & name of our Shareholders	Nos. of Shareholder	No. of fully paid up Equity Shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Equity Shares held in dematerialized form (Not Applicable)
C1) Custodian/ DR Holder	0	0	0	0	0
C2) Employee Benefit Trust	0	0	0	0	0

V. Details of disclosure made by the Trading Members holding 1% or more of the total no. of shares of our Company as on June 30, 2017: NIL

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment of the Equity Shares to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and the prospective investors are presumed to have apprised themselves of any such changes from our Company or the Book Running Lead Managers. The prospective investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. The prospective investors that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Book Running Lead Managers 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. Our Company and the Book Running Lead Managers, and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any prospective investor on whether such prospective investor is eligible to acquire the Equity Shares. The prospective investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. For further details, see "Selling Restrictions" and "Transfer Restrictions" on pages 127 and 132, respectively.

Qualified Institutions Placement

The Issue is being made to QIBs in reliance upon Chapter VIII of the SEBI Regulations and Sections 42 and 62 of the Companies Act 2013 and the rules issued thereunder, through the mechanism of a QIP. Under Chapter VIII of the SEBI Regulations and Sections 42 and 62 of the Companies Act 2013 read with Rule 14 of the PAS Rules, a company may issue equity shares to QIBs provided that certain conditions are met by the company. Some of these conditions are set out below:

- the shareholders of the issuer have passed a special resolution approving such QIP. Such special resolution must specify (a) that the allotment of securities is proposed to be made pursuant to the QIP; and (b) the Relevant Date;
- equity shares of the same class of such issuer, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the above-mentioned special resolution;
- the aggregate of the proposed issue and all previous QIPs made by the issuer in the same financial year does not exceed five times the net worth (as defined in the SEBI Regulations) of the issuer as per the audited balance sheet of the previous financial year;
- the issuer shall be in compliance with the minimum public shareholding requirements set out in the SCRR;
- the issuer shall have completed allotments with respect to any prior offer or invitation made earlier by the issuer and shall have withdrawn or abandoned any such invitation or offer made by the issuer;
- the issuer shall offer to each allottee at least such number of the securities in the issue which would aggregate to at least ₹ 20,000 calculated at the face value of the securities;
- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
- prior to circulating the private placement offer letter, the issuer must prepare and record a list of QIBs to whom the offer will be made. The offer must be made only to such persons whose names are recorded by the issuer prior to the invitation to subscribe;
- the offer must be made through a private placement offer letter and an application form serially numbered and addressed specifically to the QIB to whom the offer is made, and sent within 30 days of recording the names of such QIBs;
- the payment to be made for subscription to the Equity Shares shall be made from the bank account of the person subscribing to such securities and in case of securities to be held by joint holders, the payment for subscription to the securities shall be paid from the bank account of the person whose name appears first in the application;
- at least 10% of the equity shares issued to QIBs must be allotted to Mutual Funds, provided that, if such portion to be allotted to Mutual Funds, or any part thereof, remains unsubscribed, it may be allotted to other QIBs;
- investors are not allowed to withdraw their Bids after the Bid/Issue Closing Date;
- additionally, there is a minimum pricing requirement under the SEBI Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer's equity shares of the same class quoted on the stock exchange during the two weeks preceding the relevant date. However, a discount of up to 5% of the floor price is permitted in accordance with the provisions of the SEBI Regulations;

- securities allotted to a QIB pursuant to a QIP shall not be sold for a period of one year from the date of allotment except on the floor of a recognised stock exchange in India. Allotments made to FVCIs, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements; and
- the “relevant date” referred to above, for Allotment, will be the date of the meeting in which the Board or the committee of directors duly authorised by the board decides to open the Issue and “stock exchange” means any of the recognised stock exchanges in India on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares have been recorded during the two weeks immediately preceding the relevant date.

Equity Shares must be allotted within 12 months from the date of the shareholders’ resolution approving the QIP and also within 60 days from the date of receipt of subscription money from the successful Bidders. For details of refund of application money, see “Issue Procedure – Pricing and Allocation – Designated Date and Allotment of Equity Shares” on page 122.

The Equity Shares issued pursuant to the QIP must be issued on the basis of the Preliminary Placement Document and this Placement Document that shall contain all material information including the information specified in Schedule XVIII of the SEBI Regulations and the requirements prescribed under Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select prospective investors through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to QIBs and no offer is being made to the public or to any other category of prospective investors.

The minimum number of allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 2,500 million; and
- five, where the issue size is greater than ₹ 2,500 million.

No single allottee shall be allotted more than 50% of the issue size or less than ₹ 20,000 of face value of Equity Shares. QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee. For details of what constitutes “same group” or “common control”, see “- Application Process - Application Form” on pages 120 to 121.

Our Company has applied for and received the in-principle approvals dated October 10, 2017 of BSE and NSE, respectively under Regulation 28(1) of the SEBI Listing Regulations for the listing of the Equity Shares on the Stock Exchanges. Our Company has filed a copy of the Preliminary Placement Document and will file a copy of this Placement Document with the Stock Exchanges.

Our Company shall also make the requisite filings with the RoC, Stock Exchanges and the SEBI within the stipulated period as required under applicable laws, including the Companies Act 2013 and the PAS Rules, with respect to the Issue.

The Issue has been authorized by (i) our Board pursuant to a resolution passed on August 24, 2017; and (ii) the shareholders of our Company through the resolution passed on September 23, 2017.

Equity Shares allotted to QIBs pursuant to the Issue shall not be sold for a period of one year from the date of the Allotment, except on the floor of the Stock Exchanges.

The Equity Shares offered hereby have not been and will not be registered under the U.S. Securities Act, or any state securities laws of 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 U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions, in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales are made. For further information, see “Selling Restrictions” and “Transfer Restrictions” on pages 127 and 132, respectively.

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.

Issue Procedure

1. Our Company and the Book Running Lead Managers shall identify QIBs and shall circulate serially numbered copies of the Preliminary Placement Document and serially numbered Application Forms, either in electronic or physical form to QIBs, and the Application Form, will be specifically addressed to such QIBs. In terms of Section 42(7) of the Companies Act 2013, our Company shall maintain complete records of the QIBs to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC and the SEBI within the stipulated time period as required under the Companies Act, 2013 and the PAS Rules.

2. **The list of QIBs to whom the Application Form is delivered shall be determined by the Company in consultation with the Book Running Lead Managers. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form is addressed to a particular QIB, no invitation to subscribe shall be deemed to have been made to such QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.
3. The Bidders shall submit Bids for, and our Company shall offer to each successful Allottee at least such number of Equity Shares in the Issue, which would aggregate to ₹ 20,000 calculated at the face value of the Equity Shares.
4. QIBs may submit an Application Form, including any revisions thereof, during the Bidding Period to the Book Running Lead Managers.
5. QIBs will be, *inter alia*, required to indicate the following in the Application Form:
 - full official name of the QIB to whom Equity Shares are to be Allotted;
 - number of Equity Shares Bid for;
 - price at which they are agreeable to subscribe for the Equity Shares, provided that QIBs may also indicate that they are agreeable to submit a Bid at “Cut-off Price”; which shall be any price as may be determined by our Company in consultation with the Book Running Lead Managers at or above the Floor Price or the Floor Price net of such discount as approved in accordance with the SEBI Regulations. Our Company may offer up to 5% discount to the floor price in accordance with the proviso of Regulation 85(1) of the SEBI Regulations;
 - PAN; along with a copy of the PAN card or PAN allotment letter;
 - details of the depository account to which the Equity Shares should be credited; and
 - a representation that it was outside the United States at the time the offer of the Equity Shares was made to it, and is currently outside the United States and acquiring the Equity Shares in an offshore transaction under Regulation S and it has agreed to certain other representations set forth in the Application Form.
6. Once a duly completed Application Form is submitted by a QIB, such Application Form constitutes an irrevocable offer and cannot be withdrawn after the Bid/Issue Closing Date. The Bid/Issue Closing Date shall be notified to the Stock Exchanges and the QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.
7. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple, Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. The Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.
8. Upon receipt of the Application Form, after the Bid/Issue Closing Date, our Company shall determine the final terms, including the Issue Price and the number of Equity Shares to be issued pursuant to the Issue in consultation with the Book Running Lead Managers. Our Company shall intimate the Stock Exchanges about the meeting to decide the Issue Price two clear working days in advance (excluding the date of intimation and the date of the meeting). Our Company shall notify the Stock Exchanges of the Issue Price, once determined. Upon determination of the final terms of the Equity Shares and the QIBs to whom Allocation shall be made. The Book Running Lead Managers will send the serially numbered CAN along with the serially numbered Placement Document to the QIBs who have been Allocated the Equity Shares either in electronic form or by physical delivery. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the QIBs to pay the entire Issue Price for all the Equity Shares Allocated to such QIB. The CAN shall contain details such as the number of Equity Shares Allocated to the QIBs, payment instructions including the details of the amounts payable by the QIB for Allotment of the Equity Shares in its name, and the Pay-In Date as applicable to the respective QIB. **Please note that the Allocation will be at the absolute discretion of our Company and will be based on the recommendation of the Book Running Lead Managers.**
9. No payment shall be made by QIBs in cash. Please note that any payment of application monies for the Equity Shares shall be made from the bank accounts of the relevant QIBs applying for the Equity Shares. Monies payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending allotment, all monies received for subscription to the Equity Shares shall be

kept by our Company in a separate bank account with a scheduled bank and shall be utilized only for the purposes permitted under the Companies Act.

10. Pursuant to receiving a CAN, each QIB shall be required to make the payment of the entire application monies for the Equity Shares indicated in the CAN at the Issue Price, only through electronic transfer to our Company's designated bank account by the Pay-In Date as specified in the CAN sent to the respective QIBs.
11. Upon receipt of the application monies from the QIBs, our Company shall Allot Equity Shares as per the details in the CAN to the QIBs. Our Company will intimate the details of the Allotment to the Stock Exchanges.
12. After passing the resolution for Allotment and prior to crediting the Equity Shares into the depository participant accounts of the successful Bidders, our Company shall apply to the Stock Exchanges for listing approvals.
13. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the Depository Participant accounts of the respective Allottees in accordance with the details submitted by the QIBs in the Application Forms.
14. Our Company will then apply for the final trading approvals from the Stock Exchanges.
15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.
16. Upon receipt of intimation of final trading and listing approval from the Stock Exchanges, our Company shall inform the Allottees of the receipt of such approval. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. QIBs are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Qualified Institutional Buyers

Only QIBs as defined in Regulation 2(1)(zd) of the SEBI Regulations and not otherwise excluded pursuant to Regulation 86(1)(b) of the SEBI Regulations are eligible to invest under Regulation 86(1)(b) of the SEBI Regulations, no Allotment shall be made, either directly or indirectly, to any QIB who is a Promoter or any person related to the Promoters. Currently, under Regulation 2(1)(zd) of the SEBI Regulations, a QIB means:

- public financial institutions as defined in Section 4A of the Companies Act 1956 (and the corresponding Section 2(72) of the Companies Act 2013);
- scheduled commercial banks;
- Mutual Funds registered with SEBI;
- Eligible FPIs;
- multilateral and bilateral development financial institutions;
- venture capital funds registered with the SEBI;
- foreign venture capital investors registered with the SEBI;
- alternate investment funds registered with the SEBI
- state industrial development corporations;
- insurance companies registered with Insurance Regulatory and Development Authority;
- provident funds with minimum corpus of ₹ 250 million;
- pension funds with minimum corpus of ₹ 250 million;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India; and

- systemically important non-banking financial companies.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) shall be less than 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the board of directors followed by a special resolution passed by the shareholders and subject to prior intimation to the RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The existing individual and aggregate investment limits for an FPI in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

Eligible non-resident QIBs can participate in the Issue under Schedule 1 of the FEMA Regulations.

Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws, and such that their shareholding does not exceed specified limits as prescribed under applicable laws in this regard and subject to compliance with the conditions and restrictions that may be specified by the any governmental, regulatory or statutory authority from time to time.

Allotment made to FVCIs, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements.

In terms of FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment

Under Regulation 86(1)(b) of the SEBI Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, or any person related to, the promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to the promoter:

- rights under a shareholders' agreement or voting agreement entered into with the promoter or persons related to the promoter;
- veto rights; or
- a right to appoint any nominee director on our Board.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoter.

Our Company or the Book Running Lead Managers or any of their respective directors, officers, counsels, advisors, representatives, agents or affiliates are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single Application Form from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, QIBs are required to satisfy themselves that any requisite compliance pursuant to this Allotment such as public disclosures under applicable laws is complied with. QIBs are advised to consult their advisers in this regard. Furthermore, QIBs are required to satisfy themselves that their Application Form would not eventually result in triggering a tender offer under the Takeover Regulations.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion as specified above, such minimum portion or part thereof may be Allotted to other QIBs.

Note: *Affiliates or associates of the Book Running Lead Managers who are QIBs may participate in the Issue in compliance with the applicable laws.*

Application Process

Application Form

QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the QIB will be deemed to have made the following representations and warranties, and the representations, warranties and agreements made under the sections titled “Notice to Investors”, “Representations by Investors”, “Selling Restrictions” and “Transfer Restrictions” on pages 1, 3, 127, and 132:

1. The QIB confirms that it is a QIB in terms of Regulation 2(1)(zd) of the SEBI Regulations, has a valid and existing registration under the applicable laws in India, and is eligible to participate in this Issue;
2. The QIB confirms that it is not excluded under Regulation 86 of the SEBI Regulations and that it is not a Promoter and is not a person related to any of the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;
3. The QIB confirms that it has no rights under a shareholders’ agreement or voting agreement with the promoter or persons related to the promoter, no veto rights or right to appoint any nominee director on our Board other than those acquired in the capacity of a lender (not holding any Equity Shares) which shall not be deemed to be a person related to the promoter;
4. The QIB acknowledges that it has no right to withdraw its Bid after the Bid/Issue Closing Date;
5. The QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges;
6. The QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted and together with any Equity Shares held by the QIB prior to the Issue. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any regulations applicable to the QIB;
7. The QIB confirms that its Bids would not eventually result in triggering a tender offer under the Takeover Regulations;
8. The QIB acknowledges, represents and agrees that in the event its total interest in the paid-up share capital of our Company or voting rights in our Company, whether direct or indirect, beneficial or otherwise (any such interest, your “**Holding**”), when aggregated together with any existing Holding and/or Holding of any of the persons acting in concert, results in Holding of 5% or more of the total paid-up share capital of, or voting rights in, our Company a disclosure of the aggregate shareholding and voting rights will have to be made under the Takeover Regulations. In case such QIB is an existing shareholder who, together with persons acting in concert, holds 5% or more of the underlying paid up share capital of, or voting rights in our Company a disclosure will have to be made under the Takeover Regulations in the event of a change of 2% or more in the existing Holding of the QIB and persons acting in concert.
9. The QIB confirms that to the best of its knowledge and belief together with other QIBs in the Issue that belongs to the same group or are under same control, the Allotment to the QIB shall not exceed 50% of the Issue Size. For the purposes of this statement:
 - (a) The expression “belongs to the same group” shall derive meaning from the concept of “companies under the same group” as provided in sub-section (11) of Section 372 of the Companies Act 1956;
 - (b) “Control” shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations.
10. The QIBs shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

The QIB confirms that it has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of the Preliminary Placement Document, will be deemed to have made the representations, warranties and agreements made under the sections titled “Notice to Investors”, “Representations by Investors”, “Selling Restrictions” and “Transfer Restrictions” on pages 1, 3, 127 and 132, respectively.

QIBS MUST PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, PERMANENT ACCOUNT NUMBER (“PAN”), THEIR DEPOSITORY PARTICIPANT’S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, E-MAIL ID AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE QIB SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO BOOK RUNNING LEAD MANAGERS TO EVIDENCE ITS STATUS AS A “QIB”. IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ESCROW BANK OR ANY STATUTORY OR REGULATORY

AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE QIB SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details given above.

The submission of an Application Form by a QIB shall be deemed a valid, binding and irrevocable offer for the QIB to pay the entire Issue Price for the Equity Shares (as indicated by the CAN) and becomes a binding contract on the QIB upon issuance of the CAN by us in favour of the QIB.

Submission of Application Form

All Application Forms must be duly completed with information including the name of the QIB, the price and the number of Equity Shares applied for. The Application Form shall be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at the following address:

Name of Book Running Lead Manager	Address	Contact Person	E-mail	Phone (Telephone and Fax)
SBI Capital Markets Limited	202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005	Akhilesh Yadav	Akhilesh.Yadav@sbicaps.com	Tel: +91 (0) 22 22178300 Fax: +91 (0) 22 22178332
Elara Capital (India) Private Limited	Indiabulls Finance Centre, Tower 3, 21 st Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400 013	Pawan Kumar Jain/ Ritesh Gohil	bodal.qip@elaracapital.com	Tel: +91 (0) 22 6164 8599 Fax: +91 (0) 22 6164 8589

The Book Running Lead Managers shall not be required to provide any written acknowledgement of the same.

Permanent Account Number or PAN

Each QIB should mention its PAN allotted under the IT Act in the Application Form along with a copy of the PAN card or PAN allotment letter. Applications without this information will be considered incomplete and are liable to be rejected. QIBs should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Pricing and Allocation

Build-up of the Book

The QIBs shall submit their Bids (including the revision of bids) within the Bidding Period to the Book Running Lead Managers through the Application Form and cannot be withdrawn after the Bid/Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Price Discovery and Allocation

Our Company, in consultation with the Book Running Lead Managers, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the SEBI Regulations.

After finalisation of the Issue Price, our Company shall update the Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VIII of the SEBI Regulations.

Application Forms received from the QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL QIBS. QIBS MAY NOTE THAT

ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

All Application Forms duly completed along with payment and a copy of the PAN card or PAN allotment letter shall be submitted to the Book Running Lead Managers as per the details provided in the respective CAN.

CAN

Based on the Application Forms received, our Company, in consultation with the Book Running Lead Managers, in its sole and absolute discretion, shall decide the QIBs to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment of such Equity Shares in their respective names shall be notified to such QIBs. Additionally, a CAN will include details of the relevant Escrow Account into which such payments would need to be made, Pay-In Date as well as the probable designated date, being the date of credit of the Equity Shares to the respective QIB's account.

The QIBs who shall be Allotted Equity Shares pursuant to the Issue would also be sent a serially numbered Placement Document either in electronic form or by physical delivery along with the serially numbered CAN.

The dispatch of the serially numbered Placement Document and the serially numbered CAN to the QIBs shall be deemed a valid, binding and irrevocable contract for the QIB to furnish all details that may be required by our Company and the Book Running Lead Managers and to pay the entire Issue Price for all the Equity Shares Allocated to such QIB.

QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

Bank Account for Payment of Application Money

Our Company has opened the "Bodal Chemicals Limited – Escrow Account" with the Escrow Bank in terms of the arrangement among us, the Book Running Lead Managers and the Escrow Bank. The QIB will be required to deposit the entire amount payable for the Equity Shares Allocated to it by the Pay-In Date as mentioned in the respective CAN.

If the payment is not made favouring the "Bodal Chemicals Limited – Escrow Account" within the time stipulated in the CAN, the Application Form and the CAN of the QIB are liable to be cancelled.

Our Company undertakes to utilise the amount deposited in "Bodal Chemicals Limited – Escrow Account" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of application money if we have not been able to Allot Equity Shares in the Issue.

In case of cancellations or default by the QIBs, we and the Book Running Lead Managers have the right to reallocate the Equity Shares at the Issue Price among existing or new QIBs at their sole and absolute discretion subject to the compliance with the requirements of the Companies Act 2013 and the SEBI Regulations.

Our Company undertakes to utilise the amount in the Escrow Account only for the purposes of: (i) adjustments against Allotment of Equity Shares in the Issue; or (ii) repayment of application money if our Company is not able to Allot Equity Shares in the Issue.

Payment Instructions

The payment of application money shall be made by the QIBs in the name of "Bodal Chemicals Limited – Escrow Account" as per the payment instructions provided in the CAN.

Payments are to be made only through electronic fund transfer. All payments through cheques are liable to be rejected.

Designated Date and Allotment of Equity Shares

The Equity Shares will not be Allotted unless the QIBs pay the Issue Price to the "Bodal Chemicals Limited – Escrow Account" as stated above.

In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN for the QIBs who have paid the aggregate subscription amounts as stipulated in the CAN.

Our Company, in its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Post receipt of the listing approval from the stock exchanges, our Company shall credit the Equity Shares into the Depository Participant account of the QIBs.

In relation to QIBs who have been Allotted more than 5% of the Equity Shares in the Issue, our Company shall disclose the name and the number of the Equity Shares Allotted to such QIB to the Stock Exchanges and the Stock Exchanges will make the same available on their website.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company after Allotment of Equity Shares to QIBs and receipt of final listing and trading approval from the exchanges.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of application money, we shall repay the application money within 15 days from expiry of 60 days, failing which we shall repay that money with interest at the rate of 12% per annum from expiry of the sixtieth day. The application money to be refunded by us shall be refunded to the same bank account from which application money was remitted by the QIBs.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company and the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding.

Equity Shares in Dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

A QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Allotment to a successful QIB will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the QIB.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on part of the QIBs.

For details of our Company Secretary and Compliance Officer, see "General Information" on page 155.

PLACEMENT

Placement Agreement

The Book Running Lead Managers have entered into the Placement Agreement dated October 10, 2017 with our Company, pursuant to which the Book Running Lead Managers have agreed to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares on a reasonable efforts basis to be placed with the QIBs, pursuant to Chapter VIII of the SEBI Regulations and Section 42 of the Companies Act 2013.

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the Book Running Lead Managers, and it is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, or any state securities laws of 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 U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under the sections titled “Selling Restrictions” and “Transfer Restrictions”.

This Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares issued pursuant to the Issue, will be offered in India or overseas to the public or any members of the public in India or any other class of prospective investors, other than QIBs.

In connection with the Issue, the Book Running Lead Managers (or their affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see “Offshore Derivative Instruments” on page 7.

From time to time, the Book Running Lead Managers, and their affiliates and associates have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, banking, trading services for our Company, the Subsidiary, the Associate, group companies, affiliates and the shareholders of our Company, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Managers and their affiliates and associates.

Lock-up

Our Company has undertaken that it will not for a period of 180 days from the date hereof without the prior written consent of the Book Running Lead Managers, directly or indirectly, (a) offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares), or file any registration statement under the U.S. Securities Act with respect to any of the foregoing, or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or (c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, or (d) publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale, issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above.

The Promoters and the members of the Promoter Group of our Company except Ramesh D. Patel, Jayanti D. Patel and Shakuntla J. Patel, have agreed that they shall not during the period commencing on the date of Placement Agreement and ending 180 days after the date of allotment of the Equity Shares under the Issue (the “**Lock-up Period**”), without the prior written permission of the Book Running Lead Managers, do the following:

- (a) directly or indirectly, issue, offer, lend, sell, contract to sell, pledge, encumber, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale,

or otherwise transfer or dispose of, any Promoter Share (as defined herein below), including but not limited to any options or warrants to purchase any Promoter Shares, or any securities convertible into or exercisable for, or that represent the right to receive, any Promoter Share or file any registration statement under the U.S. Securities Act of 1933, as amended, with respect to any of the foregoing (regardless of whether any of the transactions described in this clause (a) is to be settled by the delivery of the Promoter Shares or such other securities, in cash or otherwise); or

- (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Promoter Shares or any securities convertible into or exercisable or exchangeable for any of the Promoter Shares (regardless of whether any of the transactions described in this clause (b) is to be settled by the delivery of the Promoter Shares or such other securities, in cash or otherwise); or
- (c) deposit any of the Promoter Shares, or any securities convertible into or exercisable or exchangeable for the Promoter Shares or which carry the rights to subscribe for or purchase the Promoter Shares, with any depositary in connection with a depositary receipt facility; or
- (d) publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of the Promoter Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above,

provided, however, that the foregoing restrictions shall not apply to:

- (i) any sale, transfer or disposition of any of the Promoter Shares with prior notice to the Lead Managers to the extent such sale, transfer or disposition is required by Indian law; and
- (ii) any bona fide pledge or non-disposal undertaking of any of the Promoter Shares held by them as collateral for loans on normal commercial terms entered or to be entered into in the ordinary course of business of such member, the Company and/or its Subsidiary or transfer of any of the Promoter Shares to any third party pursuant to the invocation of any pledge in relation to the Promoter Shares.

As used in this section, the term (“**Promoter Shares**”) shall mean the 56,393,259 Equity Shares owned by the Promoters and the members of the Promoter Group together with any and all Equity Shares that may be acquired by them during the Lock-up Period.

Notwithstanding anything provided above, the foregoing restrictions on transfer of Promoter Shares by the Promoters and the members of the Promoter Group except Ramesh D. Patel, Jayanti D. Patel and Shakuntla J. Patel, shall not apply to any inter group transfer made to any entities promoted by the Promoters (the “**Promoter Group Entities**”), subject to compliance with Applicable Laws and subject to observance by the transferee Promoter Group Entities of the foregoing restrictions on transfer of Promoter Shares until the expiry of the Lock-up Period.

SELLING RESTRICTIONS

GENERAL

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required.

Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI Regulations. Each purchaser of the Equity Shares in the Issue will be required to make, or be deemed to have made, as applicable, the acknowledgments and agreements as described under “Transfer Restrictions”.

Republic of India

This Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private basis and is limited to QIBs and is not an offer to the public. This Placement Document is neither a public issue nor a prospectus under the Companies Act or an advertisement and should not be circulated to any person other than to whom the offer is made. This Placement Document has not been and will not be registered as a prospectus with the RoC.

Australia

This Placement Document and the offer of Equity Shares are only made available in Australia to persons to whom a disclosure document is not required to be given under Chapter 6D of the Australian Corporations Act 2001 (the “**Australian Corporations Act**”) and has not been and will not be lodged or registered with the Australian Securities & Investments Commission or any other regulatory body or agency in Australia. This Placement Document is not a prospectus, product disclosure statement or any other form of formal “disclosure document” for the purposes of the Australian Corporations Act and is not required to, and does not, contain all the information which would be required in a disclosure document under the Australian Corporations Act. (i) The offer of the Equity Shares under this Placement Document is only made to persons to whom it is lawful to offer the Equity Shares without a disclosure document such as a professional investor or sophisticated investor for the purposes of Chapter 6D of the Australian Corporations Act; (ii) this Placement Document is made available in Australia to persons as set forth in clause (i) above; and (iii) by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (ii) above and agrees not to sell or offer for sale within Australia any Equity Shares sold to the offeree within 12 months after their transfer to the offeree under this Placement Document.

Dubai International Financial Centre / United Arab Emirates

The Equity Shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this Placement Document does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This Placement Document has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each of the Book Running Lead Managers has severally and not jointly, or jointly and severally, represented and warranted that it has not made and will not make an offer to the public of any Equity Shares which are the subject of the issue of Equity Shares contemplated by this Placement Document in that Relevant Member State, except that the Equity Shares may be offered to the public in that Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

1. to any legal entity which is a qualified investor, as defined in the Prospectus Directive (as defined below);
2. to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive or supplement a prospectus pursuant to Article 16 at the Prospectus Directive), subject to obtaining the prior consent of the relevant Book Running Lead Managers nominated by our Company for any such offer; or
3. at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Equity Shares shall result in a requirement for the publication by our Company or any Book Running Lead Managers of a prospectus or the initial purchaser of a prospectus pursuant to Article 3 of the Prospectus

Directive and each person who initially acquires any Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed with the Book Running Lead Managers and our Company that it is a qualified investor within the meaning of the law of the Relevant Member State implementing Article 2(1)I of the Prospectus Directive or any measure implementing the Prospectus Directive in any Relevant Member State.

For the purposes of this provision, the expression “an offer to the public” in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase any securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2003/71/EC), and includes any relevant implementing measure in the Relevant Member State.

France

This Placement Document has not been prepared in the context of a public offering of financial securities in France within the meaning of Article L. 411-1 of the French Code *monétaire et financier* and Title I of Book II of the *Règlement Général of the Autorité des Marchés Financiers* (the “AMF”) and, therefore, has not been approved by, registered or filed with the AMF and does not require a prospectus to be submitted for approval to the AMF. Consequently, each of the Book Running Lead Managers has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Equity Shares to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Placement Document or any other offering material relating to the Equity Shares and such offers, sales and distributions have been and will be made in France only to (i) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) to qualified investors (*investisseurs qualifiés*) acting on their own account, as defined in, and in accordance with, Articles L.411-2, D.411-1, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French Code *monétaire et financier*. No re-transfer, directly or indirectly, of the Equity Shares in France, other than in compliance with applicable laws and regulations and in particular those relating to a public offering (which are, in particular, embodied in articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 and seq. of the French Code *monétaire et financier*) shall be made.

Germany

This Placement Document has not been prepared in accordance with the requirements for a sales prospectus under the German Securities Prospectus Act (*Wertpapierprospektgesetz*), the German Sales Prospectus Act (*Verkaufsprospektgesetz*), or the German Investment Act (*Investmentgesetz*). Neither the German Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin*) nor any other German authority has been notified of the intention to distribute the Equity Shares in Germany. The Equity Shares may therefore not be distributed in the Federal Republic of Germany by way of public offering, public advertising or in a similar manner. The Equity Shares are being offered and sold in Germany only to (i) qualified investors in the meaning of Section 3, paragraph 2 no. 1, in connection with Section 2, no. 6, of the German Securities Prospectus Act, or (ii) a limited number of individualised, unqualified investors that are being preselected and specifically addressed. This Placement Document is strictly for use of the person who has received it. It may not be forwarded to other persons or published in Germany.

Hong Kong

This Placement Document has not been approved by the Securities and Futures Commission in Hong Kong and, accordingly, (i) the Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under that SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap. 32) (the “CWUMPO”) of Hong Kong or which do not constitute an offer to the public within the meaning of the CWUMPO; and (ii) each of the Book Running Lead Managers has not issued or had in its possession for the purposes of the issue of Equity Shares whether in Hong Kong or elsewhere any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Italy

The offering of the Equity Shares has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”) pursuant to Italian securities legislation and, accordingly, each Lead Manager has represented and agreed that it has not offered, sold or distributed, and will not offer, sell or distribute any Equity Shares or any copy of this Placement Document or any other offer document in the Republic of Italy (“Italy”) except:

- (a) to qualified investors (*investitori qualificati*), pursuant to Article 100 of Legislative Decree no. 58 of February 24, 1998 (the “Consolidated Financial Services Act” and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of May 14, 1999 (the “CONSOB Regulation”), all as amended; or

- (b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Consolidated Financial Services Act and Article 34-ter of the CONSOB Regulation;
- (c) moreover, and subject to the foregoing, any offer, sale or delivery of the Equity Shares or distribution of copies of this Placement Document or any other document relating to the Equity Shares in Italy under (1) or (2) above must be:
 - (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Consolidated Financial Services Act, Legislative Decree No. 385 of September 1, 1993 (the “**Banking Act**”), CONSOB Regulation No. 16190 of October 29, 2007, all as amended;
 - (ii) in compliance with Article 129 of the Banking Act and the implementing guidelines, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy; and
 - (iii) in compliance with any securities, tax, exchange control and any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time, inter alia, by CONSOB or the Bank of Italy.

Any investor purchasing the Equity Shares in the Issue is solely responsible for ensuring that any offer or resale of the Equity Shares it purchased in the Issue occurs in compliance with applicable laws and regulations. This Placement Document and the information contained herein are intended only for the use of its recipient and are not to be distributed to any third-party resident or located in Italy for any reason. No person resident or located in Italy other than the original recipients of this document may rely on it or its contents.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948, as amended; the “**FIEA**”) The Book Running Lead Managers have represented and agreed that they will not offer or sell any Equity Shares, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Kuwait

The issue of Equity Shares has not been approved by the Kuwait Central Bank or the Kuwait Ministry of Commerce and Industry, nor has our Company received authorization or licensing from the Kuwait Central Bank or the Kuwait Ministry of Commerce and Industry to market or sell the Equity Shares within Kuwait. Therefore, no services relating to the offering, including the receipt of applications and/or the allotment of Equity Shares, may be rendered within Kuwait by our Company or persons representing our Company.

Luxembourg

The Equity Shares offered in this Placement Document may not be offered, sold or delivered to the public within the Grand Duchy of Luxembourg. This document is only intended for institutional investors. It is personal to each offeree and does not constitute an offer to any other person or to the public generally in Luxembourg to subscribe for or otherwise acquire the Equity Shares. Distribution of this Placement Document to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents, without prior written consent of our Company, is prohibited.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia pursuant to the Securities Commission Act, 1993 as the offer for purchase of, or invitation to purchase the Equity Shares is meant to qualify as an “excluded offer or excluded invitation” within the meaning of Section 38 of the Securities Commission Act, 1993. Each Lead Manager has severally represented, warranted or agreed that the Equity Shares will not be offered, sold, transferred or otherwise disposed, directly or indirectly, nor any document or other material in connection therewith distributed, in Malaysia, other than to persons falling within any one of the categories or person specified in Schedule 2 and/or Schedule 3 of the Securities Commission Act, 1993 who are also persons to whom any offer or invitation to purchase or sell would be an excluded offer or invitation within the meaning of Section 38 of the Securities Commission Act, 1993.

Qatar

This document does not, and is not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and

shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (i) neither this Placement Document nor the Equity Shares have been registered, considered, authorized or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (ii) neither our Company nor persons representing our Company are authorized or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (iii) this Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (iv) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Neither our Company nor persons representing our Company are, by distributing this document, advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Saudi Arabia

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a “**Saudi Investor**”) who acquires Equity Shares pursuant to the Issue should note that the offer of Equity Shares is an offer to “Sophisticated Investors” (as defined in Article 11 of the “Offer of Securities Regulations” as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated October 4, 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated August 18, 2008 (the “**KSA Regulations**”)) for the purposes of Article 9 of the KSA Regulations. Each Lead Manager has represented, warranted and agreed that the offer of the Equity Shares will only be directed at Sophisticated Investors.

The offer of Equity Shares shall not therefore constitute a “public offer” pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations. Any Saudi Investor who has acquired Equity Shares as a Sophisticated Investor may not offer or sell those Equity Shares to any person unless the offer or sale is made through an authorised person appropriately licensed by the Saudi Arabian Capital Market Authority and (i) the Equity Shares are offered or sold to a Sophisticated Investor; (ii) the price to be paid for the Equity Shares in any one transaction is equal to or exceeds Saudi Arabian Riyal 1 million or an equivalent amount; or (iii) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

Singapore

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”). Accordingly, the Equity Shares may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Placement or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Equity Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor as defined in Section 4A of the SFA pursuant to Section 274 of the SFA, (b) to a relevant person as defined in Section 4A of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Each of the following relevant persons specified in Section 275 of the SFA who has subscribed for or purchased shares, namely a person who is:

1. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
2. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 of the SFA except:

- (a) to an institutional investor under Section 274 of the SFA or to a relevant person or to any person pursuant to Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;

- (c) where the transfer is by operation of law;
- (d) pursuant to Section 276(7) of the SFA; or
- (e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulation 2005 of Singapore.

Spain

This Placement Document has not been registered with the Spanish Securities Market National Commission (*Comision Nacional del Mercado de Valores*). The Equity Shares may not be listed, offered or sold in Spain except in accordance with the requirements of the Spanish Security Market Act (*Ley 24/1988, de 28 de julio, del Mercado de Valores*), as amended, and as supplemented by Royal Decree 1310/2005 (*Real Decreto Ley 24/1988, de 28 de Julio, del Mercado de Valores, en materia de admission a negociación de valores en mercados secundarios oficilaes, de ofertas públicas or subscripción y del folleto exigible a tales efectos*), (the “**Royal Decree 1310/2005**”), and any other applicable provisions. The Equity Shares may not be listed, sold, offered or distributed to persons in Spain except in compliance with the above-mentioned provisions and, particularly, pursuant to Sections 26 to 38 to 41 of Royal Decree 1320/2005, as amended.

Switzerland

The Equity Shares may be offered in Switzerland on the basis of a private placement, not as a public offering. The Equity Shares will neither be listed on the six Swiss Exchange nor are they subject to Swiss law. This Placement Document does not constitute a prospectus within the meaning of Art. 1156 of the Swiss Federal Code of Obligations or Arts. 32 *et seq.* of the Listing Rules of the six Swiss Exchange, and does not comply with the Directive for Equity Shares of Foreign Borrowers of the Swiss Bankers Association. We will not apply for a listing of the Equity Shares on any Swiss stock exchange or other Swiss regulated market and this Placement Document may not comply with the information required under the relevant listing rules. The Equity Shares have not and will not be registered with the Swiss Federal Banking Commission or any other Swiss authority for any purpose, whatsoever.

The Netherlands

The Equity Shares are not and may not be offered in the Netherlands other than to persons or entities who or which are qualified investors as defined in Section 1:1 Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (which incorporates the term “qualified investors” as used in the Prospectus Directive).

United Kingdom

Each of the Book Running Lead Managers has represented, warranted and undertaken that:

1. it has only communicated or caused to be communicated and will only communicate or cause to be communicated in the United Kingdom any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”) received by it in connection with the issue or sale of any Equity Shares in circumstances in which section 21(1) of FSMA does not apply to our Company; and
2. it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom.

United States of America

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales are made. To help ensure that the offer and sale of the Equity Shares in the Issue was made in compliance with Regulation S, each purchaser of the Equity Shares offered by this Placement Document will be deemed to have made the representations, agreements and acknowledgements as described under “Transfer Restrictions” in this Placement Document.

TRANSFER RESTRICTIONS

Due to the following restrictions, prospective investors are advised to consult legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Allottees are not permitted to sell the Equity Shares for a period of one year from the date of Allotment, except on the Stock Exchanges. Allotments made to FVCIs, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. Additionally, purchasers are deemed to have represented, agreed and acknowledged as below with respect to purchase and sale of Equity Shares.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of 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 U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

If you purchase the Equity Shares in the Issue, by accepting delivery of this Placement Document, submitting a bid to purchase the Equity Shares and accepting delivery of the Equity Shares, you will be deemed to have represented to and agreed with our Company and the Book Running Lead Managers as follows:

- you have received a copy of this Placement Document and such other information as you deem necessary to make an informed decision and that you are not relying on any other information or the representation concerning our Company or the Equity Shares and neither our Company nor any other person responsible for this document or any part of it or the Book Running Lead Manager will have any liability for any such other information or representation;
- you are authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;
- you will comply with all laws, regulations and restrictions (including the distribution and solicitation restrictions contained in this Placement Document) which may be applicable in your jurisdiction and you have obtained or will obtain any consent, approval or authorisation required for you to purchase and accept delivery of the Equity Shares, and you acknowledge and agree that none of our Company, the Book Running Lead Managers or any of their respective affiliates shall have any responsibility in this regard;
- you acknowledge (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges) that such Equity Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer;
- you and the person, if any, for whose account or benefit you are acquiring the Equity Shares, were located outside the United States at the time the buy order for the Equity Shares was originated and continue to be located outside the United States and have not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or any economic interest therein to any person in the United States;
- you are not an affiliate (as defined in Rule 405 of the U.S. Securities Act) of our Company or a person acting on behalf of such affiliate; and you are not in the business of buying and selling securities or, if you are in such business, you did not acquire the Equity Shares from our Company or an affiliate (as defined in Rule 405 of the U.S. Securities Act) thereof in the initial distribution of the Equity Shares;
- you certify that either (A) you are, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and are located outside the United States (within the meaning of Regulation S) or (B) you are a broker-dealer acting on behalf of your customer and your customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S);
- you are aware of the restrictions on the offer and sale of the Equity Shares pursuant to Regulation S described in this Placement Document and that neither the BSE nor the NSE is a “designated offshore securities market” within the meaning of Regulation S of the U.S. Securities Act;
- the Equity Shares have not been offered to you by means of any “directed selling efforts” as defined in Regulation S; and
- you acknowledge that our Company, the Book Running Lead Managers and their respective affiliates (as defined in Rule 405 of the U.S. Securities Act), and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements,

representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, you will promptly notify our Company and the Book Running Lead Managers, and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make the foregoing acknowledgements, representations and agreements on behalf of such accounts.

- you acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities law of any state of the United States and warrant to our Company, the Book Running Lead Managers and their respective affiliates that it will not offer, sell, pledge or otherwise transfer the Equity Shares except in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.
- you represent and warrant to our Company, the Book Running Lead Managers and their respective affiliates that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.
- our Company, the Book Running Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of your representations, warranties, acknowledgements and undertakings set out in this document, each of which is given to (a) the Book Running Lead Managers on their own behalf and on behalf of our Company, and (b) to our Company, and each of which is irrevocable and, if any of such representations, warranties, acknowledgements or undertakings deemed to have been made by virtue of your purchase of the Equity Shares are no longer accurate, you will promptly notify our Company.
- you and any accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or the Book Running Lead Managers or their respective affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to distribution;
- you have been provided access to the Preliminary Placement Document and this Placement Document which you have read in its entirety;
- you are aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S;
- you agree to indemnify and hold our Company and the Book Running Lead Managers and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. You will not hold any of our Company or the Book Running Lead Managers and their respective affiliates liable with respect to its investment in the Equity Shares. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares; and
- any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions will not be recognised by our Company.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Managers or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchange Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the SCR (SECC) Regulations on June 20, 2012, which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of a company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognised stock exchange. Further, the SEBI Listing Regulations *inter alia* also provide for disclosures to be made by a company after delisting.

Delisting

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges which were significantly modified in 2015. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

Pursuant to an amendment of the SCRR in June 2010, all listed companies (except public sector undertakings) were required to maintain a minimum public shareholding of 25%. However, pursuant to a subsequent amendment to the SCRR, a public company, including public sector undertakings, seeking to get a particular class or kind of securities listed shall offer and allot to the public (i) at least 25% of such class or kind of securities issued by the company, if the post issue capital is less than or equal to ₹ 1,600,00,00,000, (ii) at least such percentage of such class or kind of securities issued by the company equivalent to ₹ 4,00,00,00,000, if the post issue capital of the company is more than ₹ 16,00,00,00,000 but less than or equal to ₹ 40,00,00,00,000 or (iii) at least 10% of such class or kind of securities issued by the company, if the post issue capital of the company is above ₹ 40,00,00,00,000. In case of (ii) and (iii) above, the public shareholding is required to be increased to 25% within a period of three years from the date of listing of the securities. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such the public shareholding having fallen below the 25% threshold.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These

circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the CNX NIFTY of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, it is the oldest stock exchange in India. BSE became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. It has evolved over the years into its present status as one of the premier stock exchanges of India.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. It has evolved over the years into its present status as one of the premier stock exchanges of India. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet based trading services. Internet trading is possible on both the “equities” as well as the “derivatives” segments of NSE. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the “equities” and the “derivatives” segments of NSE.

Trading Hours

Trading on both NSE and BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading (“NEAT”), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Takeover Regulations, which provides specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company’s shares/voting rights/control. The Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations (including mandatory open offer) on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Insider Trading Regulations

The Insider Trading Regulations have been notified to prohibit and penalise insider trading in India.

An insider is, *inter alia*, prohibited from trading in securities of a listed or proposed to be listed company when in possession of unpublished price sensitive information (“**UPSI**”) and to provide access to any person including other insiders to the above referred UPSI except where such communication is for legitimate purposes, performance of duties or discharge of legal obligations. UPSI shall include any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities.

The Insider Trading Regulations also provide disclosure obligations for promoters, directors, key management personnel and employees, with respect to their shareholding in a company, and the changes therein. The definition of “insider” means any person who is a connected person or is in possession of or having access to unpublished price sensitive information. The terms “connected person” means any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

The board of directors of all listed companies are required to formulate and publish on the company’s website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term “securities”, as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act. The prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

The authorised share capital of the Company is ₹ 270 million comprising of 135,000,000 Equity Shares of ₹ 2 each. As on the date of this Placement Document, the issued, subscribed and paid-up capital of the Company is ₹ 218.215 million comprising of 109,107,370 fully paid-up Equity Shares of ₹ 2 each. The Equity Shares are listed on BSE and NSE.

Dividends

Under Indian law, a company pays dividend upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held in each Fiscal. Our Board may declare and pay interim dividends, which requires confirmation of a majority of shareholders at the next AGM. The shareholders have no right to declare dividend at a rate higher than such rate recommended by our Board. Subject to certain conditions laid down by Section 123 of the Companies Act, no dividend can be declared or paid by a company for any Fiscal except: (a) out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act; or (b) out of the profits of the company for any previous Fiscal arrived at as required to be computed in terms of the Companies Act and remaining undistributed; or (c) out of both; or (d) out of money provided by the Government of India or a State Government for payment of dividend by the Company in pursuance of a guarantee given by that Government.

The Equity Shares issued pursuant to this Placement Document shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by the Company.

Subject to the provisions of the Companies Act, no shareholder shall be entitled to receive payment of any interest or dividends in respect of his Equity Share(s), whilst any money may be due or owing from him to the Company in respect of such Equity Share(s) either above or jointly with any other person and our Board may deduct from the dividend payable to any such shareholder all sums of money, if any, payable by such shareholder to the Company on account of calls or otherwise in relation to the Equity Shares. Unless otherwise directed, dividend, interest or other monies in respect of the Equity Shares may be paid by cash or in electronic mode or by cheque or warrant to the shareholder or person entitled or in case of joint-holders to the joint-holder first named in the register of members or to such person and to such address as the holder or the joint holders direct in writing to the Company. The Company is not liable for any cheque or warrant lost in transmission, or for any dividend lost or delayed.

Issue of Bonus Shares and Capitalisation of Reserves

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits our Board, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the securities premium account or the capital redemption reserve account to its shareholders, in the form of fully paid up bonus ordinary shares, which are similar to stock dividend. However, bonus ordinary shares must be distributed to shareholders in proportion to the number of ordinary shares owned by them as recommended by our Board. No issue of bonus shares may be made by capitalizing reserves created by revaluation of assets. Further, any issue of bonus shares would be subject to the SEBI Regulations and the Companies Act.

The Articles of Association of the Company provide that the Company may, in any general meeting, upon the recommendation of our Board, resolve that any part of the amount 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 be capitalized.

Issue of Additional Equity Shares

Subject to the provisions of the Companies Act, the Company may increase its Equity Share capital by issuing new Equity Shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62 of the Companies Act such new Equity Shares shall be offered to existing equity shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of Equity Shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date or upon receipt of earlier intimation from persons to whom such notice is given that they decline to accept the Equity Shares offered, Board may dispose of the Equity Shares offered in respect of which no acceptance has been received in a manner which shall not be disadvantageous to the shareholders of the Company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Under the provisions of Section 62(1)(c) of the Companies Act, new Equity Shares may be offered to any persons whether or not those persons include existing equity shareholders, or employees to whom shares have been allotted under a scheme of employee stock option, either for cash or for a consideration other than cash, if the price of such shares is determined by the

valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by the Company's shareholders in a general meeting.

The Articles of Association provide that the Company, from time to time and subject to the provisions of the Companies Act, may consolidate or sub-divide its existing Equity Shares into shares of larger or smaller amount or may cancel any Equity Share not taken or agreed to be taken by any person.

General meetings of shareholders

There are two types of general meetings of the shareholders:

- (i) AGM; and
- (ii) EGM.

The Company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of the Company's issued paid up capital (carrying a right to vote in respect of the relevant matter on the date of receipt of the requisition).

Notices, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to members at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95% of the shareholders entitled to vote. Unless, the Articles of Association provide for a larger number, such number of shareholders, shall constitute a quorum for a general meeting of the Company, whether AGM or EGM as specified under the Companies Act. The quorum requirements applicable to shareholder meetings under the Companies Act have to be physically complied with.

In accordance with Section 110 of the Companies Act 2013 and the rules made thereunder, a company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of the Memorandum of Association, the issuing of shares with different voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares, giving loans or extending guarantees in excess of limits prescribed in Section 186(3) of the Companies Act 2013, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in the company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons therefore and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of dispatch of the notice. The shareholders may exercise their right to vote at general meetings or through postal ballot by voting through electronic voting mechanism.

Voting rights

Section 108 of the Companies Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 deal with the exercise of right to vote by members by electronic means. In terms of Rule 20, every listed company (other than a company referred to in Chapters XB or XC of the SEBI Regulations) is required to provide to its members facility to exercise their right to vote at general meetings by electronic means. The Ministry of Corporate Affairs, has clarified that voting by show of hands would not be allowable in cases where Rule 20 is applicable.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to STT (levied on and collected by the stock exchanges on which such equity shares are sold), however are exempt from stamp duty. The Company has entered into an agreement for such depository services with the NSDL and the CDSL. The SEBI requires that the Company's shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The Company shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the SEBI Listing Regulations, in the event the Company has not affected the transfer of shares within 15 days from the date of receipt of request for transfer or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable subject to applicable laws. Under the SEBI Listing Regulations, notice of such refusal must be sent to the transferee within one month of the date on which the transfer was lodged with the Company.

According to the Articles of Association of the Company, any person who becomes entitled to Equity Shares by reason of death or insolvency of a member shall be entitled to the same dividend and other advantages to which he would be entitled if

he was a registered member except that he shall not be entitled to exercise any rights in the meetings of the Company, before being registered as a member of the Company.

STATEMENT OF TAX BENEFITS

TAXATION

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO BODAL CHEMICALS LIMITED, ITS SUBSIDIARY AND ITS SHAREHOLDERS

The Board of Directors

Bodal Chemicals Limited

Plot No123/124,
Phase I, GIDC, Vatva,
Ahmedabad 382445

Dear Sirs,

1. We hereby report that the enclosed Statement of tax benefits has been prepared by Bodal Chemicals Limited (the “Issuer” or “the Company”) for inclusion in the Preliminary Placement Document and this Placement Document (Collectively, the “Offering Documents”) in connection with the Qualified Institutions Placement (“QIP”) of equity shares of face value of Rs. 2 each (the “Equity Shares”) by Bodal Chemicals Limited (the “Company”), pursuant to Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, and Section 42 and 62 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended. The enclosed statement provides the possible Tax Benefits available to the Company/it’s subsidiary and the shareholders of the Company under the Income Tax Act, 1961 (‘Act’) presently in force in India. These tax benefits are dependent on the Company/it’s subsidiary or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company/it’s subsidiary or its shareholders may or may not choose to fulfill.
2. We are informed that the shares of the Company are listed on recognized stock exchanges in India and the Company will be issuing shares to Qualified Institutions Placement (QIP). The Annexure has been prepared on that basis.
3. The tax benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that this statement is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed issue particularly in view of ever changing tax laws in India.
4. We do not express any opinion or provide any assurance as to whether:
 - a) The Equity Shareholders will continue to obtain these benefits in future; or
 - b) The conditions prescribed for availing the benefits have been/ would be met.
5. Our views are based on the information, explanations and representations obtained from the Company. We do not express and opine or provide any assurance as to whether:
 - a) the Company/it’s subsidiary or its shareholders will continue to obtain these benefits in future;
 - b) the conditions prescribed for availing the benefits, where applicable have been/would be met;
 - c) the revenue authorities/courts will concur with the view expressed herein.
6. We shall not be liable to any claims, liabilities or expenses relating to the facts mentioned in the enclosed statement.
7. The enclosed statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Equity Shares under the Issue.
8. The enclosed statement covers only certain relevant benefits under the direct tax laws and does not cover benefits under any other law.
9. The enclosed statement of possible tax benefits are as per the current direct tax laws relevant for the assessment year 2018-19. Several of these benefits are dependent on the Equity Shareholders fulfilling the conditions prescribed under the relevant provisions.
10. The enclosed statement is intended only to provide general information to the Equity Shareholders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax

consequences, each Equity Shareholder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the Equity Shares.

11. This letter is solely for the information of the addressees for the purpose described in a preceding paragraph and is not to be used circulated or quoted or otherwise referred to for any other purposes, including but not limited to the registration, purchase or sale of securities.

**FOR, MAYANK SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGN. NO. 106109W)**

**(M. S. SHAH)
PARTNER**

Mem. No. 044093

Place: Ahmedabad

Date: October 10, 2017

STATEMENT OF TAX BENEFITS AVAILABLE

Outlined below are the possible tax benefits available to the Company/its subsidiary and its shareholders under the current direct tax laws in India for the Financial Year 2017-18. The provisions of the tax laws summarized below are based on the Finance Act, 2017:

General Tax Benefits Available To The Company

The following benefits are available to the Company after fulfilling conditions as per the respective provisions of the relevant tax laws.

Business Income

Business income of the Company shall be computed in accordance with the provisions contained in Sections 30 to 43D of the Act.

Depreciation

The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act. As per Section 32(1)(ia) of the Act, additional depreciation at the rate 20% shall be available to company engaged in the business of manufacture or production of any article or thing. As per second proviso to Section 32(1) of the Act, in case the asset is put to use for less than 180 days, for that financial year, depreciation on the said assets shall be restricted to fifty percent. The Finance Act, 2015 has inserted third proviso to Section 32(1), according to which balance 50% additional depreciation shall be available to the Company in the subsequent financial year.

As per amended Section 32AC(1A) of the Act, companies engaged in the business of manufacturing or producing any article or thing shall be allowed deduction at the rate of 15% of the cost of new assets purchased and installed on or after 1 April 2014 and on or before 31 March 2018. Minimum value of new assets of Rs. 25 Crores has to be acquired and installed during any previous year for availing this benefit.

If any new asset acquired and installed by the Company is sold/transferred, except in connection with amalgamation or demerger, within a period of 5 years from the date of its installation, the amount of deduction allowed in respect of such new asset shall be deemed to be the income of the Company chargeable under the head "Profits and gains of business or profession" of the financial year in which such new asset is sold, in addition to taxability of gains, arising on account of transfer of such new asset.

Profits and Gains of Business or Profession

Under Section 35(1)(i) and Section 35(1)(iv) of the IT Act, in respect of any revenue or capital expenditure incurred respectively, other than expenditure on the acquisition of any land, on scientific research related to the business of the company are allowed as deduction against the income of Company.

Under Section 35(1)(ii) of the IT Act, any sum paid to a research association which has as its object, the undertaking of scientific research or to a university, college or other institution to be used for scientific research is eligible for weighted deduction to the extent of one and three-fourth times (175%) of the sum so paid. This weighted deduction is available to amounts paid to approved research association, university, college or institution.

Under Section 35(1)(ia) of the IT Act any sum paid to a company registered in India which has as its main object the conduct of scientific research and development and is approved by the prescribed authority and fulfills such conditions as may be prescribed shall be liable to deduction of the amount so paid.

As per Section 35(2AB), the Company can claim 200% (150% w.e.f. 1 April 2017) of expenditure incurred on scientific research (not being expenditure in the nature of cost of any land or building), on in-house research and development facility as approved by the prescribed authority.

The company is eligible for weighted deduction of 200% (150% w.e.f. 1 April 2017) under Section 35(2AA) in respect of payments to a National Laboratory, university or Indian Institute of Technology in respect of approved programs of scientific research. The weighted deduction is available provided the sum is paid with specific direction that it is used for approved programs of scientific research.

As per Section 35AC of the Act, a Company incurring any expenditure by way of payment of any sum to a public sector company or a local authority or to an association or institution approved by the National Committee for carrying out any eligible project or scheme is allowed 100% deduction of such expenditure incurred during the previous year. The Company is eligible for 100% deduction for any payment directly made on the eligible project or scheme.

For the purposes of Section 35AC, National Committee means the Committee constituted by the Central Government, from amongst persons of eminence in public life, in accordance with all or any of the conditions subject to which such project or

scheme was notified. Eligible project or scheme means such project or scheme for promoting the social and economic welfare of or the uplift of the public as the Central Government may, by notification in the Official Gazette, specify in this behalf on the recommendations of the National Committee.

In case the Company is engaged in any of the specified businesses as prescribed in Section 35AD of the IT Act, there shall be allowed a deduction of 100% of the capital expenditure incurred, wholly and exclusively, for the purpose of any specified business carried on by him during the previous year in which such expenditure is incurred by him and the date on which such business commenced as prescribed in Section 35AD.

As per section 35CCD of the IT Act, a weighted deduction to the extent of one and one-half times (150%) of the amount of expenditure incurred (other than cost of land and building) on any skill development project notified by the Board, is allowable while computing income from profits and gains of business or profession. However, this deduction is restricted to amount of expenditure with effect from assessment year beginning on or after the first day of April, 2021.

Subject to certain conditions, Section 35D of the IT Act provides for deduction of specified preliminary expenditure incurred before the commencement of the business or after the commencement of business in connection with the extension of the undertaking or in connection with the setting up a new unit. The deduction allowable is equal to one-fifth of such expenditure incurred for each of the five successive previous years beginning with the previous year in which the business commences.

Under Section 35DD of the IT Act, the Company will be entitled to a deduction equal to 1/5th of the expenditure incurred in connection with Amalgamation or Demerger of an undertaking by way of amortization over a period of 5 successive years, beginning with the previous year in which the amalgamation or demerger takes place.

Under Section 35DDA of the IT Act, the company is entitled to a deduction equal to 1/5th of the expenditure incurred in connection Voluntary Retirement Scheme by way of amortization over a period of 5 successive years.

Carry forward and Set Off of Business loss and unabsorbed depreciation

Business losses, if any, for an assessment year can be carried forward and set off against business profits for 8 subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Act.

Rates of Income Tax and MAT

The tax rate applicable to the Company for the Assessment Year (AY) 2018-19 relevant to financial year (FY) 2017-18 is 30% under the Normal Provisions of the Act or 18.5% under Section 115JB (MAT), whichever is higher. A surcharge on income tax of 7% in the case of a domestic company having total income exceeding Rs. 1 Crore, but not exceeding Rs. 10 Crores and 12% in the case of a domestic company having total income exceeding Rs. 10 Crores. Education cess of 2% and Secondary & Higher Education cess of 1% is levied on the amount of tax and surcharge.

Section 115JB of the Act provides that a company is subject to provisions of Minimum Alternative Tax (MAT). Where the tax payable as per the regular provisions of the Act is less than 18.5 per cent of the book profits computed under the said provisions, tax shall be payable at the rate of 18.5 per cent (of the book profit) plus applicable surcharge, education cess and secondary and higher education cess.

As per section 115JAA(1A) of the IT Act, credit is allowed in respect of tax paid under section 115JB of the IT Act for any assessment year commencing on or after April 1, 2006.

MAT credit eligible to be carried forward will be the difference between MAT paid and the tax computed as per the normal provisions of the IT Act for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for upto fifteen assessment years immediately succeeding the assessment year in which the MAT credit becomes allowable under section 115JAA(1A) of the IT Act.

MAT credit can be set off in a year when tax is payable under the normal provisions of the IT Act. MAT credit to be allowed shall be the difference between MAT payable and the tax computed as per the normal provisions of the IT Act for that assessment year.

Exemption u/s 10(34) of the IT Act

As per section 10(34) of the IT Act, any income by way of dividends referred to in section 115-O from a domestic company is exempt from tax in the hands of the company provided that such dividend is subject to dividend distribution tax (DDT) in the hands of dividend declaring company. Such income is also exempt from tax while computing book profit for the purpose of determination of MAT liability.

However, in view of the provisions of Section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, Section 94(7) of the IT Act provides that losses arising from the sale/transfer of shares or units purchased within a period of three months prior to the record date and sold/transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

Exemption u/s 10(35) of the IT Act

As per section 10(35) of the IT Act, the following incomes will be exempt in the hands of the company –

- a) Income received in respect of the units of a mutual fund specified under clause (23D) of Section 10 of the IT Act; or
- b) Income received in respect of units from the administrator of the specified undertaking; or
- c) Income received in respect of units from the specified company.

However, this exemption does not apply to any income arising from transfer of units of the administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

Such income is also exempt from tax while computing book profit for the purpose of determination of MAT liability.

However, in view of the provisions of Section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, Section 94(7) of the IT Act provides that losses arising from the sale/transfer of shares or units purchased within a period of three months prior to the record date and sold/transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

As per section 94(8) of the IT Act, if an investor purchases units within three months prior to the record date for entitlement of bonus, is allotted bonus units without any payment on the basis of holding original units on the record date and such person sells / redeems the original units within nine months of the record date, then the loss arising from sale/ redemption of the original units will be ignored for the purpose of computing income chargeable to tax and the amount of loss ignored shall be regarded as the cost of acquisition of the bonus units.

Tax on Distributed Profits of Domestic Companies

The domestic company distributing dividends will be liable to pay DDT at the rate of 15% on gross basis on the amount of dividend payable (plus a surcharge of 12% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon). The amount of distribution of dividend to shareholders to be grossed up for the purpose of DDT.

Further w.e.f 1st October 2014, Finance Act 2014, has amended Section 115-O to provide that for the purpose of determining the tax on distributed profits payable in accordance with the Section 115-O, any amount which is declared, distributed or paid by any domestic Company out of current or accumulated profit on or after 1 April 2003, reduced by the amount of dividend as received by the company from its subsidiary or from foreign companies during the financial year, shall be increased to such amount as would, after reduction of the tax on such increased amount at the rate of 15%, be equal to the net distributed profits.

Therefore, the amount of distributable income and the dividends which are actually received by the unit holder of mutual fund or shareholders of the domestic company need to be grossed up for the purpose of computing DDT.

Further, if the company being a holding company, has received any dividend from its subsidiary on which dividend distribution tax has been paid by such subsidiary, then the company will not be required to pay dividend distribution tax to the extent the same has been paid by such subsidiary company.

As per the provisions of Section 115BBD of the Act, dividend received by an Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis.

For removing the cascading effect of dividend distribution tax, while computing the amount of dividend distribution tax payable by a Domestic Company, dividend received from a foreign subsidiary on which income tax has been paid by the Domestic Company under Section 115BBD of the Act shall be reduced.

Capital Gains

Capital assets are to be categorized into short term capital assets and long term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under Section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than 12 months are considered to be long term capital assets, capital gains arising from the transfer of which are termed as long term capital gains ('LTCG'). In respect of any other capital assets, if the

holding period exceeds 36 months, they are to be considered as long term capital assets. The Finance Act 2017 has provided that any immovable property, being land or building or both would qualify as long term capital assets once the same is held for 24 months, as against existing holding period of 36 months.

Short Term Capital Gains ('STCG') means capital gains arising from the transfer of a capital asset being a share held in a company or any other security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.

In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset (other than immovable property, being land or building or both), held by an assessee for 36 months or less. The Finance Act 2017 has provided that any immovable property, being land or building or both would be considered as a short term capital asset if it is held for 24 months or less, as against the existing holding period of 36 months or less.

LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (one which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of a business trust as defined in Section 2(13A), is, subject to conditions specified in that section, exempt from tax as per the provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and also subject to conditions specified in that section.

Income by way of LTCG exempt under Section 10(38) of the Act is however to be taken into account while determining book profits in accordance with the provisions of Section 115JB of the Act.

Section 48 of the IT Act, which prescribes the mode of computation of Capital Gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of Capital Gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/ improvement by a cost inflation index as prescribed from time to time. However, such indexation benefit would not be available on bonds and debentures.

As per the provisions of Section 112 of the Act, LTCG which are not exempt under Section 10(38) of the Act, are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities (other than unit) or zero coupon bonds exceeds 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.

Gains arising on transfer of short term capital assets are currently chargeable to tax at the rate of 30 percent. However as per the provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income. In case of non-resident investors, the above rates would be subject to applicable treaty relief.

STCG arising on sale of equity shares or units of equity oriented mutual fund (which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of a business trust, where such transaction is not chargeable to STT is taxable at the rate of 30%.

The tax rates mentioned above stands increased by surcharge, payable at the rate of 7% where the taxable income of a domestic company exceeds Rs. 1 Crore but not Rs. 10 Crores. The surcharge shall be payable at the rate of 12% where the taxable income of a domestic company exceeds Rs. 10 Crores. Further, education cess and secondary and higher education cess on the tax and surcharge at the rate of 2% and 1% respectively is payable by all categories of taxpayers.

However, such income shall be taken into account in computing book profit under section 115JB of the IT Act.

As per Section 50 of the Act, where a capital asset is forming part of a block of assets in respect of which depreciation has been allowed under the Act, capital gains shall be computed in the following manner:

- where full value of consideration on account of transfer of any asset forming part of a block of assets, as reduced by expenditure incurred wholly or exclusively in connection with the transfer, exceeds the written down value of the block of assets and actual cost of assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.
- where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on transfer and the written down value of the block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains/ (losses) and taxed accordingly.

As per the provisions of Section 70 and Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.

As per the provisions of Section 70 and Section 71 read with Section 74 of the Act, long term capital loss arising during a

year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

Exemption of capital gains from income – tax

Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gains are invested, within a period of six months from the date of transfer, in any of the following bonds redeemable after three years:

- National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; or
- Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956; or
- Any other bond notified by the Central Government in this behalf.

Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs. 50 lacs per assessee during that and the subsequent financial year.

Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted shall be taxable as capital gains in the year of transfer / conversion. Characterization of the gain / losses arising from sale / transfer of shares / units as business income or capital gains would depend on the nature of holding and various other factors.

As per Section 54EE of the Act, and subject to the conditions specified therein, long term capital gains [other than those exempt under Section 10(38)] arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in long term specified asset, which mean unit or units, issued before April 1, 2019 of such fund as may be notified by the Central Government in this behalf, and subject to the conditions specified therein.

Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs. 50 lacs per assessee during that and the subsequent financial year. If the long term a specified assets are transferred by the assessee at any time within a period of three years from the date of its acquisition, the amount so exempted earlier will be taxable as capital gains in the year of transfer.

Other Deductions

A deduction amounting to 100% or 50%, as the case may be, of the sums paid as donations to various entities is allowable as per section 80G of the IT Act. A deduction amounting to 100% of any sum contributed to any political party or an electoral trust is allowable under section 80GGB of the IT Act while computing total income.

Benefits Available To The Subsidiary

For subsidiary, the rate of taxation rate will be lower at 25% for AY 2018-19 onwards as the total turnover or gross receipts for them is less than INR 50 crore for previous year 2015-16.

General Benefits To The Resident Members / Shareholders Of The Company Under The Act

Dividends exempt under Section 10(34) of the Act

As per the provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the resident members / shareholders from a Domestic Company is exempt from tax. However, as per Section 115BBDA any income in aggregate exceeding 10 lakh rupees, by way of dividends declared, distributed or paid by a domestic company or companies, will be taxed at the rate of 10% on gross basis in case of a resident individual, HUF or firm. The Finance Act 2017 has brought an amendment whereby all resident assesses receiving dividend in excess of Rs. 10 lakhs would be subject to tax as above, except domestic companies and certain funds, trusts, institutions etc.

Such income is also exempt from tax while computing book profit for the purpose of determination of MAT liability.

However, in view of the provisions of Section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, Section 94(7) of the IT Act provides that losses arising from the sale/transfer of shares or units purchased within a period of three months prior to the record date and sold/transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

Capital gains

Computation of capital gains

Capital assets are to be categorized into short term capital assets and long term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under Section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long term capital assets, capital gains arising from the transfer of which are termed as LTCG.

STCG means capital gains arising from the transfer of capital asset being a share held in a company or any other security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.

LTCG arising on transfer of equity shares of a company is exempt from tax as per the provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and also subject to conditions specified in that section.

In terms of section 36(1)(xv) of the IT Act, STT paid in respect of the taxable securities transactions entered into in the course of the business by a shareholder is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'.

As per the provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities exceeds 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.

As per the provisions of Section 111A of the Act, STCG arising on sale of equity shares are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VI-A is allowed from such income.

STCG arising on sale of equity shares, where such transaction is not chargeable to STT is taxable at the rate of 30% in case of domestic company and at normal slab rates in case of other assessee.

As per the Finance Act 2017 in the case of domestic companies, the tax rates mentioned above stands increased by surcharge, payable at the rate of 7% where the taxable income of a domestic company exceeds Rs. 1 Crore but not Rs. 10 Crores. The surcharge shall be payable at the rate of 12% where the taxable income of a domestic company exceeds Rs. 10 Crores. Further, education cess and secondary and higher education cess on tax and surcharge at the rate of 2% and 1% respectively is payable by all categories of taxpayers.

As per the Finance Act 2017, surcharge shall be payable at the rate of 12% where the total taxable income of a Firm/Co-operative Society/Local Authority exceeds Rs. 1 Crore. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable.

As per the Finance Act 2017, surcharge shall be payable at the rate of 10% where the total taxable income of a Individual/HUF/AOP/BOI/Artificial Juridical Person exceeds Rs. 50 Lakh but not Rs. 1 Crore. The surcharge shall be payable at the rate of 15% where the total taxable income of a Individual/HUF/AOP/BOI/Artificial Juridical Person exceeds Rs. 1 Crore. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable.

As per provisions of Section 70 and Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance short term loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.

As per provisions of Section 70 and Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance long-term loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

Exemption of capital gains

As per Section 54EC of the Act, long term capital gains [other than those exempt under Section 10(38)] arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI OR REC OR any other bond notified by the Central Government in this behalf and subject to the conditions specified therein.

Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs. 50 lacs per assessee during that and the subsequent financial year. If the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted earlier will be taxable as capital gains in the year of transfer / conversion.

As per Section 54EE of the Act, and subject to the conditions specified therein, long term capital gains [other than those

exempt under Section 10(38)] arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in long term specified asset, which mean unit or units, issued before April 1, 2019 of such fund as may be notified by the Central Government in this behalf, and subject to the conditions specified therein.

Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs. 50 lacs per assessee during that and the subsequent financial year. If the long term a specified assets are transferred by the assessee at any time within a period of three years from the date of its acquisition, the amount so exempted earlier will be taxable as capital gains in the year of transfer.

In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family ('HUF') which are as under:

- As per provisions of Section 54F of the Act, LTCG [other than exempt under Section 10(38)] arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of 1 year before, or 2 years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.
- As per provisions of Section 56(2)(vii) of the Act and subject to exception provided in second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'. However, the said Section is not applicable in case the shares and securities are received under instances specified under the proviso thereon.

Other Provisions

The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

Benefits to the Non-resident shareholders of the Company under the Act

Under the Act, "Non-Resident" means a person who is not a resident in India. An individual is considered to be a resident of India during any financial year if he or she is in India in that year for:

- (a) a period or periods amounting to 182 days or more; or
- (b) a period or periods amounting to 60 days or more and he/she has been in India for a period or periods amounting to 365 days or more within the four preceding years, provided that
 - (i) in the case of a citizen of India who leaves India as a member of the crew of an Indian ship or for the purposes of employment outside India, the words "60 days" in paragraph (b) above shall be substituted by words "182 days"; or
 - (ii) in the case of a citizen of India or a person of Indian origin living abroad who visits India, the words "60 days" in paragraph (b) above shall be substituted by words "182 days".

Dividends exempt under Section 10(34) of the Act

As per provisions of Section 10(34), dividend (both interim and final), if any, received by non-resident shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge of 12% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend.

However, in view of the provisions of Section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, Section 94(7) of the IT Act provides that losses arising from the sale/transfer of shares or units purchased within a period of three months prior to the record date and sold/transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

Capital gains

Computation of capital gains

Capital assets are to be categorized into short term capital assets and long term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security (other than a unit) listed in a recognized stock exchange in India held by an assessee for more than twelve months are considered to be long term capital assets, capital gains

arising from the transfer of which are termed as LTCG. STCG means capital gain arising from the transfer of capital asset being a share held in a company or any other security (other than a unit) listed in a recognized stock exchange in India held by an assessee for 12 months or less.

LTCG arising on transfer of equity shares of a company is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section. As per provisions of Section 112 of the Act, LTCG arising on transfer of listed securities not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. The indexation benefits are however not available in case the shares are acquired in foreign currency. In such a case, the capital gains shall be computed in the manner prescribed under the first proviso to Section 48.

As per first proviso to Section 48 of the Act, where the shares have been purchased in foreign currency by a non-resident, the capital gains arising on its transfer need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated.

As per provisions of Section 111A of the Act, STCG arising on sale of equity shares are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VI-A is allowed from such income.

STCG arising on sale of equity shares, where such transaction is not chargeable to STT is taxable at the normal rates of taxation as applicable to the taxpayer.

The tax rates mentioned above stands increased by surcharge, payable at the following rates as per Finance Act, 2017 –

- At the rate of 2% where the taxable income of a foreign company exceeds Rs. 1 Crore to 10 Crore and at the rate of 5% when the taxable income of a foreign company exceeds Rs. 10 Crores.
- As per the Finance Act 2017, surcharge shall be payable at the rate of 10% where the total taxable income of a Individual/HUF/AOP/BOI/Artificial Juridical Person exceeds Rs. 50 Lakh but not Rs. 1 Crore. The surcharge shall be payable at the rate of 15% where the total taxable income of a Individual/HUF/AOP/BOI/Artificial Juridical Person exceeds Rs. 1 Crore.

Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable.

As per provisions of Section 70 and Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance short term loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.

As per provisions of Section 70 and Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance long-term loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

Exemption of capital gains

As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI OR REC OR any other bond notified by the Central Government in this behalf and subject to the conditions specified therein: Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs. 50,00,000 per assessee during any financial year and the subsequent financial year.

Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

As per Section 54EE of the Act, and subject to the conditions specified therein, long term capital gains [other than those exempt under Section 10(38)] arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in long term specified asset, which mean unit or units, issued before April 1, 2019 of such fund as may be notified by the Central Government in this behalf, and subject to the conditions specified therein.

Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs. 50 lacs per assessee during that and the subsequent financial year. If the long term a specified assets are transferred by the assessee at any time within a period of three years from the date of its

acquisition, the amount so exempted earlier will be taxable as capital gains in the year of transfer.

In addition to the same, some benefits are also available to a non-resident shareholder being an individual or HUF which are as under:

- As per provisions of Section 54F of the Act, in the case of an non-resident individual or HUF, LTCG arising from the transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of 1 year before, or two years after the date of transfer, for purchase of a one new residential house in India, or for construction of one residential house in India within three years from the date of transfer and subject to conditions and to the extent specified therein.
- As per provisions of Section 56(2)(vii) of the Act and subject to the exception provided in the second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'. However, the said Section is not applicable in case the shares and securities are received under instances specified under the proviso thereon.

Tax Treaty benefits

As per the provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or as per the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial. It needs to be noted that, to do so, a non-resident is required to hold a valid tax residency certificate. Additionally the nonresident tax payer is required to provide such other documents and information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013. However, it may be noted that Tax Authorities may ask for other information and supporting documents if required. The withholding tax rates are subject to the recipients of income obtaining and furnishing a PAN to the payer, in the absence of which the applicable withholding tax rate would be the higher of the applicable tax rates or 20%, under Section 206AA of the Act.

Taxation of Non-resident Indians

Special provisions in case of Non-Resident Indian ('NRI') in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:

NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India. Specified foreign exchange assets include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.

- As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets as duly mentioned in Section 115C(f) of the Act is taxable at the rate of 10% (plus education cess and secondary & higher education cess of 2% and 1% respectively). As per the Finance Act, 2017, the surcharge rate shall be increased to 10% where income of the NRI exceeds 50 lakh but not Rs. 1 Crore. The surcharge shall be payable at the rate of 15% where the total taxable income of a NRI exceeds Rs. 1 Crore.

As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified foreign exchange assets under Section 115C(f)) arising to a NRI is taxable at the rate of 20% (education cess and secondary & higher education cess of 2% and 1% respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act. Further a surcharge of 10% is applicable in case income of the NRI exceeds Rs. 50 lakh but not Rs. 1 Crore. The surcharge shall be payable at the rate of 15% where the total taxable income of a NRI exceeds Rs. 1 Crore.

As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section. If only part of the net consideration is so reinvested, the exemption will be proportionately reduced. However the amount so exempted will be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

As per provisions of Section 115G of the Act, where the total income of a NRI consists only of investment income or income by way of LTCG or both and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.

As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in

relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

As per provisions of Section 115I of the Act, a NRI can opt not to be governed by the provisions of Chapter XIIA for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.

Benefits available to Foreign Institutional Investors ('FIIs')/ Foreign Portfolio Investors (FPIs) under the Act

Dividends exempt under Section 10(34) of the Act

As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by a shareholder from a domestic Company, which is subject to DDT, is exempt from tax.

However, in view of the provisions of Section 14A of the IT Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, Section 94(7) of the IT Act provides that losses arising from the sale/transfer of shares or units purchased within a period of three months prior to the record date and sold/transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

Long – term capital gains exempt under Section 10(38) of the Act

LTCG arising on sale equity shares of a listed company subjected to STT and also subject to conditions specified in that section is exempt from tax as per provisions of section 10(38) of the Act.

Capital gains

As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.

As per provisions of Section 115AD of the Act, capital gain arising from transfer of securities is taxable as follows:

Nature of income	Rate of tax (%)
LTCG on sale of equity shares not subjected to STT	10
STCG on sale of equity shares subjected to STT	15
STCG on sale of equity shares not subjected to STT	30

For corporate FIIs/ FPIs, surcharge on income tax of 2% having a total income exceeding Rs. 1 Crore, but not exceeding Rs. 10 Crores and 5% in case having a total income exceeding Rs. 10 Crores. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of FIIs.

The benefit of exemption under Section 54EC and Section 54EE of the Act as mentioned above in case of the Company is also available to FIIs.

Tax Treaty benefits

As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid tax residency certificate. Additionally the FII is required to provide such other documents and information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013. However, it may be noted that Tax Authorities may ask for other information and supporting documents if required. The withholding tax rates are subject to the recipients of income obtaining and furnishing a PAN to the payer, in the absence of which the applicable withholding tax rate would be the higher of the applicable rates or 20%, under Section 206AA of the Act.

Benefits available to Mutual Funds

As per the provisions of section 10(23D) of the IT Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under, Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India, would be exempt from income tax subject to the conditions as the Central Government may notify. However, the mutual funds shall be liable to pay tax on distributed income to unit holders under section 115R of the IT Act.

Benefits Available To Venture Capital Companies/ Funds

As per the provisions of section 10(23FB) of the IT Act, any income of Venture Capital Companies/ Funds from investment in venture capital undertaking registered with the Securities and Exchange Board of India, would be exempt from income tax, subject to the conditions specified therein. However, the income distributed by the Venture Capital Companies/ Funds to its investors would be taxable in the hands of the recipients.

Notes:-

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. The above statement of possible tax benefits are as per the current direct tax laws relevant for the assessment year 2018-19, relevant to the financial year 2017-18. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.
4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for Professional advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
5. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the Country in which the non-resident has fiscal domicile.
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

LEGAL PROCEEDINGS

Our Company and its Subsidiary are, subject to various legal proceedings from time to time, mostly arising in the ordinary course of their businesses including tax proceedings. Our Company believes that the number of proceedings and disputes in which our Company and its Subsidiary are involved is not unusual for a company of our size in the context of doing business in India. These proceedings involving our Company are primarily in the nature of taxation related issues.

Except as disclosed below, our Company and the Subsidiary are not involved in any pending legal proceedings: (i) which are quantifiable and exceed ₹ 12.86 million (being nearly 1% of the consolidated profit after tax for Fiscal 2017); or (ii) which our Company believes could have a material adverse effect on the business, financial condition, profitability or results of operations of our Company on a consolidated basis; or (iii) which are criminal proceedings.

Additionally, our Company has no outstanding defaults in relation to statutory dues payable, dues payable to holders of any debentures and interest thereon, and in respect of deposits and interest thereon, defaults in repayment of loans from any bank or financial institution and interest thereon.

I. *Litigation involving our Company*

Tax Proceedings

Matters relating to direct tax

1. The office of the Deputy Commissioner of Income Tax, central circle-1(1), Ahmedabad (the “**Commissioner**”), issued three demand notices dated March 21, 2014 (the “**Demand Notices**”) to our Company in relation to assessment made under Section 143(3) read with Section 153A of the Income Tax Act to our Company, for the assessment years 2007 – 2008, 2008 – 2009 and 2010 – 2011. The Commissioner by way of the assessment order raised a demand of approximately ₹ 20.03 million, ₹ 12.37 million and ₹ 21.62 million, for the respective assessment years. Pursuant to receipt of the Demand Notices, our Company on April 25, 2014, has filed appeals before the Commissioner of Income Tax (Appeals), Ahmedabad. The matters are currently pending.
2. Additionally, our company paid approximately ₹ 7.55 million and ₹ 21.62 million for the assessment years 2007 – 2008 and 2010 – 11, respectively, under protest and the current outstanding disputed demand is of ₹ 12.48 million and ₹ 12.37 million for the assessment years 2007 – 2008 and 2008 – 09, respectively.

Material frauds committed against our Company in the last three years, and the action taken by our Company

There are no material frauds committed against our Company in the last three years.

Details of default in repayment of (i) statutory dues; (ii) debentures and interest thereon; (iii) deposits and interest thereon; (iv) loan from any bank or financial institution and interest thereon

There is no default in repayment of (i) statutory dues; (ii) debentures and interest thereon; (iii) deposits and interest thereon; (iv) loan from any bank or financial institution and interest thereon.

II. *Litigations involving the Subsidiary*

There are no pending litigations, involving the Subsidiary.

III. *Inquiry, inspections, investigations, prosecutions, fines imposed or compounding of offences under the Companies Act, 2013 or any previous company law in the last three years in the case of our Company and our Subsidiary*

There are no inquiry, inspections, investigations, prosecutions, fines imposed or compounding of offences under the Companies Act, 2013 or any previous company law in the last three years in the case of our Company and the Subsidiary.

IV. *Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoters during the last three years immediately preceding the year of the circulation of this Placement Document and directions issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.*

There is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoters during the last three years immediately preceding the year of circulation of this Placement Document.

STATUTORY AUDITORS

Our Company's current Statutory Auditors, Deloitte Haskins & Sells LLP, are independent auditors with respect to our Company as required by the Companies Act 2013 and in accordance with the guidelines prescribed by ICAI, and have been appointed as the statutory auditors of our Company, pursuant to the approval of the shareholders of our Company at the 31st AGM held on September 23, 2017, with effect from the conclusion of the 31st AGM till the conclusion of the 32nd AGM of the Company. The audited financial statements (consolidated and standalone) for the financial years ended March 31, 2017, March 31, 2016 and March 31, 2015, included in this Placement Document, have been audited by M/s Mayank Shah & Associates, Chartered Accountant. Further, M/s Mayank Shah & Associates, Chartered Accountant, also performed the procedures specified by the ICAI on the standalone unaudited financial results of our Company and the accompanying notes thereto, for the quarter ended June 30, 2017, included in this Placement Document.

GENERAL INFORMATION

- Dintex Dyechem Private Limited was incorporated on September 24, 1986 at Ahmedabad under the Companies Act 1956. The name of the Company was changed to Dintex Dyechem Limited on November 12, 1992 pursuant to conversion from a private limited company to a public limited company. Bodal Chemicals Private Limited was incorporated on December 31, 1993 as a private limited company, pursuant to taking over the business of a partnership firm, “J.K. Pharma”, which was constituted in 1989. Bodal Chemicals Private Limited was thereafter amalgamated with Dintex Dyechem Limited, pursuant to a scheme of amalgamation under Sections 391 to 394 of the Companies Act 1956, with effect from April 1, 2004, which scheme was sanctioned by the High Court of Gujarat vide its order dated March 31, 2006 (as modified on April 12, 2006). Subsequently, in accordance with the said scheme of amalgamation, the name of Dintex Dyechem Limited was changed to Bodal Chemicals Limited on May 22, 2006. Our Company’s Registered Office is located at Plot No. 123-124, Phase-I G.I.D.C. Vatva, Ahmedabad 382 445. The registered office was changed from Plot 110, Phase II G.I.D.C. Vatva, Ahmedabad to the above stated address with effect from May 13, 2006.
- Pursuant to the scheme of amalgamation of Bodal Chemicals Private Limited with Dintex Dyechem Limited, sanctioned by the High Court of Gujarat vide its order dated March 31, 2006 (as modified on April 12, 2006), all the assets and debts, outstanding, credits, liabilities, benefits under income tax, excise, sales tax, duties and obligations, has been transferred to and vested in the Company retrospectively with the effect from April 1, 2004.
- Pursuant to the scheme of amalgamation under Sections 391-394 of the Companies Act 1956 and under Section 52 of the Companies Act 2013, Bodal Agrotech Limited, a wholly owned subsidiary of our Company (amalgamating company), was amalgamated into our Company, with effect from April 1, 2016, as sanction by the High Court of Gujarat vide its order dated November 11, 2016. Pursuant to such amalgamation, among other things, the authorized share capital of Bodal Agrotech Limited of ₹30 million has been added to the authorised share capital of the Company.
- The Equity Shares are listed on BSE and NSE.
- The Issue was authorised and approved by our Board pursuant to a resolution dated August 24, 2017 and by the shareholders of our Company pursuant to a special resolution passed on September 23, 2017.
- Our Company has received in-principle approvals under Regulation 28(1) of the SEBI Listing Regulations to list the Equity Shares to be issued pursuant to the Issue, on BSE and NSE, on October 10, 2017.
- Copies of our Memorandum of Association and Articles of Association will be available for inspection between 9:30 am to 6:30 pm on any weekday (except Saturdays and public holidays) at our Registered Office.
- Our Company has obtained all consents, approvals and authorisations required in connection with this Issue.
- There has been no material change in the financial or trading position since March 31, 2017, the date of the latest audited financial statements prepared in accordance with applicable accounting standards included in this Placement Document, except as disclosed herein.
- Our Company’s Statutory Auditors are Deloitte Haskins & Sells LLP, appointed at the AGM held on September 23, 2017. The audited consolidated and standalone financial statements as at and for the financial years ended March 31, 2017, March 31, 2016 and March 31, 2015 included, in this Placement Document, have been audited by M/s Mayank Shah & Associates, Chartered Accountant.
- Except as disclosed in this Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see “Legal Proceedings” on page 153.
- Our Company confirms that it is in compliance with the minimum public shareholding requirements as specified in the SCRR and the SEBI Listing Regulations.
- The Floor Price is ₹ 166.73 per Equity Share, calculated in accordance with the provisions of Chapter VIII of the SEBI Regulations, as certified by Deloitte Haskins & Sells LLP. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the SEBI Regulations.
- Ashutosh B. Bhatt is the company secretary and compliance officer of our Company. The details are as follows:

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E-mail: secretarial@bodal.com

FINANCIAL STATEMENTS

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Mayank Shah & Associates

CHARTERED ACCOUNTANTS

706, MAHAKANT, OPP. V.S. HOSPITAL, ELLISBRIDGE,
AHMEDABAD - 380 006. PHONE (O) 2657 5642, 2657 9106
E-mail : mayankshah_ca@yahoo.co.in

To,
Board of Directors
BODAL CHEMICALS LIMITED

Dear Sir,

Re: Limited Review Report on Unaudited Financial Results for the Quarter ended on 30th June, 2017

We have reviewed the accompanying statement of standalone unaudited financial results of BODAL CHEMICALS LIMITED for the Quarter ended on 30th June, 2017 ("the Statement"), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This statement which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results, prepared in accordance with aforesaid Ind AS and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**FOR, MAYANK SHAH & ASSOCIATES
(FIRM REGN. NO. 106109W)
CHARTERED ACCOUNTANTS**



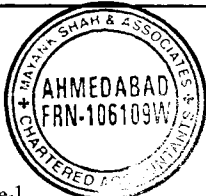
meshah
**(M. S. SHAH)
PARTNER
Mem. No. 044093**

**Place : Ahmedabad
Date : 24.08.2017**



Bodal Chemicals Ltd.
COLOURS. INTEGRATION. INNOVATION.

Statement of Standalone Un-audited Financial Results for the quarter Ended 30/06/2017. (Rs. in Million)			
Sr. No.	Particulars	Standalone	
		3 months ended on 30.06.2017	Corresponding 3 months ended 30.06.2016
		Unaudited	Unaudited
1	Revenue From Operations		
(a)	Revenue From Operations	2946.24	2987.09
(b)	Other Income	47.85	22.04
2	Total income /Revenue (1+2)	2994.09	3009.13
3	Expenses		
(a)	Cost of materials consumed	1575.38	1671.54
(b)	Purchase of stock-in-trade	21.20	33.39
(c)	Changes in inventories of finished goods,work-in-progress and stock-in-trade	85.64	12.97
(d)	Employee benefits expense	108.23	95.08
(e)	Excise Duty	226.40	235.64
(f)	Finance costs	17.09	18.96
(g)	Depreciation and amortisation expense	61.38	60.24
(h)	Other expenses	419.90	378.31
4	Total expenses	2515.22	2506.13
5	Profit/(loss) before exceptional items and tax	478.87	503.00
6	Exceptional Items	0.00	0.00
7	Profit/(Loss) before Taxes	478.87	503.00
8	Tax expense		
	Current tax	168.00	166.66
	Deferred tax	(0.63)	4.68
9	Profit (Loss) for the period from continuing operations	311.50	331.66
10	Profit/(loss) from discontinued operations	0.00	0.00
11	Tax expense of discontinued operations	0.00	0.00
12	Profit/(loss) from Discontinued operations (after tax)	0.00	0.00
13	Profit/(loss) for the period	311.50	331.66
14	Other Comprehensive Income		
(a)	Items that will not be reclassified to profit or loss	0.00	0.00
(b)	Tax relating to items that will not be reclassified to profit or loss	0.00	0.00
(c)	Items that will be reclassified to profit or loss	0.00	0.00
(d)	Tax relating to items that will be reclassified to profit or loss	0.00	0.00
15	Total Comprehensive Income for the period	311.50	331.66
16	Earnings per share (before extraordinary items)(of Rs.2/-each) :		
	Basic	2.85	3.04
	Diluted	2.85	3.04



HEAD OFFICE:
Plot No. 123-124, Phase-1,
G.I.D.C., Vatva, Ahmedabad- 382 445.,
Gujarat, India.

www.bodal.com
CIN No. : L24110GJ1986PLC009003



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2583 4223, 25831684
Fax: +91 2583 5245, 25836052
E-mail: bodal@bodal.com



Bodal Chemicals Ltd.
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Notes:

- (1) The above financial results have been reviewed and considered by Audit Committee and subsequently approved by the Board of Directors at the meeting held on 24th August, 2017.
- (2) Limited Review has been carried out by the statutory auditor of the company as per Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the quarter ended 30th June, 2017.
- (3) The Company has adopted Ind AS with effect from 1st April, 2017. Therefore, Ind AS transition date is w.e.f. 1st April 2016 and for those purpose comparative figures of 30th June 2016 is restated. Accordingly, the impact of transition has been provided and figures for that period have been restated accordingly.
- (4) The financial results of the company have been prepared in accordance with Indian Accounting Standards prescribed under section 133 of the companies Act, 2013 read with relevant rules there under and in terms with regulation 33 of SEBI (LODR) regulations 2015 and SEBI circular dated 5th July 2016. The company had prepared the reconciliation of net profit for the quarter ended June 2016.

Reconciliation of results between previous Indian GAAP and Ind AS

(Rs. in Millions)

Particulars	Quarter ended 30th June 2016
Profit after tax as per Indian GAAP	3,17.89
Add / Less Adjustments	
Fair Value of Investment in quoted equity shares (Fair Value Through Profit Loss (FVTPL))	7.28
Allowance for doubtful debts as per Expected Credit Loss (ECL)	(0.03)
Fair Value (Mark-To-Market (MTM)) of forward contract	9.95
Deferred tax impact on Ind AS Adjustments	(3.43)
Net profit before Other Comprehensive Income (OCI) as per Ind AS	3,31.66

- (5) In line with Ind As - 108 – “Operating Segments”, the operations of the group fall under Chemical Business which is considered to be the only reportable business segment.



Handwritten signature

HEAD OFFICE:
Plot No. 123-124, Phase-1,
G.I.D.C, Varva, Ahmedabad- 382 445.,
Gujarat, India.

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Bodal Chemicals Ltd.

COLOURS. INTEGRATION. INNOVATION.

- (6) The Scheme of Amalgamation of Bodal Agrotech Ltd. ("Transferor Company") with Bodal Chemicals Ltd. ("Transferee Company" or "BCL") under section 391 to 394 of Companies Act, 1956, was sanctioned by the Hon'ble High Court of Gujarat, vide its order dated 11th day of November, 2016. The said order was filed with the Registrar of Companies (ROC) of Gujarat at Ahmedabad on 20th day of December, 2016. The Assets and liabilities of Bodal Agrotech Ltd. are transferred to and vested in the Bodal Chemicals Ltd with effect from Record date. As per the Court's Order, appointed date of the Amalgamation is 01st day of April, 2016. The Scheme has been given effect and erstwhile Bodal Agrotech Ltd.'s (Wholly owned Subsidiary of BCL) figures are clubbed to in the results for the quarter ended 30th June, 2016. Accordingly, the results for said quarter have been restated and so results for said quarter are not comparable.
- (7) To facilitate comparison, re-grouping has been made, wherever necessary.
- (8) The full Quarterly Financial results are available on the Stock exchanges Website i.e. www.bseindia.com and www.nseindia.com and on the Company's website i.e. www.bodal.com.

Date : 24th August, 2017

Place : Ahmedabad

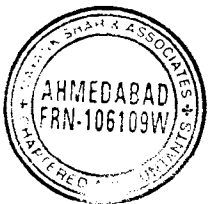
For, BODAL CHEMICALS LTD.



Suresh J. Patel

Chairman and Managing Director

DIN: 00007400



HEAD OFFICE:

Plot No. 123-124, Phase-I,
G.I.D.C, Vatva, Ahmedabad- 382 445.,
Gujarat, India.

www.bodal.com

CIN No. : L24110GJ1986PLC009003

Tel: +91 79 2583 5437

2583 4223, 25831684

Fax: +91 2583 5245, 25836052

E-mail: bodal@bodal.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BODAL CHEMICALS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **BODAL CHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of these standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

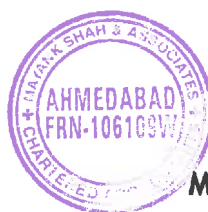
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section(11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations as at 31st March, 2017 on its financial position in its standalone financial statement - Refer Note 29 to the Standalone Financial Statements.
 - The Company did not have any pending long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred to the Investor Education & Protection Fund by the Company; and
 - The Company has provided requisite disclosures in its Standalone Financial Statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and according to information and explanations given to us, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced before us by the Management - Refer Note 16.1 to the Standalone Financial Statements.

Ahmedabad
May 25, 2017

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No: 106109W



M.S. Shah
M.S. SHAH
Partner
Membership No. 044093

Annexure 'A' to the Independent Auditors' Report

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets;
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the company, nature and value of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory except goods-in-transit has been physically verified by the Management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For goods-in-transit at year end, relevant evidences have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- (iii) According to information and explanations given to us, the company has granted unsecured loans to Companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are in our opinion, prima facie, not prejudicial to the interest of the Company.
 - (b) The principal amounts are repayable on demand, and payment of interest has been stipulated and the repayments of principal amounts are at discretion of the Company and interest payment has been regular as per stipulation.
 - (c) There are no overdue amounts in respect of the loan granted to a Subsidiary company & Associate in the register maintained under Section 189 of the Act.

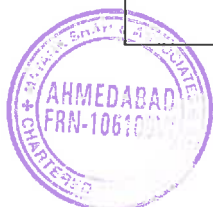


- (iv) In our opinion and according to information and explanations given to us, the Company has complied with provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit nor has any unclaimed deposit within the meaning of the provisions of Sections 73 to 76 or any other relevant provision of the Act and the rules framed there under. Accordingly, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under subsection (1) of section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, and any other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues were in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, details of dues towards Income Tax, Service Tax, Custom Duty, Excise duty which have not been deposited by the Company on account of disputes are as follows,

Name of the Statute	Nature of the Dues	Amount (in Rs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2,58,31,455	A.Y. 2007-08, A.Y. 2008-09	Commissioner of Income Tax (Appeals)
	Income Tax	4,284,486	Various Years	Assessing Officer
	Excise Duty & Penalty	4,327,749	F.Y. 2010-11 to F.Y.2015-16	Commissioner of Central Excise



Central Excise Act, 1944				(Appeals)& Tribunal
	Excise Duty & Penalty	27,622,607	F.Y. 2005-06 to F.Y 2014-15	Customs, Excise & Service Tax Appellate Tribunal
Service Tax	Service Tax & Penalty	393,419	F.Y. 2011-12	Customs, Excise & Service Tax Appellate Tribunal

According to the information and explanations given to us, there are no dues of Sales tax, Value Added Tax and Cess which have not been deposited with the appropriate authorities on account of any dispute.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government and has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, the provisions of clause (ix) of paragraph 3 of the Order are not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of the Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, the provisions of Clauses (xii) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable,



for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transaction with the Directors or Persons connected with its Directors and covered under Section 192 of the Act. Accordingly, the provisions of Clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45- IA of the Reserve Bank of India Act, 1934. Accordingly, Clause (xvi) of paragraph 3 of the Order is not applicable to the Company.

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No: 106109W



msshah

M.S. SHAH
Partner

Membership No. 044093

Ahmedabad
May 25, 2017

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **BODAL CHEMICALS LIMITED** ('the Company') as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial



reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No: 106109W



mes Shah

M.S. SHAH
Partner

Membership No. 044093

Ahmedabad
May 25, 2017

BODAL CHEMICALS LTD.
BALANCE SHEET AS AT 31ST MARCH, 2017

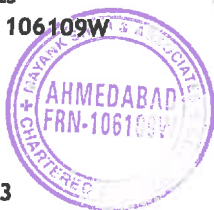
PARTICULARS	Notes	Amount (In Rs.)	
		As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds :			
Share Capital	2	218,214,740	218,214,740
Reserves and Surplus	3	3,374,926,313	2,177,244,873
		3,593,141,053	2,395,459,613
Non-Current Liabilities			
Long-term borrowings	4	7,140,668	6,791,330
Deferred Tax Liability (Net)	5	190,084,964	168,069,191
		197,225,632	174,860,521
Current Liabilities			
Short-term borrowings	6	1,411,521,228	1,422,248,404
Trade Payables	7		
Due to Micro and Small Enterprises		8,092,954	5,993,709
Due to Others		1,521,558,069	1,040,809,850
Other Current Liabilities	8	65,830,214	56,284,546
Short Term Provisions	9	26,887,556	44,861,467
		3,033,890,021	2,570,197,976
Total		6,824,256,706	5,140,518,110
ASSETS			
Non - Current Assets :			
Fixed Assets	10		
Tangible Assets		1,950,535,118	1,832,028,406
Intangible Assets		8,114,470	9,630,204
Capital work-in-progress		91,668,478	2,721,753
		2,050,318,066	1,844,380,363
Non-Current Investments	11	166,240,724	33,275,474
Long Term Loans and Advances	12	829,365,036	223,585,069
Other Non-current assets	13	8,121,407	424,728
		3,054,045,233	2,101,665,634
Current Assets			
Inventories	14	1,186,576,821	872,940,216
Trade Receivables	15	2,250,634,727	1,665,965,720
Cash and Bank Balances	16	59,992,880	38,351,678
Short - Term Loans & Advances	17	236,839,383	414,505,675
Other Current Assets	18	36,167,662	47,089,187
		3,770,211,473	3,038,852,476
Total		6,824,256,706	5,140,518,110
Significant Accounting Policies	1		
Notes are an integral part of the financial statements			

As Per Our Report of even date attached
For Mayank Shah & Associates
Chartered Accountants
Firm Registration No. 106109W

(M.S. Shah)
Partner

Membership No. 44093

Ahmedabad
May 25, 2017



For and on behalf of the Board of Directors

(Suresh J. Patel)
Chairman & Managing Director
DIN : 00007400

(Mayur B. Padhya)
Chief Financial Officer
Ahmedabad
May 25, 2017

(Ankit S. Patel)
Executive Director
DIN : 02173231

(Ashutosh B. Bhatt)
Company Secretary

BODAL CHEMICALS LTD.
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Amount (In Rs.)

PARTICULARS	Notes	YEAR 2016-17	Year 2015-16
INCOME			
Revenue from Operations			
Sale of Products	19A	12,720,797,841	9,758,352,456
Other Operating Income	19B	128,361,993	129,370,374
		12,849,159,834	9,887,722,830
Less : Excise Duty		1,007,723,296	789,837,742
		11,841,436,538	9,097,885,088
Other Income	20	67,608,671	120,137,261
Total Revenue		11,909,045,209	9,218,022,349
EXPENSES			
Cost of materials consumed	21	7,621,134,970	5,738,017,763
Purchases of Stock-in Trade	22	102,987,047	68,209,140
Changes in Inventories of Finished Goods and Stock in Process	23	(118,791,813)	(101,592,394)
Employee Benefits Expenses	24	414,491,473	367,887,769
Finance Costs	25	66,340,282	121,993,140
Depreciation and Amortisation expense	26	258,524,539	257,781,973
Other Expenses	27	1,618,550,209	1,526,052,784
Total Expenses		9,963,236,707	7,978,350,175
Profit Before Exceptional Items and Taxes		1,945,808,502	1,239,672,174
Exceptional Items	28	48,544,947	78,989,124
Profit Before Taxes		1,994,353,449	1,318,661,298
Tax Expenses			
Current Tax		663,380,517	408,891,047
Deferred Tax		36,428,769	38,343,822
Taxes of earlier years		8,427,059	5,441,384
		708,236,345	452,676,253
Profit for the Year		1,286,117,104	865,985,045
Earnings per equity share (Face value of Rs.2)	35		
Basic and diluted		11.79	7.94
Significant Accounting Policies	1		
Notes are an integral part of the financial statements			

As Per Our Report of even date attached

For Mayank Shah & Associates

Chartered Accountants

Firm Registration No. 106109W

meshah
(M.S. Shah)

Partner

Membership No. 44093

Ahmedabad
May 25, 2017



For and on behalf of the Board of Directors

Suresh J. Patel
(Suresh J. Patel)
Chairman & Managing Director
DIN : 00007400

Mayur B. Padhya
(Mayur B. Padhya)
Chief Financial Officer
Ahmedabad
May 25, 2017

Ankit S. Patel
(Ankit S. Patel)
Executive Director
DIN : 02173231

Ashutosh B. Bhatt
(Ashutosh B. Bhatt)
Company Secretary

BODAL CHEMICALS LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2017

Amount (In Rs.)

PARTICULARS	Year 2016-17	Year 2015-16
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and after exceptional items	1,994,353,449	1,318,661,298
Adjustment for		
Depreciation and Amortisation	258,524,539	257,781,973
Recovery of Bad Debts	Nil	(59,232,393)
Unrealised Foreign Exchange Loss / (Gain)	(23,071,599)	(15,373,570)
Finance Cost	66,340,282	121,993,140
Exceptional Item	(48,544,947)	(78,989,124)
(Profit)/Loss on Sale of Assets (Net)	3,434,550	(590,908)
Interest/Dividend/Rent received	(27,109,904)	(16,337,967)
Profit on sale of Investments	(5,488,073)	(96,773)
Operating Profit before Working Capital Changes	2,218,438,297	1,527,815,676
Adjustment for :		
(Increase) / Decrease in Trade Receivables	(591,782,898)	372,380,498
(Increase) / Decrease in Inventories	(288,558,358)	(93,375,391)
(Increase) / Decrease in Other Receivables	120,596,248	(31,956,398)
Increase / (Decrease) in Trade Payables	447,963,711	(89,943,694)
Cash generated from Operations	1,906,657,000	1,684,920,691
Direct Taxes Paid (Net of Refund)	694,167,841	357,509,036
Net Cash from Operating Activities (A)	1,212,489,159	1,327,411,655
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including Capital Work in Progress and capital advances	(504,497,612)	(166,175,397)
Sale proceeds of Tangible Assets	56,887,692	2,551,000
Loan given to Subsidiary	(366,327,014)	(93,644,573)
Loan given to Associated Concern	(158,119,746)	Nil
Loan repaid by Subsidiary	Nil	243,871
Interest/Dividend/Rent received	27,109,904	16,337,967
Sale proceed of Current Investment	1,085,488,073	220,096,773
Purchase of Current Investments	(1,080,000,000)	(220,000,000)
Purchase of Non-Current Investments	(5,000,000)	Nil
Investments in Subsidiary	(40,908,240)	Nil
Investments in Associates	(104,057,010)	Nil
Net Cash used in Investing Activities (B)	(1,089,423,953)	(240,590,359)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	1,181,182	1,150,000
Repayment of Long Term Borrowings	(831,844)	(856,432,266)
Increase / (Decrease) in Short Term Borrowings	15,886,779	211,164,829
Redemption of Preference Share Capital	Nil	(250,000,000)
Finance Cost	(66,340,282)	(121,993,140)
Dividend Paid	(39,540,399)	(77,974,947)
Net Cash used in Financing Activities (C)	(89,644,564)	(1,094,085,524)



NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS

Cash & Cash Equivalents at the beginning of the year

33,420,642

(7,264,228)

Cash & Cash Equivalents Acquired Under Amalgamation Scheme

4,499,212

11,763,440

Cash & Cash Equivalents at the end of the year

195,508

Nil

38,115,362

4,499,212

As Per Our Report of even date attached

Significant Accounting Policies as per Note 1

Notes are an integral part of the financial statements

For Mayank Shah & Associates

Chartered Accountants

Firm Registration No. 106109W


(M.S. Shah)

Partner

Membership No. 44093



Ahmedabad

May 25, 2017

For and on behalf of the Board of Directors


(Suresh J. Patel)

Chairman & Managing Director

DIN:00007400


(Mayur B. Padhya)

Chief Financial Officer

Ahmedabad

May 25, 2017


(Ankit S. Patel)

Executive Director

DIN:02173231


(Ashutosh B. Bhatt)

Company Secretary

BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017.

COMPANY BACKGROUND

Bodal Chemicals Limited (the 'Company') is a public limited Company incorporated under the Companies Act 1956. The Company is engaged in the business of manufacturing of Dyes, Dye Intermediates and Basic Chemicals.

1 Significant Accounting Policies :

1.1 Basis of Preparation of Financial Statements

a) Basis of Accounting

The financial statements of the Company have been prepared on an accrual basis under historical cost convention and in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act 2013 ("the 2013 Act"), as applicable. The accounting policies adopted in the presentation of the financial statements are consistent with those followed in the previous year.

b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

c) Current / Non Current Classification

All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.2 Tangible and Intangible Assets

a) Tangible Fixed Assets

Tangible Fixed Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.

Expenses directly attributable to new manufacturing facility during its construction period are capitalized



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017.

Continued.....

Subsequent expenditures related to an item of Tangible Fixed Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation on tangible fixed assets of the company is provided using Written Down Value Method on pro-rata basis at rates and in manner specified in Schedule II of the Companies Act, 2013 except based on technical analysis carried out by the management, remaining useful life in respect of certain plant & machineries situated at Unit-II, Unit-III & Unit-V is considered as 5 years.

b) Intangible Assets

The intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Intangible assets are amortized on a straight-line basis over their technically assessed useful lives, as mentioned below:

Intangible Assets	Estimated Useful Lives (Years)
Software	5
License	10
Website	5

c) Capital Work in Progress & Capital Advances

Cost of Assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances.

d) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017.

Continued.....

1.3 Investments

Investments are classified into current and non-current investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried at the lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Non-current investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss.

1.4 Inventories

(a) Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realisable value after providing for obsolescence, if any. The comparison of cost and net realisable value is made on an item-by item basis.

(b) In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, First-in-First-Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

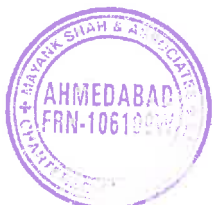
(c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.

(d) Materials in transit are valued at cost-to-date.

1.5 Transactions in Foreign Currency:

a) Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017.

Continued.....

b) Measurement of foreign currency items at the Balance Sheet date:

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

c) Forward exchange contracts:

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

1.6 Revenue Recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax/VAT and is net of returns & discounts. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognised separately as part of changes in inventories of finished goods, work in progress and stock in trade.

Export Incentives are recognised when the right to receive credit as per the terms of Incentives is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.

1.7 Trade Receivables

Trade receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered doubtful.



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017.

Continued.....

1.8 Employee Benefits

a) Short Term Employees Benefit

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, short term compensated absences, ex-gratia, etc. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

b) Post Employment Benefit

Defined Contribution Plans :

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme and Employees' State Insurance Corporation (ESIC) which are a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans :

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance sheet date.

The Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. The Company recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

The Company has funded its gratuity liability with Life Insurance Corporation of India (LIC) and Star Union Dai-ichi under the Group Gratuity Cash Accumulation Plan and SUD Life Group Gratuity Scheme respectively.

c) Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017.

Continued.....

1.9 Borrowing Cost

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, upto the date when the assets are ready for their intended use. All other borrowing costs are expensed in the period they occur.

1.10 Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1.11 Taxes on Income

Income tax expenses comprise current and deferred taxes. Current tax is determined on income for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws and after considering credit for Minimum Alternate Tax (MAT) available under the said Act. MAT paid in accordance with the tax laws which gives future economic benefits in the form of adjustments to future tax liability, is considered as an asset if there is convincing evidence that the future economic benefit associated with it will flow to the Company resulting in payment of normal income tax.

Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that there is a reasonable certainty that there will be sufficient future taxable income to realise the assets. Deferred tax asset pertaining to unabsorbed depreciation and carry forward of losses are recognised only to the extent there is a virtual certainty of its realisation.



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017.

Continued.....

1.12 Governments Grants/Subsidy

Government Grants is recognized when there is a reasonable assurance that the company will comply with the conditions attached to them and grants will be received.

Grant related to depreciable assets is shown as a deduction from the gross value of the asset concerned in arriving at its book value. The grant is thus recognised in the profit and loss statement over the useful life of a depreciable asset by way of a reduced depreciation charge.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

1.13 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders after deducting preference dividends and attributable taxes by the weighted average number of equity shares outstanding during the year.

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, if any.

1.14 Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

1.15 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.16 Proposed Dividend

Dividend recommended by the Board of Directors is provided for in the accounts, pending approval at the Annual General Meeting.

1.17 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. The Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers.

BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
2 : SHARE CAPITAL		
<u>Authorised Share Capital</u>		
13,50,00,000 (P.Y. 12,00,00,000) Equity Shares of Rs.2/- each	270,000,000	240,000,000
2,50,00,000 (P.Y. 2,50,00,000) Preference Share of Rs. 10/- each	250,000,000	250,000,000
	520,000,000	490,000,000
<u>Issued, Subscribed & Paid up Share Capital</u>		
10,91,07,370 Equity Shares of Rs. 2/- each (P. Y. 10,91,07,370 Equity Shares of Rs. 2/- each)	218,214,740	218,214,740
Total	218,214,740	218,214,740

2.1 Pursuant to the Scheme of Amalgamation u/s 391 to 394 of the Companies Act, 1956 and u/s 52 of the Companies Act, 2013 for amalgamation of Bodal Agrotech Ltd. (Transferor Company) with the Company, with effect from 1st April, 2016 (appointed date), as sanctioned by the Hon'ble High Court of Gujarat dated 11th November 2016, Authorised Share Capital of Bodal Agrotech Ltd. of Rs. 3,00,00,000/- has been added in the Authorised Share Capital of the Company.

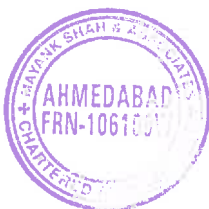
2.2 Reconciliation of the number of Shares

	As at 31st March, 2017	As at 31st March, 2016
	No. of Shares	No. of Shares
Equity Shares		
Opening balance	109,107,370	109,107,370
Issued during the Year	Nil	Nil
Closing balance	109,107,370	109,107,370
Preference Shares		
Opening balance	Nil	25,000,000
Redeemed during the Year	Nil	25,000,000
Closing balance	Nil	Nil

2.3 Rights, preferences and restrictions attached to shares

Equity shares

The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

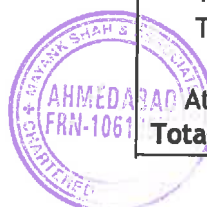
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2.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company					
Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016		
	No. of Shares	% held	No. of Shares	% held	
Equity Shares :					
Shri Suresh J. Patel	3,46,95,151	31.80	3,33,45,151	30.57	
Shri Bhavin S. Patel	94,59,549	8.67	94,59,549	8.67	
Shri Ankit S. Patel	65,36,550	5.99	65,36,550	5.99	

2.5 The Board of Directors at its meeting held on 3rd August, 2016 declared an interim dividend of Re. 0.30 (Paise thirty only) per equity share of Rs. 2/- each. The total dividend appropriation for the year ended 31st March, 2017 amounted to Rs. 393.96 lacs including corporate dividend tax of Rs. 66.64 lacs.

2.6 The Board of Directors at its meeting held on 25th May, 2017 has recommended a final dividend of Re. 0.50 (Paise fifty only) per equity share for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting and if approved would result in a cash outflow of Rs. 656.60 lacs including corporate dividend tax of Rs. 111.06 lacs.

PARTICULARS	Amount (In Rs.)	
	As at 31st March, 2017	As at 31st March, 2016
3 : RESERVES & SURPLUS		
Capital Reserves		
At the commencement and at the end of the year	76,121,441	76,121,441
Capital Redemption Reserve Fund		
At the commencement of the year	289,671,460	39,671,460
Add : Transferred from Profit & Loss Account	Nil	250,000,000
At the end of the year	289,671,460	289,671,460
Securities Premium Account		
At the commencement and at the end of the year (Premium on issue of Equity Shares)	222,035,976	222,035,976
General Reserve		
At the commencement and at the end of the year	138,858,089	138,858,089
Surplus / (Deficit) in the Statement of Profit and Loss		
At the commencement of the year	1,450,557,907	913,364,301
Addition on amalgamation with Bodal Agrotech Ltd.	(49,039,944)	Nil
Add : Surplus during the year	1,286,117,104	865,985,045
	2,687,635,067	1,779,349,346
Less : Appropriations :		
Interim Dividend on Equity Shares	32,732,211	65,464,422
Tax on Dividends	6,663,509	13,327,017
Transfer to Capital Redemption Reserve	Nil	250,000,000
	39,395,720	328,791,439
At the end of the year	2,648,239,347	1,450,557,907
Total	3,374,926,313	2,177,244,873



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

Amount (In Rs.)		
PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
4 : LONG TERM BORROWINGS		
<u>Unsecured</u>		
Trade Deposits	7,140,668	6,791,330
Total	7,140,668	6,791,330
Current Maturities of Long Term Borrowings (Refer Note 8)	50,000	Nil

Amount (In Rs.)		
PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
5 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Difference between book depreciation and tax depreciation	191,846,483	171,782,781
Expense claimed for tax purpose on payment basis	207,807	206,098
Deferred Tax Assets		
Expenditure covered by section 43B of Income Tax Act, 1961	(1,969,326)	(3,919,688)
Total	190,084,964	168,069,191

Amount (In Rs.)		
PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
6 : SHORT TERM BORROWINGS		
<u>Secured</u>		
<u>Repayable on Demand</u>		
Working Capital Loans from Banks	891,966,264	1,396,134,294
<u>Unsecured</u>		
Working Capital Loans from Banks	99,999,999	Nil
Loans From Directors	343,699,836	Nil
Loans From Corporates	75,855,129	26,114,110
Total	1,411,521,228	1,422,248,404

6.1 Working Capital Loans from Banks are secured by Hyp. Of Inventories, Book Debts and bills drawn under letter of credit and confirmed contracts and collaterally secured by equitable mortgage of Immovable property and Hyp. Of P&M of the company and personal guarantees of the Chairman and Managing Director and Executive directors.

6.2 Unsecured Working Capital Loan from Bank is personally guaranteed by Chairman and Managing Director and Executive directors.



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
7 : TRADE PAYABLES		
Due to Micro and Small Enterprises (Refer Note 39)	8,092,954	5,993,709
Due to Others (Note 7.1)	1,521,558,069	1,040,809,850
Total	1,529,651,023	1,046,803,559
7.1 Trade Payables include Rs. 66,714,526/- (P.Y. 8,386,872/-) to related parties (refer note 33)		

Amount (In Rs.)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
8 : OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt (Refer Note 4)	50,000	Nil
Advance Received from Customers	5,228,346	15,003,186
Unclaimed Dividends (Note 8.1)	2,239,854	2,384,533
Creditors for Capital Goods	22,220,234	9,194,452
Other Current Liabilities (Note 8.2)	1,946,797	2,265,207
Statutory Liabilities (Note 8.3)	34,144,983	27,437,168
Total	65,830,214	56,284,546

8.1 There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund as on 31st March 2017.

8.2 Other Current Liabilities includes Deferred Premium, Interest payable, expenses payable etc.

8.3 Statutory liabilities represent amounts payable towards VAT, CST, Excise duty and TDS etc.

Amount (In Rs.)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
9 : SHORT TERM PROVISIONS		
Provision for Employee Benefits (Refer Note 31)	26,887,556	44,861,467
Total	26,887,556	44,861,467
9.1 Provision for Employee Benefits include Rs. 1,176,791/- (P.Y. 15,310,763/-) to related parties (refer note 33)		



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
11 : NON - CURRENT INVESTMENTS		
LONG TERM INVESTMENTS		
TRADE INVESTMENTS		
Quoted		
100 (P.Y. 100) Equity Shares of Beta Nepthol Ltd. of Rs. 10/- Each Fully Paid Up	3,465	3,465
2,00,000 (P.Y. 1,00,000) Equity Shares of Bhageria Dye Chem Ltd. of Rs. 5/- Each (P.Y. Rs. 10/- Each) Fully Paid Up (Note 11.1)	14,934,424	14,934,424
	14,937,889	14,937,889
Less :		
Provision for diminution in Investments	3,465	3,465
Total	14,934,424	14,934,424
Unquoted		
250 (P.Y.250) Equity Shares of Green Environment Ser. Co-op.Soc. Ltd. of Rs. 100/- each Fully Paid Up	25,000	25,000
1,12,350 (P.Y. 1,12,350) Equity Shares of Bharuch Enviro Infrastructure Ltd of Rs. 10/-each Fully Paid Up	1,123,500	1,123,500
100 (P.Y.100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of Rs. 10/- Each Fully Paid Up	1,000	1,000
10 (P.Y.10) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of Rs. 100/- Each Fully Paid Up	1,000	1,000
10,200 (P.Y.10,200) Equity Shares of Panoli Enviro Technology Ltd. of Rs. 10/- Each Fully Paid Up	102,000	102,000
3,542 (P.Y.3,542) Equity Shares of Makarpura Ind.Est. Co-op. Bank Ltd. of Rs. 25/- Each Fully Paid Up	88,550	88,550
TOTAL OF TRADE INVESTMENTS	1,341,050	1,341,050



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

<u>OTHER NON CURRENT INVESTMENTS</u>		
<u>Unquoted</u>		
<u>Investment in Subsidiary Company</u>		
Nil (P.Y. 17,00,000) Equity Shares of Bodal Agrotech Ltd. of Rs. 10/- Each Fully Paid Up (refer Note 42)	Nil	17,000,000
1,13,634 (P.Y. Nil) Equity Shares of SPS Processors Pvt. Ltd. of Rs. 100/- Each Fully Paid Up. (refer Note 43)	40,908,240	Nil
<u>Investment in Associate Concern</u>		
29,05,701 (P.Y. Nil) Equity Shares of Trion Chemicals Pvt. Ltd. of Rs. 10/- Each Fully Paid Up (refer Note 44)	29,057,010	Nil
75,00,000 (P.Y. Nil) 9% Non-Cumulative Non-Convertible Preference Shares of Trion Chemicals Pvt. Ltd. of Rs. 10/- Each Fully Paid Up (refer Note 44)	75,000,000	Nil
<u>Other Investment</u>		
5,00,000 Units (P.Y. Nil) of Union Capital Protection Oriented Fund Series 7 - Regular Plan - Growth	5,000,000	Nil
Total of Other Non-Current Investments	149,965,250	17,000,000
Total of Non-Current Investments	166,240,724	33,275,474
Aggregate of Quoted Investments:		
At Book value	14,934,424	14,934,424
At Market Price	63,600,000	14,040,000
Aggregate of Unquoted Investments:	151,306,300	18,341,050
Aggregate provision for diminution in value of investments	3,465	3,465
11.1 1 (One) Equity Share of Bhageria Industries Ltd. of Rs. 10/- each is sub-divided into 2 (Two) Equity Shares of Rs. 5/- each fully paid-up with effect from October 27, 2016.		



Continued.....

PARTICULARS	Amount (In Rs.)	
	As at 31st March, 2017	As at 31st March, 2016
12 : LONG TERM LOANS & ADVANCES		
(Unsecured and Considered Good)		
Capital Advances	136,675,562	30,160,647
Security Deposits	25,687,961	5,264,806
Loans and Advances to Employees	7,362,355	4,198,567
Loans and Advances to related party (Refer Note 32 & 33)	524,446,760	140,432,180
Balance With Statutory Authorities (Note 12.1)	60,229,213	18,298,099
Advance Income Tax (Net of Provision for Tax)	47,591,035	25,230,770
Advance for Investment	27,372,150	Nil
Total	829,365,036	223,585,069
12.1 Balance with Statutory Authorities includes balances with Excise, Service Tax, Sales Tax, Customs Dept. etc.		

		Amount (In Rs.)	
PARTICULARS	As at 31st March, 2017	As at 31st March, 2016	
13 : OTHER NON-CURRENT ASSETS			
(Unsecured and Considered Good)			
Margin Money Deposits with bank with maturity after twelve months from the reporting date*	8,121,407	424,728	
Total	8,121,407	424,728	
* Held as lien by bank against bank guarantees and letters of credit.			



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

Amount (In Rs.)		
PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
14 : INVENTORIES		
(Valued at the lower of cost or net realisable value)		
a) Raw Materials	363,245,070	249,453,609
Raw Materials in Transit	86,150,892	17,241,045
	449,395,962	266,694,654
b) Finished Goods	176,656,772	101,751,843
Finished Goods in Transit	15,614,845	27,121,572
	192,271,617	128,873,415
c) Stock In Process	486,511,143	427,566,970
	486,511,143	427,566,970
d) Stock In Trade (in Transit)	4,469,420	Nil
	4,469,420	Nil
e) Packing Materials	5,938,337	6,747,987
Packing Materials in Transit	282,666	113,683
	6,221,003	6,861,670
f) Stock of Fuel	4,762,526	5,375,422
	4,762,526	5,375,422
g) Stores and Spares	42,945,150	37,568,085
	42,945,150	37,568,085
Total	1,186,576,821	872,940,216

Amount (In Rs.)		
PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
15 : TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the due date for payment		
Unsecured & Considered Good	109,739,821	147,898,419
Trade receivables outstanding for a period less than six months from the due date for payment		
Unsecured & Considered Good	2,140,894,906	1,518,067,301
Total	2,250,634,727	1,665,965,720
15.1 Trade Receivables include Rs. 22,728,621/- (P.Y. 9,126,448/-) to related parties. (refer note 33)		



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
16 : CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash on hand	1,783,926	833,609
Balance with Banks in current accounts	36,331,436	3,665,603
	38,115,362	4,499,212
Other Bank Balances		
Margin Money Deposits with bank with maturity of more than three months but less than twelve months*	19,637,664	31,467,933
Unclaimed Dividend Accounts	2,239,854	2,384,533
	21,877,518	33,852,466
Total	59,992,880	38,351,678

* Held as lien by bank against bank guarantees and letters of credit.

16.1 Details of Specified Bank Notes (SBN) held and transacted during demonetisation period from 08-11-2016 to 30-12-2016

	SBNs* (Rs.)	Other Denomination Notes (Rs.)	Total (Rs.)
Closing cash in hand as on 8-11-2016	3,759,000	775,108	4,534,108
(+) Permitted receipts	Nil	2,011,710	2,011,710
(-) Permitted payments	Nil	1,576,381	1,576,381
(-) Amount deposited in Banks	3,759,000	241,710	4,000,710
Closing cash in hand as on 30-12-2016	Nil	968,727	968,727

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Amount (In Rs.)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
17 : SHORT TERM LOANS & ADVANCES		
(Unsecured & considered good)		
Advance to Suppliers of Goods (Note 17.1)	64,805,673	55,617,177
Advance to Suppliers of Expenses	2,044,621	10,785,712
Balance with Statutory Authorities (Note 17.2)	136,187,469	192,076,385
Loans and Advances to Employees	18,876,888	16,811,701
Inter-Corporate Loans	Nil	119,175,222
Pre-paid Expenses	7,583,172	14,164,922
Others (Note 17.3)	7,341,560	5,874,556
Total	236,839,383	414,505,675

17.1 Advances to supplier of goods include Rs. 41,642,973/- (P.Y. 15,559,201/-) to related parties. (refer note 33)

17.2 Balance with Statutory Authorities includes balances with Excise, Service Tax, Sales Tax, etc.

17.3 Others include Tour Advances, Gratuity Planned Assets (Net), and Income Receivables.

BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

Amount (In Rs.)		
PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
18 : OTHER CURRENT ASSETS		
Fair Value of Foreign Exchange Forward Contracts	10,831,115	4,719,124
Export Incentives Recivables	25,194,755	42,288,282
Other Receivables	81,781	81,781
Licence on Hand (at Cost)	60,011	Nil
Total	36,167,662	47,089,187

Amount (In Rs.)		
PARTICULARS	2016-17	2015-16
19 : REVENUE FROM OPERATIONS		
A) Sale of products	12,720,797,841	9,758,352,456
Less : Excise Duty	1,007,723,296	789,837,742
Sale of products (net)	11,713,074,545	8,968,514,714
B) Other Operating Income		
Export Incentives	117,293,173	107,903,447
Insurance claim for Goods Burnt	Nil	13,011,469
Scrap Sales	11,001,682	8,379,692
Brokerage Income	67,138	75,766
Total	128,361,993	129,370,374
Net Revenue From Operations	11,841,436,538	9,097,885,088
19.1 Details of Sales of Products (Rs. In Lacs)		
Intermediates	69,895.62	46,372.33
Dyes	28,821.16	30,980.74
Basic Chemicals and others	18,413.97	12,332.08
Total of Sale of Products (Net)	117,130.75	89,685.15

Amount (In Rs.)		
PARTICULARS	2016-17	2015-16
20 : OTHER INCOME		
Interest Income		
On Deposits	2,845,177	2,155,112
On Others	23,364,727	13,244,145
Profit on sales of Investment	5,488,073	96,773
Profit on sales of Assets	Nil	590,908
Prior Period Items	Nil	70,257
Recovery of Bad Debts	Nil	59,232,393
Dividend Income - from Non-Current Investments	500,000	500,000
Exchange Rate Difference (Net)	16,651,113	Nil
Premium / Discount on Forward Contracts	14,015,641	18,546,388
Other Income	4,743,940	25,701,285
Total	67,608,671	120,137,261



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

PARTICULARS		Amount (In Rs.)		
21 : COST OF MATERIALS CONSUMED		2016-17	2015-16	
Opening Stock		266,694,654	285,205,749	
Add: Addition on amalgamation with Bodal Agrotech Ltd.		24,838,689	Nil	
Add: Purchases during the year		7,778,997,589	5,719,506,668	
		8,070,530,932	6,004,712,417	
Less : Closing Stock		449,395,962	266,694,654	
Total		7,621,134,970	5,738,017,763	
21.1 Major Raw Materials consumed (Rs. In Lacs)				
Sulphur		3,597.33	4,211.92	
Napthelene		3,922.19	5,133.16	
Aniline Oil		2,994.63	3,691.16	
H Acid		17,018.71	10,019.69	
Caustic Soda Flakes		3,350.28	3,226.53	
Caustic Soda Lye		1,667.67	1,738.84	
Ethylene Oxide		2,321.60	2,419.56	
Acetanilide		1,262.25	694.06	
Linear Alkyl Benzene		3,797.88	8.87	
Others		36,278.81	26,236.39	
		76,211.35	57,380.18	
21.2 Composition of Materials Consumed (Rs.)				
		2016-17	2015-16	
Imported	693,686,746	9.10%	478,847,170	8.35%
Indigenous	6,927,448,224	90.90%	5,259,170,593	91.65%
Total	7,621,134,970	100.00%	5,738,017,763	100.00%

PARTICULARS		Amount (In Rs.)	
		2016-17	2015-16
22 : PURCHASE OF STOCK IN TRADE			
Purchase of Stock in Trade		102,987,047	68,209,140
Total		102,987,047	68,209,140



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

PARTICULARS	Amount (In Rs.)	
	2016-17	2015-16
23 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS & STOCK IN TRADE		
Inventories at the end of the year		
Finished Goods	192,271,617	128,873,415
Stock In Process	486,511,143	427,566,970
Stock - in Trade	4,469,420	Nil
Total (A)	683,252,180	556,440,385
Inventories at the beginning of the year		
Finished Goods	128,873,415	128,711,626
Add: Addition on amalgamation with Bodal Agrotech Ltd.	239,558	Nil
Stock In Process	427,566,970	331,604,882
Stock - in Trade	Nil	Nil
Total (B)	556,679,943	460,316,508
Changes in Inventories	(126,572,237)	(96,123,877)
Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of Finished Goods	(7,780,424)	5,468,517
Changes In Inventories Of Finished Goods, Stock In Process & Stock in Trade	(118,791,813)	(101,592,394)

PARTICULARS	Amount (In Rs.)	
	2016-17	2015-16
24 : EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages & Bonus	362,426,475	325,869,434
Contribution to Provident & Other Funds(Refer Note 31)	23,814,247	17,379,177
Staff Welfare Expenses	28,250,751	24,639,158
Total	414,491,473	367,887,769

PARTICULARS	Amount (In Rs.)	
	2016-17	2015-16
25 : FINANCE COSTS		
Bank Interest	41,097,508	104,745,216
Other Interest Expenses	8,188,904	906,925
Other Borrowing Cost	17,053,870	16,340,999
Total	66,340,282	121,993,140

PARTICULARS	Amount (In Rs.)	
	2016-17	2015-16
26 : DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Tangible Assets	255,722,150	255,258,270
Amortisation on Intangible Assets	2,802,389	2,523,703
Total	258,524,539	257,781,973



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

Amount (In Rs.)		
PARTICULARS	2016-17	2015-16
27 : OTHER EXPENSES		
Stores Consumption (Note 27.2)	42,849,606	46,863,534
Power & Fuel Consumption	495,165,790	496,825,531
Repairs to		
Machinery	184,249,202	151,698,475
Building	15,680,688	14,481,997
Others	1,159,301	2,425,405
Pollution Control Expenses	136,507,491	83,858,590
Rent & Taxes	3,147,334	2,147,559
Labour Charges	174,879,367	148,019,931
Insurance Expenses	8,634,159	6,382,274
Loss Due To Fire	Nil	407,759
Corporate Social Responsibility Expenses (Note 40)	21,502,471	25,648,123
Directors' Sitting fees	500,000	550,000
Travelling & Vehicle Expense	23,920,793	21,248,179
Legal & Professional Fees (Note 27.1)	26,520,244	19,313,193
Loss on Disposal of Assets	3,434,550	Nil
Exchange Rate Difference (Net)	Nil	48,040,503
Packing Material Consumption (Note 27.2)	94,168,726	86,534,489
Freight & Handling Charges	206,044,154	199,674,908
Advertisement & Business Promotion Expenses	21,034,397	11,901,978
Sales Commission	65,234,474	75,676,487
Cash Discount	19,306,871	22,946,791
Other Expenses	74,610,591	61,407,078
Total	1,618,550,209	1,526,052,784

27.1 Legal & Professional Fees includes payment to auditors (excluding service tax) as below:

Amount (In Rs.)		
	2016-17	2015-16
I) As Statutory Auditors	1,200,000	1,200,000
II) Taxation matters	500,000	500,000

27.2 Composition of Stores and Packing Materials Consumption (Amt. in Rs.)

	2016-17		2015-16	
Imported	Nil	Nil	Nil	Nil
Indigenous	137,018,332	100.00%	133,398,023	100.00%
Total	137,018,332	100.00%	133,398,023	100.00%

Amount (In Rs.)		
PARTICULARS	2016-17	2015-16
28 : EXCEPTIONAL ITEMS		
Profit from Sale of Unit-V (Note 41)	48,544,947	Nil
Excess Provision Written Back	Nil	78,989,124
Total	48,544,947	78,989,124



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

29 Contingent Liabilities and Commitments (to the extent not provided for)

	As at 31 st March, 2017	Amount (Rs.) As at 31 st March, 2016
(a) Contingent Liabilities		
1) Disputed matters in appeals/contested in respect of:		
i. Income Tax	30,115,941	29,559,788
ii. Excise	31,950,356	31,467,144
iii. Service Tax	393,419	613,312
iv. Customs Department	Nil	12,129
Future cash outflows in respect of the above are determinable only on receipt of Judgments /decisions pending with various forums/authorities. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.		
2) Letter of Credit issued by bankers and outstanding as on 31 st March, 2017.	91,502,061	59,502,729
3) Bank Guarantee issued by bankers and outstanding as on 31 st March, 2017.	47,797,416	52,740,601
(b) Commitments		
i. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances.	297,907,576	4,40,000

30 Derivative Instruments and Un-hedged Foreign Currency Exposure

The company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contract outstanding as at 31st March, 2017 are as under,

Category	Currency	Buy/sell	Foreign Currency Value	Foreign Currency Value (In Rs.)
Forward Contract	USD	Sell	4,195,876	272,054,726

Details of un-hedged foreign currency exposure as on 31/03/2017

Particulars	Currency	As at 31 st March, 2017		As at 31 st March, 2016	
		Amount (in Currency)	Amount (in Rs.)	Amount (in Currency)	Amount (in Rs.)
Payable	USD	3,763,901	244,046,071	2,705,470	179,461,666
Payable	EURO	12,537	868,127	10,358	777,807
Payable	AED	51,714	913,214	Nil	Nil
Receivable	USD	15,58,690	101,063,248	1,543,559	102,388,712
Receivable	EURO	12,166	842,466	Nil	Nil
Borrowings	USD	6,006,478	389,451,644	6,071,987	402,772,479

BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

31 Employees' Benefits

a) Defined Benefit Plan

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India and Star Union Dai-ichi Life insurance company in the form of qualifying insurance policy.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the company's financial statements based on actuarial valuations being carried out as at 31st March 2017.

	Amount (Rs.)	
	As at 31 st March, 2017	As at 31 st March, 2016
Change in present value of obligations		
Present value of obligations as at beginning of year	22,465,703	18,194,494
Interest cost	1,797,256	1,455,560
Current Service Cost	4,309,220	4,181,628
Benefits Paid	(1,575,615)	(354,640)
Actuarial (gain)/Loss on obligations	3,560,704	(1,011,339)
Present value of obligations as at end of year	30,557,268	22,465,703
Change in the fair value of plan assets	As at 31 st March, 2017	As at 31 st March, 2016
Fair value of plan assets at beginning of year	27,814,796	22,948,068
Expected return on plan assets	2,507,636	2,165,232
Employers Contributions	7,760,002	3,056,136
Benefits paid	(1,575,615)	(354,640)
Actuarial (gain)/Loss on plan assets	Nil	Nil
Fair value of plan assets at the end of year	36,506,819	27,814,796
Net Gratuity Cost	As at 31 st March, 2017	As at 31 st March, 2016
Current Service cost	4,309,220	4,181,628
Interest Cost	1,797,256	1,455,560
Expected return on plan assets	(2,507,636)	(2,165,232)
Net Actuarial (gain)/Loss recognised in the year	3,560,704	(1,011,339)
Net Gratuity Cost	7,159,544	2,460,617
Actual Return on Plan Assets	As at 31 st March, 2017	As at 31 st March, 2016
Expected return on plan assets	2,507,636	2165232
Actuarial Gain/(Loss) on plan assets	Nil	Nil
Actual return on plan assets	2,507,636	2165232

BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Net (Asset)/Liability recognised in Balance Sheet	Continued.....	
	As at 31 st March, 2017	As at 31 st March, 2016
Net Liability/(Asset), beginning of the year	(5,349,093)	(4753574)
Gratuity Cost as above	7,159,544	2460617
Employers Contribution	(7,760,002)	(3056136)
Amount recognised in the Balance Sheet	(5,949,551)	(5349093)
Category of Assets	As at 31 st March, 2017	As at 31 st March, 2016
Insurer Managed Funds (100%)	36,506,819	27814796
Assumptions	As at 31 st March, 2017	As at 31 st March, 2016
Discount Rate	8%	8%
Salary Escalation	7%	7%
The estimated future salary increases take account of inflation, seniority, promotion and other retirement factors such as supply and demand in the employment markets.		

Amount recognised in current year and previous four years

Particulars	Amount (Rs.)				
	As at 31 st March				
	2017	2016	2015	2014	2013
Defined Benefit Obligation	30,557,268	22,465,703	18,194,494	11,658,219	10,434,072
Fair Value of Plan Assets	36,506,819	27,814,796	22,948,068	15,846,394	10,075,144
(Surplus) / Deficit in the plan	(5,949,551)	(5,34,9093)	(4,753,574)	(4,188,175)	358,928
Actuarial (gain) / loss on plan obligation	3,560,704	(1,011,339)	5,638,648	(1,791,930)	(224,297)
Actuarial (gain) / loss on plan assets	Nil	Nil	Nil	Nil	Nil
Discount Rate	8%	8%	8%	8%	8%
Salary Escalation	7%	7%	7%	7%	7%

The expected contributions for Defined Benefit Plan for the next financial year will be in line with F.Y. 2016-17

b) Defined Contribution Plan

The company has recognized the following amount in statement of profit and loss which is included under contribution to funds.

Particulars	Amount in Rs.	
	2016-17	2015-16
Employer's contribution to Provident Fund	14,968,356	13,129,656
Employer's contribution to E.S.I.	1,134,687	1,328,572

BODAL CHEMICALS LTD.**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

Continued.....

32 Disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

Loans and advances in the nature of Loans to subsidiaries & associate.

Sr. No.	Particulars	Relationship	Amount (Rs.)	
			As at 31 st March, 2017	As at 31 st March, 2016
1	Bodal Agrotech Ltd. *	Wholly owned subsidiary up to 31 st March, 2016	Nil	140,432,180
2	SPS Processors Pvt. Ltd.	Subsidiary w.e.f 21 st March, 2017	366,327,014	Nil
3	Trion Chemicals Pvt. Ltd.	Associate concern w.e.f 16 th March, 2017	158,119,746	Nil

i) Loan to subsidiaries and associate has been given for acquisition of assets and other business purposes.

ii) The loanee does not have any investment in the shares of the Company.

iii) There are no guarantees issued by the Company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.

* Bodal Agrotech Ltd is amalgamated with Bodal Chemicals Ltd w.e.f 1st April, 2016

33 Information on related party transactions as required by Accounting Standard (AS-18) on Related Party Disclosures for the year ended 31st March, 2017.**a) Names of related parties and nature of relationship****I. Key Management Personnel (KMP)**

1. Shri Suresh J. Patel	Chairman & Managing Director
2. Shri Bhavin S. Patel	Executive Director
3. Shri Ankit S. Patel	Executive Director
4. Shri Mayur B. Padhya	Chief Financial Officer
5. Shri Ashutosh B. Bhatt	Company Secretary

II. Enterprise under significant influence of key management personnel (Enterprise)

- (i) Shanti Inorgo Chem (Guj.) Pvt. Ltd.
- (ii) Rudraksh Caterers Pvt. Ltd.

III. Associate Concern (AC)

- (i) Trion Chemicals Pvt. Ltd. (W.e.f 16th March, 2017)

IV. Subsidiary Company (SC)

- (i) SPS Processors Pvt. Ltd. (W.e.f 21st March, 2017)

**V. Wholly-owned Subsidiary Company (WOS)**

- (i) Bodal Agrotech Ltd. (Up to 31st March, 2016)

BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

b) Transactions with related parties

Related party disclosure	Relationship	2016-2017	2015-2016
Remuneration			
Shri Suresh J. Patel	KMP	11,021,946	11,827,020
Shri Bhavin S. Patel	KMP	7,239,600	7,435,826
Shri Ankit S. Patel	KMP	7,749,243	7,388,291
Shri Mayur B. Padhya	KMP	3,135,363	2,299,503
Shri Ashutosh B. Bhatt	KMP	571,452	422,235
Loan Given			
Bodal Agrotech Ltd.	WOS	Nil	93,644,573
Trion Chemicals Pvt. Ltd.	AC	192,403,498	Nil
SPS Processors Pvt. Ltd.	SC	366,464,265	Nil
Loan Received Back			
Bodal Agrotech Ltd.	WOS	Nil	243,871
Trion Chemicals Pvt. Ltd.	AC	149,458,974	Nil
SPS Processors Pvt. Ltd.	SC	137,251	Nil
Loan Received			
Shri Suresh J. Patel	KMP	475,280,000	16,500,000
Shri Bhavin S. Patel	KMP	116,825,000	15,950,000
Shri Ankit S. Patel	KMP	5,000,000	13,028,000
Loan Repaid			
Shri Suresh J. Patel	KMP	237,105,164	16,500,000
Shri Bhavin S. Patel	KMP	13,900,000	15,950,000
Shri Ankit S. Patel	KMP	2,400,000	13,028,000
Purchases of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	1,168,837	14,728,479
Bodal Agrotech Ltd.	WOS	Nil	7,271,852
SPS Processors Pvt. Ltd.	SC	287,716,829	Nil
Rent Expense			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	600,000	3,67,500
Rent Income			
Bodal Agrotech Ltd.	WOS	Nil	438,710
A.G.M. Expenses			
Rudraksh Caterers Pvt. Ltd.	Enterprise	34,772	24,390
Business Development Expenses			
Rudraksh Caterers Pvt. Ltd.	Enterprise	10,900	86,720
Canteen Expenses			
Rudraksh Caterers Pvt. Ltd.	Enterprise	724,232	390,082

BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

Commission Paid

Shri Ankit S. Patel	KMP	Nil	20,463,354
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Dividend Paid

Shri Suresh J. Patel	KMP	10,003,545	20,007,090
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Shri Bhavin S. Patel	KMP	2,837,865	5,345,830
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Shri Ankit S. Patel	KMP	1,960,965	3,371,930
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Shri Mayur B. Padhya	KMP	58,529	117,057
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Interest Income

Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	Nil	801,922
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Trion Chemicals Pvt. Ltd.	AC	19,589,742	Nil
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SPS Processors Pvt. Ltd.	SC	1,372,505	Nil
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Sales of Asset

Trion Chemicals Pvt. Ltd.	AC	273,484	Nil
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Sales of Materials

Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	34,118,438	43,670,854
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Bodal Agrotech Ltd.	WOS	Nil	198,955
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Related Party Balances as at the year end.

Amount Payable

As Unsecured Loan

Shri Suresh J. Patel	KMP	238,174,836	Nil
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Shri Bhavin S. Patel	KMP	102,925,000	Nil
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Shri Ankit S. Patel	KMP	2,600,000	Nil
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As Trade Payables

Rudraksh Caterers Pvt. Ltd.	Enterprise	33,775	82,557
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Bodal Agrotech Ltd.	WOS	Nil	8,304,315
---------------------	-----	-----	-----------

SPS Processors Pvt. Ltd.	SC	66,680,751	Nil
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As Short Term Provisions

Shri Suresh J. Patel	KMP	3,09,130	687,800
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Shri Bhavin S. Patel	KMP	4,23,800	599,800
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Shri Ankit S. Patel	KMP	2,65,500	13,869,800
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Shri Mayur B. Padhya	KMP	1,39,140	118,342
----------------------	-----	----------	---------

Shri Ashutosh B. Bhatt	KMP	39,221	35,021
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As Investment

As Equity shares

Trion Chemicals Pvt. Ltd.	AC	29,057,010	Nil
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SPS Processors Pvt. Ltd.	SC	40,908,240	Nil
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As Preference shares

Trion Chemicals Pvt. Ltd.	AC	75,000,000	Nil
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BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

Amounts Receivable

As Trade Receivables

Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	22,728,621	9,126,448
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As Advance Given to Supplier

Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	41,642,973	15,559,201
-------------------------------------	------------	------------	------------

As Loan to Subsidiary

Bodal Agrotech Ltd.	WOS	Nil	140,432,180
---------------------	-----	-----	-------------

SPS Processors Pvt. Ltd.	SC	366,327,014	Nil
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As Loan to Associate concern

Trion Chemicals Pvt. Ltd.	AC	158,119,746	Nil
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Notes:-

(i) Bodal Agrotech Ltd is amalgamated with Bodal Chemicals Ltd w.e.f 1st, April, 2016 and in previous year loan was given for acquisition of assets and other business purposes and has been utilized for the same.

(ii) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

34 Segment Reporting:

The Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per Accounting Standard 17. The Company is principally engaged in a single business segment viz., "Dyes, Dyes Intermediates and Basic Chemicals".

The geographical segment has been considered for disclosure as secondary segment.

Two secondary segments have been identified based on the geographical locations of customers i.e. domestic and export. Information about geographical segments are as below.

Amount (Rs.)

	2016-17			2015-16		
	Domestic Operations	External Operations	Total	Domestic Operations	External Operations	Total
Segment Revenue	8,352,235,708	3,489,200,830	11,841,436,538	6,088,412,735	3,009,859,490	9,098,272,225
Carrying Cost of Segment Assets	6,319,193,964	505,062,742	6,824,256,706	4,709,367,738	431,150,372	5,140,518,110
Capital Expenditure during the year	476,436,045	Nil	476,436,045	174,246,104	Nil	174,246,104

a) Revenue from external operations comprises of income from sale of products, and other operating revenues.

BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

- b) Carrying amount of segment assets comprises of non-current assets and current assets identified to the respective segments. However Segments assets in India also includes certain common assets used to generate revenue in both segments but not feasible of allocation.
- c) Capital expenditure during the year represents net additions to Tangible and Intangible assets and movement in Capital work in progress.

35 Earnings per Equity Share	Amount (Rs.)	
	2016-17	2015-16
Net Profit/(Loss) after Tax as per statement of Profit and Loss	1,286,117,104	865,985,045
Weighted average number of Equity Shares	109,107,370	109,107,370
Basic and Diluted Earnings per Share	11.79	7.94
Nominal Value per Share	2	2

36 Value of Imports on CIF Basis	Amount (Rs.)	
	2016-17	2015-16
Raw Materials	744,715,078	427,193,843
Other Materials	1,034,317	Nil
Capital Goods	4,026,824	Nil

37 Earning in Foreign Currency	Amount (Rs.)	
	2016-17	2015-16
F.O.B. Value of Exports	3,410,309,999	2,934,707,212

38 Expenditure in Foreign Currency	Amount (Rs.)	
	2016-17	2015-16
Travelling	2,607,996	1,924,655
Commission	41,407,708	40,393,851
Business Development Expense	2,315,313	478,938
Bank Charges	7,026,720	5,311,751
Interest Expense	11,398,251	9,940,823
Repairs to Machinery	Nil	655,088
Other Selling Expense	66,937	537,022
Cash Discount	80,318	269,685



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

39 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2016-17, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

Particulars	As at 31st March, 2017	As at 31st March, 2016
a. Principal and interest amount remaining unpaid	8,092,954	5,993,709
b. Interest due thereon remaining unpaid	-	-
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
e. Interest accrued and remaining unpaid	-	-
f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

40 Corporate Social Responsibility Expenses

A. Gross amount required to be spent by the Company during the year 2016-17 - Rs.214.67 lacs (Previous year - Rs. 106.38 lacs)

B. Amount spent during the year on :

Particulars	2016-17			2015-16		
	In Cash*	Yet to be paid in cash	Total	In Cash*	Yet to be paid in cash	Total
i) Construction / Acquisition of any Assets	-	-	-	-	-	-
ii) Purposes other than (i) above	215.02		215.02	256.48		256.48

*Represents actual outflow during the year.

41 Exceptional items

During the Year, the Company has sold out Unit-5 located at Ankleswar- GIDC, Bharuch, Gujarat. The company has gained Rs. 48,544,947 out of sale of whole unit and the same is disclosed under "Exceptional items" in the statement of Profit and loss.

Further, the revenue of Unit- V of the Company during the last financial year was nominal and the company has also not calculated capacity of Unit V in total production of capacity disclosed by the company.

BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

42 Amalgamation of Wholly Owned Subsidiary with the Company

Pursuant to the Scheme of Amalgamation u/s 391 to 394 of the Companies Act, 1956 for amalgamation of the erstwhile wholly owned subsidiary, Bodal Agrotech Ltd. (Transferor Company) whose business of manufacturing as well as trading of the chemicals products merged with the Company, with effect from 1st April, 2016 (appointed date), as sanctioned by the Hon'ble High Court of Gujarat. The effect of the merger has been given in the accounts as per the scheme sanctioned.

The amalgamation has been accounted for under the "Pooling of Interests method" as prescribed by Accounting Standard 14 (AS-14) notified by the Government of India. Accordingly, the assets, liabilities and reserves of the erstwhile Bodal Agrotech Ltd. as on the appointed date have been merged with the Company at their book values. The net impact of the merger on assets, liabilities and reserves as on the appointed date is as below:

Particulars	Amount (In Rs.)
Share capital *	17,000,000
Reserves & Surplus	(49,039,943)
Long term Borrowings	140,432,180
Trade Payable	8,365,215
Other Current Liabilities	22,142,829
Total Equity and Liabilities	138,900,281
Tangible Assets	78,256,841
Deferred Tax Assets (Net)	14,412,996
Long-term Loans and Advances	2,466,001
Other Non-Current Assets	30,118
Inventories	25,078,247
Trade Receivables	9,127,845
Cash and Bank Balances	195,508
Short-term Loans and Advances	9,332,725
Total Assets	138,900,281

Transferor Company being a wholly owned subsidiary of the Company neither any shares were required to be issued nor any consideration was paid.

* On amalgamation Rs. 17,000,000 carrying value of investment in equity of the transferor company eliminated in books of Transferee Company against Equity Share Capital of the Transferor Company.

The scheme was given effect to in the financial statement from 1st April, 2016 and accordingly all the assets, liabilities, reserves and surplus of Transferor Company were recorded in the books of the transferee Company at their carrying amounts.

The figures for the previous year do not include figures for the erstwhile Bodal Agrotech Ltd. and accordingly the current year's figures are not comparable to those of the previous year.



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

- 43 During the year, the Company has acquired 70% of the equity shares in SPS Processors Pvt. Ltd. As a result of this acquisition, SPS Processors Pvt Ltd. has become a subsidiary of the Company with effect from 21st March, 2017.
- 44 During the year, the Company has acquired 41.51% of the equity shares and 100% of the preference shares in Trion Chemicals Pvt. Ltd. As a result of this acquisition, Trion Chemicals Pvt. Ltd. has become an Associate concern of the Company with effect from 16th March, 2017.
- 45 Previous year's figures have been rearranged and reclassified wherever necessary to correspond with the current year.

As Per Our Report of even date attached

For Mayank Shah & Associates

Chartered Accountants

Firm Registration No. 106109W

mshah

(M.S. Shah)

Partner

Membership No. 44093



For and on behalf of the Board of Directors

anlit

(Suresh J. Patel)

Chairman & Managing Director

DIN:00007400

AJ Patel

(Ankit S. Patel)

Executive Director

DIN:02173231

cbh

(Mayur B. Padhya)

Chief Financial Officer

Ahmedabad

May 25, 2017

Ashutosh B. Bhatt

(Ashutosh B. Bhatt)

Company Secretary

Ahmedabad

May 25, 2017

**MAYANK SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS**

**706/708 - A, MAHAKANT
OPP.V.S.HOSPITAL, ELLISBRIDGE,
AHMEDABAD -380006.**

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BODAL CHEMICALS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **BODAL CHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

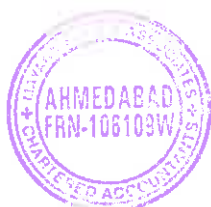
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of these standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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



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

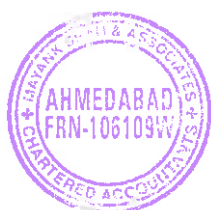
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

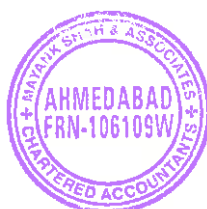
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section(11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations as at 31st March, 2016 on its financial position in its standalone financial statement - Refer Note 30 to the Standalone Financial Statements.
 - The Company did not have any pending long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred to the Investor Education & Protection Fund by the Company during the year ended 31st March, 2016.

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No: 106109W

Ahmedabad
May 26, 2016

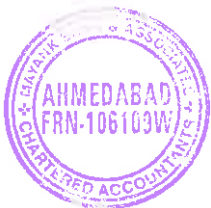


meeshah
M.S. SHAH
Partner
Membership No. 44093

Annexure 'A' to the Independent Auditors' Report

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- (i)
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets;
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the company, nature and value of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory except goods-in-transit has been physically verified by the Management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For goods-in-transit at year end, relevant evidences have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- (iii) According to information and explanations given to us, the company has granted interest free unsecured loan to one wholly owned subsidiary covered under section 189 of the Act.
 - (a) The terms and conditions on which loan has been granted to the borrower Company covered under Section 189 of the Act is not, prima facie, prejudicial to the interest of the Company.
 - (b) The principal amounts are repayable on demand, while the loan is interest free, both at the discretion of the Company.
 - (c) There are no overdue amounts in respect of the loan granted to a subsidiary company in the register maintained under Section 189 of the Act.



- (iv) In our opinion and according to information and explanations given to us, the Company has complied with provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit nor has any unclaimed deposit within the meaning of the provisions of Sections 73 to 76 or any other relevant provision of the Act and the rules framed there under. Accordingly, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under subsection (1) of section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, and any other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues were in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.



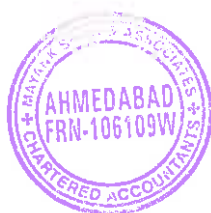
(b) According to the information and explanations given to us, details of dues towards Income Tax, Service Tax, Custom Duty, Excise duty which have not been deposited by the Company on account of disputes are as follows,

Name of the Statute	Nature of the Dues	Amount (in Rs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2,58,31,455	A.Y. 2007-08, A.Y. 2008-09	Commissioner of Income Tax (Appeals)
	Income Tax	37,28,333	A.Y. 2008-09 and various Years	Assessing Officer
Central Excise Act, 1944	Excise Duty & Penalty	34,40,074	F.Y. 2010-11 to F.Y.2015-16	Commissioner (Appeals)
	Excise Duty & Penalty	9,05,433	F.Y. 2011-12, F.Y.2013-14 and F.Y. 2014-15	Commissioner of Central Excise (Appeals)
	Excise Duty & Penalty	2,71,21,637	F.Y. 2005-06 to F.Y.2015-16	Customs, Excise & Service Tax Appellate Tribunal
Service Tax	Service Tax & Penalty	6,13,312	F.Y. 2011-12	Customs, Excise & Service Tax Appellate Tribunal
Customs Act, 1962.	Duty, Penalty, Interest & Fine	12,129	F.Y. 2014-15	Customs, Excise & Service Tax Appellate Tribunal

According to the information and explanations given to us, there are no dues of Sales tax, Value Added Tax and Cess which have not been deposited with the appropriate authorities on account of any dispute.



- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government and has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, the provisions of clause (ix) of paragraph 3 of the Order are not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of the Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, the provisions of Clauses (xii) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transaction with the Directors or Persons connected with its Directors and covered under Section 192 of the Act. Accordingly, the provisions of Clause (xv) of paragraph 3 of the Order are not applicable to the Company.



- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45- IA of the Reserve Bank of India Act, 1934. Accordingly, Clause (xvi) of paragraph 3 of the Order is not applicable to the Company.

Ahmedabad
May 26, 2016



For Mayank Shah & Associates
Chartered Accountants
Firm Registration No: 106109W


M.S. SHAH
Partner
Membership No. 44093

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **BODAL CHEMICALS LIMITED** ('the Company') as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

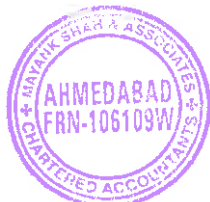
Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial



reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

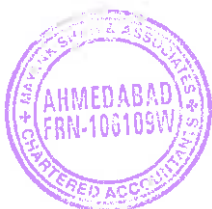
Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No: 106109W



M.S. Shah

M.S. SHAH
Partner

Membership No. 44093

Ahmedabad
May 26, 2016

BODAL CHEMICALS LTD.
BALANCE SHEET AS AT 31ST MARCH, 2016

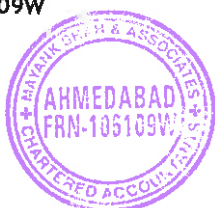
		Amount (In Rs.)	
PARTICULARS	Notes	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds :			
Share Capital	2	218,214,740	468,214,740
Reserves and Surplus	3	2,177,244,873	1,390,051,267
		2,395,459,613	1,858,266,007
Deferred Grant	4	Nil	Nil
Non-Current Liabilities			
Long-term borrowings	5	6,791,330	862,073,596
Deferred Tax Liability (Net)	6	168,069,191	129,725,369
		174,860,521	991,798,965
Current Liabilities			
Short-term borrowings	7	1,422,248,404	1,224,914,479
Trade Payables	8		
Due to Micro and Small Enterprises		Nil	Nil
Due to Others		1,080,339,069	1,124,903,426
Other Current Liabilities	9	56,284,546	186,611,760
Short Term Provisions	10	11,325,957	5,539,259
		2,570,197,976	2,541,968,924
Total		5,140,518,110	5,392,033,896
ASSETS			
Non - Current Assets :			
Fixed Assets	11		
Tangible Assets		1,832,028,406	1,886,334,261
Intangible Assets		9,630,204	11,108,753
Capital work-in-progress		2,721,753	32,433,310
		1,844,380,363	1,929,876,324
Non-Current Investments	12	33,275,474	33,275,474
Long Term Loans and Advances	13	223,585,069	196,484,144
Other Non-current assets	14	424,728	4,672,954
		2,101,665,634	2,164,308,896
Current Assets			
Inventories	15	872,940,216	779,564,825
Trade Receivables	16	1,656,839,272	1,971,949,633
Cash and Bank Balances	17	38,351,678	30,254,655
Short - Term Loans & Advances	18	423,632,123	413,873,736
Other Current Assets	19	47,089,187	32,082,151
		3,038,852,476	3,227,725,000
Total		5,140,518,110	5,392,033,896
Significant Accounting Policies	1		
Notes are an integral part of the financial statements			

As Per Our Report of even date attached
For Mayank Shah & Associates
Chartered Accountants
Firm Registration No. 106109W

(M.S. Shah)
Partner

Membership No. 44093

Ahmedabad
May 26, 2016



For and on behalf of the Board of Directors

(Suresh J. Patel)
Chairman & Managing Director
DIN : 00007400

(Mayur B. Padhya)
Chief Financial Officer
Ahmedabad
May 26, 2016

(Ankit S. Patel)
Executive Director
DIN : 02173231

(Ashutosh B. Bhatt)
Company Secretary

BODAL CHEMICALS LTD.
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016
Amount (In Rs.)

PARTICULARS	Notes	YEAR 2015-16	Year 2014-15
INCOME			
Revenue from Operations			
Sale of Products	20A	9,758,352,456	11,188,912,785
Other Operating Income	20B	129,757,511	95,073,792
		9,888,109,967	11,283,986,577
Less : Excise Duty		789,837,742	830,864,367
		9,098,272,225	10,453,122,210
Other Income	21	120,137,261	47,179,067
Total Revenue		9,218,409,486	10,500,301,277
EXPENSES			
Cost of materials consumed	22	5,738,017,763	6,078,908,549
Purchases of Stock-in Trade	23	68,209,140	299,820,123
Changes in Inventories of Finished Goods and Stock in Process	24	(101,592,394)	200,426,059
Employee Benefits Expenses	25	515,907,700	589,946,359
Finance Costs	26	121,993,140	272,753,356
Depreciation and Amortisation expense	27	257,781,973	222,479,305
Other Expenses	28	1,378,419,990	1,441,363,526
Total Expenses		7,978,737,312	9,105,697,277
Profit Before Exceptional Items and Taxes		1,239,672,174	1,394,604,000
Exceptional Items	29	78,989,124	Nil
Profit Before Taxes		1,318,661,298	1,394,604,000
Tax Expenses			
Current Tax		408,891,047	350,623,950
Deferred Tax		38,343,822	123,811,164
Taxes of earlier years		5,441,384	3,466
		452,676,253	474,438,580
Profit for the Year		865,985,045	920,165,420
Earnings per equity share (Face value of Rs.2)	37		
Basic and diluted		7.94	8.43
Significant Accounting Policies	1		
Notes are an integral part of the financial statements			

As Per Our Report of even date attached

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No. 106109W


(M.S. Shah)
Partner
Membership No. 44093



Ahmedabad
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(Ashutosh B. Bhatt)
Company Secretary

BODAL CHEMICALS LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

Amount (In Rs.)

PARTICULARS	Year 2015-16	Year 2014-15
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and after exceptional items	1,318,661,298	1,394,604,000
Adjustment for		
Depreciation and Amortisation	257,781,973	222,479,305
Bad Debts written off	Nil	64,433,448
Recovery of Bad Debts	(59,232,393)	Nil
Unrealised Foreign Exchange Loss / (Gain)	(15,373,570)	(2,474,444)
Finance Cost	121,993,140	272,753,356
Exceptional Item	(78,989,124)	Nil
(Profit)/Loss on Sale of Assets (Net)	(590,908)	(444,549)
Interest/Dividend/Rent received	(16,337,967)	(9,419,381)
Profit on sale of Investments	(96,773)	(734,114)
Reversal of Provision of Diminution	Nil	(3,174,461)
Operating Profit before Working Capital Changes	1,527,815,676	1,938,023,160
Adjustment for :		
(Increase) / Decrease in Trade Receivables	372,380,498	233,226,121
(Increase) / Decrease in Inventories	(93,375,391)	441,728,093
(Increase) / Decrease in Other Receivables	(31,956,398)	42,270,168
Increase / (Decrease) in Trade Payables	(89,943,694)	(277,866,704)
Cash generated from Operations	1,684,920,691	2,377,380,838
Direct Taxes Paid (Net of Refund)	357,509,036	399,384,487
Net Cash from Operating Activities (A)	1,327,411,655	1,977,996,351
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including Capital Work in Progress and capital advances	(166,175,397)	(354,622,424)
Sale proceeds of Tangible Assets	2,551,000	1,130,882
Loan given to Subsidiary	(93,644,573)	Nil
Loan repaid by Subsidiary	243,871	340,000
Interest/Dividend/Rent received	16,337,967	9,419,381
Sale proceed of current Investment	220,096,773	209,353,575
Purchase of current investment	(220,000,000)	(219,934,424)
Net Cash used in Investing Activities (B)	(240,590,359)	(354,313,010)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long Term Borrowings	(855,282,266)	(1,296,414,217)
Increase / (Decrease) in Short Term Borrowings	211,164,829	(51,801,725)
Redemption of Preference Share Capital	(250,000,000)	Nil
Finance Cost	(121,993,140)	(272,753,356)
Dividend Paid	(77,974,947)	(475,743)
Net Cash used in Financing Activities (C)	(1,094,085,524)	(1,621,445,041)
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	(7,264,228)	2,238,300
Cash & Cash Equivalents at the beginning of the year	11,763,440	9,525,140
Cash & Cash Equivalents at the end of the year	4,499,212	11,763,440

As Per Our Report of even date attached

Significant Accounting Policies

Notes are an integral part of the financial statements

For Mayank Shah & Associates

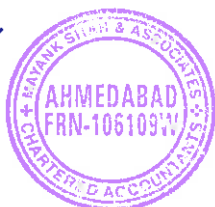
Chartered Accountants

Firm Registration No. 106109W

(M.S. Shah)

Partner

Membership No. 44093



Ahmedabad

May 26, 2016

For and on behalf of the Board of Directors

(Suresh J. Patel)

Chairman & Managing Director

DIN:00007400

(Mayur B. Padhya)

Chief Financial Officer

Ahmedabad

May 26, 2016

(Ankit S. Patel)

Executive Director

DIN:02173231

(Ashutosh B. Bhatt)

Company Secretary

BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.

COMPANY BACKGROUND

Bodal Chemicals Limited (the 'Company') is a public limited Company incorporated under the Companies Act 1956. The Company is engaged in the business of manufacturing of Dyes, Dye Intermediates and Basic Chemicals.

1 Significant Accounting Policies :

1.1 Basis of Preparation of Financial Statements

a) Basis of Accounting

The financial statements of the Company have been prepared on an accrual basis under historical cost convention and in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act 2013 ("the 2013 Act"), as applicable. The accounting policies adopted in the presentation of the financial statements are consistent with those followed in the previous year.

b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

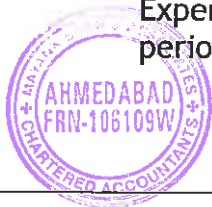
c) Current / Non Current Classification

All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.2 Tangible and Intangible Assets

a) Tangible Fixed Assets

Tangible Fixed Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use. Expenses directly attributable to new manufacturing facility during its construction period are capitalized



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.

Continued.....

Subsequent expenditures related to an item of Tangible Fixed Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation on tangible fixed assets of the company is provided using Written Down Value Method on pro-rata basis at rates and in manner specified in Schedule II of the Companies Act, 2013 except based on technical analysis carried out by the management, remaining useful life in respect of certain plant & machineries situated at Unit-II, Unit-III & Unit-V is considered as 5 years.

b) Intangible Assets

The intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Intangible assets are amortized on a straight-line basis over their technically assessed useful lives, as mentioned below:

Intangible Assets	Estimated Useful Lives (Years)
Software	5
License	10
Website	5

c) Capital Work in Progress & Capital Advances

Cost of Assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances.

d) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

1.3 Investments

Investments are classified into current and non-current investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments.



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.

Continued.....

Current investments are carried at the lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Non-current investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss.

1.4 Inventories

(a) Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realisable value after providing for obsolescence, if any. The comparison of cost and net realisable value is made on an item-by item basis.

(b) In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, First-in-First-Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.

(d) Materials in transit are valued at cost-to-date.

1.5 Transactions in Foreign Currency:

a) Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.

b) Measurement of foreign currency items at the Balance Sheet date:

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

c) Forward exchange contracts:

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments.

BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.

Continued.....

The Company does not enter into any derivative instruments for trading or speculative purposes.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

1.6 Revenue Recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax/VAT and is net of returns & discounts. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognised separately as part of changes in inventories of finished goods, work in progress and stock in trade.

Export Incentives are recognised when the right to receive credit as per the terms of Incentives is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.

1.7 Trade Receivables

Trade receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered doubtful.

1.8 Employee Benefits

a) Short Term Employees Benefit

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, short term compensated absences, ex-gratia, etc. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

b) Post Employment Benefit

Defined Contribution Plans :

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme and Employees' State



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.

Continued.....

Insurance Corporation (ESIC) which are a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans :

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance sheet date.

The Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. The Company recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

The Company has funded its gratuity liability with Life Insurance Corporation of India (LIC) and Star Union Dai-ichi under the Group Gratuity Cash Accumulation Plan and SUD Life Group Gratuity Scheme respectively.

c) Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

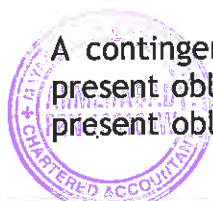
1.9 Borrowing Cost

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, upto the date when the assets are ready for their intended use. All other borrowing costs are expensed in the period they occur.

1.10 Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.

Continued.....

not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1.11 Taxes on Income

Income tax expenses comprise current and deferred taxes. Current tax is determined on income for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws and after considering credit for Minimum Alternate Tax (MAT) available under the said Act. MAT paid in accordance with the tax laws which gives future economic benefits in the form of adjustments to future tax liability, is considered as an asset if there is convincing evidence that the future economic benefit associated with it will flow to the Company resulting in payment of normal income tax.

Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that there is a reasonable certainty that there will be sufficient future taxable income to realise the assets. Deferred tax asset pertaining to unabsorbed depreciation and carry forward of losses are recognised only to the extent there is a virtual certainty of its realisation.

1.12 Governments Grants/Subsidy

Government Grants is recognized when there is a reasonable assurance that the company will comply with the conditions attached to them and grants will be received.

Grant related to depreciable assets is shown as a deduction from the gross value of the asset concerned in arriving at its book value. The grant is thus recognised in the profit and loss statement over the useful life of a depreciable asset by way of a reduced depreciation charge.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.

Continued.....

1.13 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders after deducting preference dividends and attributable taxes by the weighted average number of equity shares outstanding during the year.

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, if any.

1.14 Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

1.15 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.16 Proposed Dividend

Dividend recommended by the Board of Directors is provided for in the accounts, pending approval at the Annual General Meeting.

1.17 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. The Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers.



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
2 : SHARE CAPITAL		
<u>Authorised Share Capital</u>		
12,00,00,000 (P.Y. 12,00,00,000) Equity Shares of Rs.2/- each	240,000,000	240,000,000
2,50,00,000 (P.Y. 2,50,00,000) Preference Share of Rs. 10/- each	250,000,000	250,000,000
	490,000,000	490,000,000
<u>Issued, Subscribed & Paid up Share Capital</u>		
10,91,07,370 Equity Shares of Rs. 2/- each (P. Y. 10,91,07,370 Equity Shares of Rs. 2/- each)	218,214,740	218,214,740
Nil (P.Y. 2,50,00,000) Pref. Shares of Rs. 10/- each	Nil	250,000,000
Total	218,214,740	468,214,740
During the year Company has redeemed 2,50,00,000 9% Non Cumulative Redeemable Preference Share of Rs. 10/- each on 6th August, 2015 accordingly share capital of the Company as at 31st March, 2016 has been decreased to Rs. 2182.15 lacs as compared to Rs. 4682.15 lacs as at 31st March, 2015.		
2.1 Reconciliation of the number of Shares		
	As at 31st March, 2016	As at 31st March, 2015
	No. of Shares	No. of Shares
Equity Shares		
Opening balance	109,107,370	109,107,370
Issued during the Year	Nil	Nil
Closing balance	109,107,370	109,107,370
Preference Shares		
Opening balance	25,000,000	25,000,000
Redeemed during the Year	25,000,000	Nil
Closing balance	Nil	25,000,000



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

2.2 Rights, preferences and restrictions attached to shares

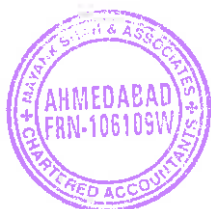
Equity shares

The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

2.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% held	No. of Shares	% held
Equity Shares :				
Shri Suresh J. Patel	3,33,45,151	30.57	3,33,45,151	30.57
Shri Bhavin S. Patel	94,59,549	8.67	78,10,050	7.16
Shri Ankit S. Patel	65,36,550	5.99	37,86,550	3.47
Shri Ramesh P. Patel	17,35,299	1.59	66,35,299	6.08
Preference shares :				
Mayur Dyechem Intermediates Ltd.	Nil	Nil	95,00,000	38.00
Shri Shaunak S. Parikh	Nil	Nil	30,00,000	12.00
H & H Exports (Guj.) Pvt. Ltd.	Nil	Nil	20,00,000	8.00
Shri Ashok G. Bansal	Nil	Nil	20,00,000	8.00
Shri Karna A. Surti	Nil	Nil	15,00,000	6.00

The Board of Directors at its meeting held on 12th August, 2015 declared an interim dividend of Re. 0.20 (Paise twenty only) per equity share of Rs. 2/- each. Further, the Board of Directors at its meeting held on 10th March, 2016 declared second interim dividend of Re. 0.40 (Paise Forty only) per equity share of Rs. 2/- each. The total dividend appropriation for the year ended 31st March, 2016 amounted to Rs. 787.91 lacs including corporate dividend tax of Rs. 133.27 lacs.



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Amount (In Rs.)

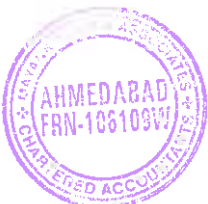
PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
3 : RESERVES & SURPLUS		
Capital Reserves		
At the commencement and at the end of the year	76,121,441	76,121,441
Capital Redemption Reserve Fund		
At the commencement of the year	39,671,460	39,671,460
Add : Transferred from Profit & Loss Account (Note 3.1)	250,000,000	Nil
At the end of the year	289,671,460	39,671,460
Securities Premium Account		
At the commencement and at the end of the year (Premium on issue of Equity Shares)	222,035,976	222,035,976
General Reserve		
At the commencement and at the end of the year	138,858,089	138,858,089
Surplus / (Deficit) in the Statement of Profit and Loss		
At the commencement of the year	913,364,301	(5,694,068)
Less : Adjustment for Depreciation (Refer Note 3.2)	Nil	(1,107,051)
Add : Surplus during the year	865,985,045	920,165,420
	1,779,349,346	913,364,301
Less : Appropriations :		
Interim Dividend on Equity Shares	65,464,422	Nil
Tax on Dividends	13,327,017	Nil
Transfer to Capital Redemption Reserve (Note 3.1)	250,000,000	Nil
	328,791,439	Nil
At the end of the year	1,450,557,907	913,364,301
Total	2,177,244,873	1,390,051,267

3.1 During the year the Company has redeemed 2,50,00,000 9% Non Cumulative Redeemable Preference Share of Rs. 10/- each on 06.08.2015 accordingly Rs. 25,00,00,000/- has been transferred to Capital Redemption Reserve Fund from Profit and Loss Account.

3.2 In the previous year, the Company had adopted estimated useful life of fixed assets as stipulated by Schedule II to the Companies Act 2013. Accordingly, depreciation of Rs.11.07 lacs net of deferred tax of Rs. 5.70 lacs on account of assets whose useful life had already exhausted on April 01, 2014, has been adjusted against Profit and Loss Account.

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
4 : DEFERRED GRANT		
Grant From World Bank :	Nil	740,021
Less : Transferred to Fixed Assets	Nil	(740,021)
Total	Nil	Nil



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
5 : LONG TERM BORROWINGS		
<u>Secured</u>		
Term loan from Banks	Nil	855,375,916
<u>Unsecured</u>		
Trade Deposits	6,791,330	6,697,680
Total	6,791,330	862,073,596

Current Maturities of Long Term Borrowings

*Nil

*779,514

*Amount disclosed under other current liabilities (Refer Note 9)

5.1 Nature of Security and terms of repayment for Long Term secured borrowings

5.1.1 Term loan from banks balance outstanding amounting to Rs.Nil (P.Y.:Rs.1200.00 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 252,253,254 GIDC, Vatva and Plot No. 804 of Padra Unit and Hyp. of entire P&M and other equipment of the company. Loan is fully paid in August 2015. Rate of interest 12.75% (P.Y.12.75%) p.a.

5.1.2 Term loan from banks balance outstanding amounting to Rs.Nil (P.Y.:Rs.3704.00 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Vadodara and Hyp. of entire P&M and other equipment of the company. Loan is fully paid in March 2016. Rate of interest 12.40 % (P.Y. 12.75%) p.a.

5.1.3. Term loan from banks balance outstanding amounting to Rs.Nil (P.Y.:Rs.2300.00 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Vadodara and Hyp. of entire P&M and other equipment of the company. Loan is fully paid in June 2015. Rate of interest 15.45% (P.Y. 15.25 %) p.a.

5.1.4. Working Capital Term loan from banks balance outstanding amounting to Rs.Nil (P.Y.:Rs.1349.50 lacs) is secured by 1st pari pasu charge on entire current assets of the company. Loan is fully paid in August 2015. Rate of interest 12.75% (P.Y. 12.75%) p.a.

5.1.5 Vehicle loan, balance outstanding amounting to Rs.Nil (P.Y.:Rs.8.05 lacs) is secured by Hire Purchase agreement for Vehicles and repayable in monthly installments. Interest rate from 9% to 10%.

5.1.6 The Company has not defaulted in the repayment of loans and interest in current and previous year.



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
6 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Difference between book depreciation and tax depreciation	171,782,781	131,314,435
Expense claimed for tax purpose on payment basis	206,098	192,179
Deferred Tax Assets		
Expenditure covered by section 43B of Income Tax Act, 1961	(3,919,688)	(1,781,245)
Total	168,069,191	129,725,369

Amount (In Rs.)

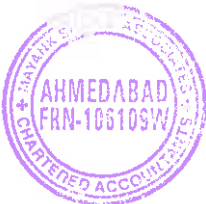
PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
7 : SHORT TERM BORROWINGS		
Secured		
Repayable on Demand		
Working Capital Loans from Banks	1,396,134,294	1,224,914,479
Unsecured		
Loans From Corporates	26,114,110	Nil
Total	1,422,248,404	1,224,914,479

7.1 Working Capital Loans from Banks are secured by Hyp. Of Inventories, Book Debts and bills drawn under letter of credit and collaterally secured by equitable mortgage on Immovable property and Hyp. Of P&M of the company and personal guarantees of the Chairman and Managing Director and Executive directors. It is further secured by pledge of equity shares of the company held by the promoters and promoter group(excluding 3 NRIs and 1 resident Indians from promoter groups).

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
8 : TRADE PAYABLES		
Due to Micro and Small Enterprises (Refer Note 41)	Nil	Nil
Due to Others (Note 8.1)	1,080,339,069	1,124,903,426
Total	1,080,339,069	1,124,903,426

8.1 Trade Payables include Rs. 23,697,635/- (P.Y. 66,816,569/-) to related parties (refer note 35)



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
9 : OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt (Refer Note 5)	Nil	779,514
Advance Received from Customers	15,003,186	27,769,808
Unclaimed Dividends (Note 9.1)	2,384,533	1,568,041
Unclaimed Share Application Money (Note 9.1)	Nil	39,881
Creditors for Capital Goods	9,194,452	30,340,240
Other Current Liabilities (Note 9.2)	2,265,207	62,880,710
Statutory Liabilities (Note 9.3)	27,437,168	63,233,566
Total	56,284,546	186,611,760
9.1 There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund as on 31st March 2016.		
9.2 Other Current Liabilities includes Deferred Premium, Interest payable, expenses payable etc.		
9.3 Statutory liabilities represent amounts payable towards VAT, CST, Excise duty and TDS etc.		

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
10 : SHORT TERM PROVISIONS		
Provision for Employee Benefits (Refer Note 33)	11,325,957	5,240,496
Provision for Wealth Tax	Nil	298,763
Total	11,325,957	5,539,259



BODAL CHEMICALS LTD.												
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016												
11 : FIXED ASSETS												
Description	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK			
	As At	Addition	Deduction	As At	As At	Retained	Deduction	As At	As At	As At	As At	As At
	01.04.2015			31.03.2016	01.04.2015	Earnings		31.03.2016	31.03.2016	31.03.2015		
TANGIBLE ASSETS :												
Land	110,634,450	Nil	Nil	110,634,450	Nil	Nil	Nil	Nil	110,634,450	110,634,450		
Factory Building	771,566,628	11,989,589	Nil	783,556,217	338,626,776	42,150,971	Nil	380,777,747	402,778,470	432,939,852		
Office Building	24,203,894	865,387	Nil	25,069,281	4,890,937	972,288	Nil	5,863,225	19,206,056	19,312,957		
Plant & Machinery	2,869,394,926	178,560,512	Nil	3,047,955,438	1,597,246,435	192,289,240	Nil	1,789,535,675	1,258,419,763	1,272,148,491		
Furniture & Fixture	45,646,999	1,675,491	Nil	47,322,490	32,880,292	4,237,161	Nil	37,117,453	10,205,037	12,766,707		
Office Equipment	28,085,395	3,061,243	Nil	31,146,638	19,295,218	5,108,650	Nil	24,403,868	6,742,770	8,790,177		
Vehicles	65,498,592	6,760,285	11,808,647	60,450,230	35,756,965	10,499,960	Nil	9,848,555	24,041,860	29,741,627		
TOTAL (A)	3,915,030,884	202,912,507	11,808,647	4,106,134,744	2,028,696,623	255,258,270	Nil	2,274,106,338	1,832,028,406	1,886,334,261		
INTANGIBLE ASSETS :												
Good will	104,680,098	Nil	Nil	104,680,098	104,680,098	Nil	Nil	104,680,098	Nil	Nil		
Computer Software	4,617,489	1,045,154	Nil	5,662,643	2,596,360	836,509	Nil	3,432,869	2,229,774	2,021,129		
Membership Fees	14,692,500	Nil	Nil	14,692,500	5,622,869	1,669,250	Nil	7,292,119	7,400,381	9,069,631		
Website	92,050	Nil	Nil	92,050	74,057	17,944	Nil	92,001	49	17,993		
TOTAL (B)	124,082,137	1,045,154	Nil	125,127,291	112,973,384	2,523,703	Nil	115,497,087	9,630,204	11,108,753		
TOTAL (A+B)	4,039,113,021	203,957,661	11,808,647	4,231,262,035	2,141,670,007	257,781,973	Nil	2,389,603,425	1,841,658,610	1,897,443,014		
PREVIOUS YEAR	3,603,003,264	440,265,274	4,155,517	4,039,113,021	1,920,242,772	222,479,305	1,677,093	2,141,670,007	1,897,443,014	1,682,760,492		
Capital Work in Progress												
TOTAL FIXED ASSETS									2,721,753	32,433,310		
									1,844,380,363	1,929,876,324		
11.1 Depreciation of Rs. Nil (March 31, 2015 - Rs. 16.77 lacs subject to deferred tax) on account of assets whose useful life was exhausted on April 01, 2015 has been adjusted against Profit and Loss Account pursuant to adoption of estimated useful life of fixed assets as stipulated by Schedule II of the Companies Act, 2013.												

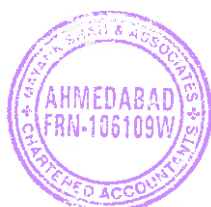


BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
12 : NON - CURRENT INVESTMENTS		
LONG TERM INVESTMENTS		
TRADE INVESTMENTS		
Quoted		
100 (P.Y. 100) Equity Shares of Beta Nephthol Ltd. of Rs. 10/- Each Fully Paid Up	3,465	3,465
1,00,000 (P.Y. Nil) Equity Shares of Bhageria Dye Chem Ltd. of Rs. 10/- Each Fully Paid Up	14,934,424	14,934,424
	14,937,889	14,937,889
Less :		
Provision for diminution in Investments	3,465	3,465
Total	14,934,424	14,934,424
Unquoted		
250 (P.Y.250) Equity Shares of Green Environment Ser. Co-op.Soc. Ltd. of Rs. 100/- each Fully Paid Up	25,000	25,000
112,350 (P.Y. 112,350) Equity Shares of Bharuch Enviro Infrastructure Ltd of Rs. 10/-each Fully Paid Up	1,123,500	1,123,500
100 (P.Y.100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of Rs. 10/- Each Fully Paid Up	1,000	1,000
10 (P.Y.10) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of Rs. 100/- Each Fully Paid Up	1,000	1,000
10,200 (P.Y.10,200) Equity Shares of Panoli Enviro Technology Ltd. of Rs. 10/- Each Fully Paid Up	102,000	102,000
3,542 (P.Y.3,542) Equity Shares of Makarpura Ind.Est. Co-op. Bank Ltd. of Rs. 25/- Each Fully Paid Up	88,550	88,550
TOTAL OF TRADE INVESTMENTS	1,341,050	1,341,050
OTHER NON CURRENT INVESTMENTS.		
Unquoted		
Investment in Subsidiary Company		
17,00,000 (P.Y. 17,00,000) Equity Shares of Bodal Agrotech Ltd. of Rs. 10/- Each Fully Paid Up	17,000,000	17,000,000
Total of Other Non-Current Investments	17,000,000	17,000,000
Total of Non-Current Investments	33,275,474	33,275,474
Aggregate of Quoted Investments:		
At Book value	14,934,424	14,934,424
At Market Price	14,040,000	13,060,000
Aggregate of Unquoted Investments:	18,341,050	18,341,050
Aggregate provision for diminution in value of investments	3,465	3,465



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
13 : LONG TERM LOANS & ADVANCES (Unsecured and Considered Good)		
Capital Advances	30,160,647	38,231,354
Security Deposits	5,264,806	6,315,775
Loans and Advances to Employees	4,198,567	3,794,171
Loans and Advances to related party (Refer Note 34 & 35)	140,432,180	47,031,478
Balance With Statutory Authorities (Note 13.1)	18,298,099	18,758,438
Advance Income Tax (Net of Provision for Tax)	25,230,770	82,352,928
Total	223,585,069	196,484,144

13.1 Balance with Statutory Authorities includes balances with Excise, Service Tax, Sales Tax, Customs Dept. etc.

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
14 : OTHER NON-CURRENT ASSETS (Unsecured and Considered Good)		
Margin Money Deposits with bank with maturity after twelve months from the reporting date*	424,728	4,672,954
Total	424,728	4,672,954
* Held as lien by bank against bank guarantees and letters of credit.		



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Amount (In Rs.)		
PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
15 : INVENTORIES		
(Valued at the lower of cost and net realisable value)		
a) Raw Materials	249,453,609	224,543,374
Raw Materials in Transit	17,241,045	60,662,375
	266,694,654	285,205,749
b) Finished Goods	101,751,843	112,304,757
Finished Goods in Transit	27,121,572	16,406,869
	128,873,415	128,711,626
c) Stock In Process	427,566,970	331,604,882
	427,566,970	331,604,882
d) Packing Materials	6,747,987	7,117,244
Packing Materials in Transit	113,683	120,746
	6,861,670	7,237,990
e) Stock of Fuel	5,375,422	11,151,751
	5,375,422	11,151,751
f) Stores and Spares	37,568,085	15,652,827
	37,568,085	15,652,827
Total	872,940,216	779,564,825

Amount (In Rs.)		
PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
16 : TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the due date for payment		
Unsecured & Considered Good	147,898,419	119,738,296
Trade receivables outstanding for a period less than six months from the due date for payment		
Unsecured & Considered Good	1,508,940,853	1,852,211,337
Total	1,656,839,272	1,971,949,633



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Amount (In Rs.)

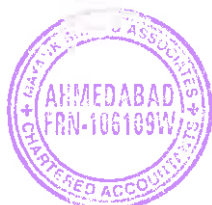
PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
17 : CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash on hand	833,609	1,542,582
Balance with Banks in current accounts	3,665,603	10,220,858
	4,499,212	11,763,440
Other Bank Balances		
Margin Money Deposits with bank with maturity of more than three months but less than twelve months*	31,467,933	16,883,293
Unclaimed Dividend Accounts	2,384,533	1,568,041
Unclaimed Share Application Account	Nil	39,881
	33,852,466	18,491,215
Total	38,351,678	30,254,655
* Held as lien by bank against bank guarantees and letters of credit.		

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
18 : SHORT TERM LOANS & ADVANCES		
(Unsecured & considered good)		
Advance to Suppliers of Goods (Note 18.1)	64,743,625	107,781,106
Advance to Suppliers of Expenses	10,785,712	10,454,029
Balance with Statutory Authorities (Note 18.2)	192,076,385	266,978,060
Loans and Advances to Employees	16,811,701	10,025,651
Inter-Corporate Loans	119,175,222	4,000,000
Pre-paid Expenses	14,164,922	9,491,105
Others (Note 18.3)	5,874,556	5,143,785
Total	423,632,123	413,873,736
18.1 Advances to supplier of goods include Rs. 24,685,649/- (P.Y. 17,193,772/-) to related parties. (refer note 35)		
18.2 Balance with Statutory Authorities includes balances with Excise, Service Tax, Sales Tax, etc.		
18.3 Others include Tour Advances, Gratuity Planned Assets (Net), and Income Receivables.		

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
19 : OTHER CURRENT ASSETS		
Fair Value of Foreign Exchange Forward Contracts	4,719,124	1,983,757
Export Incentives Recivables	42,288,282	27,606,560
Other Receivables	81,781	2,491,834
Total	47,089,187	32,082,151



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

		Amount (In Rs.)
PARTICULARS	2015-16	2014-15
20 : REVENUE FROM OPERATIONS		
A) Sale of products	9,758,352,456	11,188,912,785
Less : Excise Duty	789,837,742	830,864,367
Sale of products (net)	8,968,514,714	10,358,048,418
B) Other Operating Income		
Export Incentives	107,903,447	85,125,531
Insurance claim for Goods Burnt(Note 32)	13,011,469	Nil
Goods sent as samples	387,137	262,135
Scrap Sales	8,379,692	9,599,109
Brokerage Income	75,766	87,017
Total	129,757,511	95,073,792
Net Revenue From Operations	9,098,272,225	10,453,122,210
20.1 Details of Sales of Products (Rs. In Lacs)		
Intermediates	46,372.33	56,971.44
Dyes	30,980.74	33,480.38
Basic Chemicals and others	12,332.08	13,128.66
Total of Sale of Products (Net)	89,685.15	103,580.48

Amount (In Rs.)

PARTICULARS	2015-16	2014-15
21 : OTHER INCOME		
Interest Income		
On Deposits	7,966,199	5,195,684
On Others	7,433,058	3,976,964
Profit on sales of Investment	96,773	734,114
Write-back of Provision of Diminution	Nil	3,174,461
Profit on sales of Assets	590,908	444,549
Prior Period Items	70,257	2,602
Recovery of Bad Debts	59,232,393	Nil
Dividend Income - from Non-Current Investments	500,000	246,733
Premium / Discount on Forward Contracts	18,546,388	33,208,548
Other Income	25,701,285	195,412
Total	120,137,261	47,179,067



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

		Amount (In Rs.)		
PARTICULARS		2015-16	2014-15	
22 : COST OF MATERIALS CONSUMED				
Opening Stock		285,205,749	494,865,742	
Add. Purchases during the year		5,719,506,668	5,869,248,556	
		6,004,712,417	6,364,114,298	
Less : Closing Stock		266,694,654	285,205,749	
Total		5,738,017,763	6,078,908,549	
22.1 Major Raw Materials consumed (Rs. In Lacs)				
Sulphur		4,211.92	4,186.05	
Napthelene		5,133.16	5,233.60	
Aniline Oil		3,691.16	2,983.16	
H Acid		10,019.69	16,054.92	
Caustic Soda Flakes		3,226.53	2,324.47	
Caustic Soda Lye		1,738.84	1,230.90	
Ethylene Oxide		2,419.56	2,232.08	
Acetanilide		694.06	599.31	
Others		26,245.26	25,944.60	
		57,380.18	60,789.09	
22.2 Composition of Materials Consumed (Rs.)				
		2015-16	2014-15	
Imported	478,847,170	8.35%	498,935,019	8.21%
Indigenous	5,259,170,593	91.65%	5,579,973,530	91.79%
Total	5,738,017,763	100.00%	6,078,908,549	100.00%

		Amount (In Rs.)	
PARTICULARS		2015-16	2014-15
23 : PURCHASE OF STOCK IN TRADE			
Purchase of Stock in Trade		68,209,140	299,820,123
Total		68,209,140	299,820,123



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Amount (In Rs.)		
PARTICULARS	2015-16	2014-15
24 : CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN PROCESS		
Inventories at the end of the year		
Finished Goods	128,873,415	128,711,626
Stock In Process	427,566,970	331,604,882
Total (A)	556,440,385	460,316,508
Inventories at the beginning of the year		
Finished Goods	128,711,626	263,589,622
Stock In Process	331,604,882	431,248,666
Total (B)	460,316,508	694,838,288
Changes in Inventories	(96,123,877)	234,521,780
Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of Finished Goods	5,468,517	34,095,721
Changes In Inventories Of Finished Goods & Stock In Process	(101,592,394)	200,426,059

Amount (In Rs.)		
PARTICULARS	2015-16	2014-15
25 : EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages & Bonus	473,889,365	551,561,177
Contribution to Provident & Other Funds(Refer Note 33)	17,379,177	18,372,334
Staff Welfare Expenses	24,639,158	20,012,848
Total	515,907,700	589,946,359

Amount (In Rs.)		
PARTICULARS	2015-16	2014-15
26 : FINANCE COSTS		
Bank Interest	104,745,216	257,870,222
Other Interest Expenses	906,925	1,390,187
Other Borrowing Cost	16,340,999	13,492,947
Total	121,993,140	272,753,356

Amount (In Rs.)		
PARTICULARS	2015-16	2014-15
27 : DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Tangible Assets	255,258,270	220,112,713
Amortisation on Intangible Assets	2,523,703	2,366,592
Total	257,781,973	222,479,305



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Amount (In Rs.)		
PARTICULARS	2015-16	2014-15
28 : OTHER EXPENSES		
Stores Consumption (Note 28.2)	46,863,534	73,493,502
Power & Fuel Consumption	496,825,531	519,086,810
Repairs to		
Machinery	151,698,475	200,564,947
Building	14,481,997	25,875,591
Others	2,425,405	3,820,538
Pollution Control Expenses	83,858,590	73,876,897
Rent & Taxes	2,147,559	2,751,924
Insurance Expenses	6,382,274	5,986,987
Loss Due To Fire (Note 32)	407,759	Nil
Corporate Social Responsibility Expenses (Note 42)	25,648,123	3,128,760
Directors' Sitting fees	550,000	295,000
Travelling & Vehicle Expense	21,248,179	19,345,967
Legal & Professional Fees (Note 28.1)	19,313,193	19,040,792
Exchange Rate Difference (Net)	48,040,503	24,828,452
Packing Material Consumption (Note 28.2)	86,534,489	66,377,648
Freight & Handling Charges	199,674,908	135,943,372
Advertisement & Business Promotion Expenses	11,901,978	9,198,067
Sales Commission	75,676,487	105,444,513
Cash Discount	22,946,791	21,763,782
Bad Debts Written off	Nil	64,433,448
Other Expenses	61,794,215	66,106,529
Total	1,378,419,990	1,441,363,526

28.1 Legal & Professional Fees includes payment to auditors (excluding service tax) as below:

Amount (In Rs.)		
	2015-16	2014-15
I) As Statutory Auditors	1,200,000	1,000,000
II) Taxation matters	500,000	500,000

28.2 Composition of Stores and Packing Materials Consumption (Amt. in Rs.)

	2015-16		2014-15	
Imported	Nil	Nil	Nil	Nil
Indigenous	133,398,023	100.00%	139,871,150	100.00%
Total	133,398,023	100.00%	139,871,150	100.00%

Amount (In Rs.)		
PARTICULARS	2015-16	2014-15
29 : EXCEPTIONAL ITEMS		
Excess Provision Written Back (Note 29.1)	78,989,124	Nil
Total	78,989,124	Nil

29.1 Excess provision written back includes provision of Interest recompense on exit from Corporate Debt Restructuring (CDR) amounting Rs. 350.78 lacs and liabilities not required to be paid by the company amounting Rs. 439.11 lacs.



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

30 Contingent Liabilities and Commitments (to the extent not provided for)

	As at 31 st March, 2016	Amount (Rs.) As at 31 st March, 2015
(a) Contingent Liabilities		
1) Disputed matters in appeals/contested in respectof:		
i. Income Tax	29,559,788/-	26,831,457/-
ii. Excise	31,467,144/-	19,344,502/-
iii. Service Tax	613,312/-	386,419/-
iv. Customs Department	12,129/-	1,170,696/-

Future cash outflows in respect of the above are determinable only on receipt of Judgments /decisions pending with various forums/authorities. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

2) Letter of Credit issued by bankers and outstanding as on 31 st march, 2016.	59,502,729/-	66,919,410/-
3) Bank Guarantee issued by bankers and outstanding as on 31 st march, 2016.	52,740,601/-	47,177,773/-

(b) Commitments

i. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances.	4,40,000/-	8,284,881/-
---	------------	-------------

31 Derivative Instruments and Un-hedged Foreign Currency Exposure

The company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes. The forward exchange contract outstanding as at 31st March, 2016 are as under,

Category	Currency	Buy/sell	ForeignCurrency Value	Foreign Currency Value (In Rs.)
Forward Contract	USD	Sell	\$2,915,883	Rs.193,418,975



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Details of un-hedged foreign currency exposure as on 31/03/2016

Particulars	Currency	As at 31 st March, 2016		As at 31 st March, 2015	
		Amount (in Currency)	Amount (in Rs.)	Amount (in Currency)	Amount (in Rs.)
Payable	USD	2,705,470	179,461,666	2,080,018	130,190,004
Payable	EURO	10,358	777,807	10,358	699,244
Receivable	USD	1,543,559	102,388,712	3,142,727	196,705,813
Receivable	EURO	Nil	Nil	32,800	2,214,341
Borrowings	USD	6,071,987	402,772,479	5,544,062	347,007,266

32 During the year there was fire at the Company's unit situated at Vatva, Ahmedabad and due to fire part of inventories, plant and machinery, electronic components, building structure and others has been damaged. The above items are fully insured and the company has received insurance claim of Rs. 156.13 lacs from insurance company against insurance claim of Rs. 160.21 lacs resulting in loss due to fire of Rs. 4.08 lacs.

33 Employees' Benefits

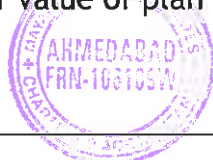
Defined Benefit Plan

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India and Star Union Dai-ichi Life insurance company in the form of qualifying insurance policy.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the company's financial statements based on actuarial valuations being carried out as at 31st March 2016.

	As at 31 st March, 2016	Amount (Rs.) As at 31 st March, 2015
Change in present value of obligations		
Present value of obligations as at beginning of year	18194494	11658219
Interest cost	1455560	935259
Current Service Cost	4181628	402355
Benefits Paid	(354640)	(439987)
Actuarial (gain)/Loss on obligations	(1011339)	5638648
Present value of obligations as at end of year	22465703	18194494
Change in the fair value of plan assets	As at 31 st March, 2016	As at 31 st March, 2015
Fair value of plan assets at beginning of year	22948068	15846394
Expected return on plan assets	2165232	1475424
Employers Contributions	3056136	6066237
Benefits paid	(354640)	(439987)
Actuarial (gain)/Loss on plan assets	Nil	Nil
Fair value of plan assets at the end of year	27814796	22948068



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Net Gratuity Cost	As at 31 st March, 2016	As at 31 st March, 2015
Current Service cost	4181628	402355
Interest Cost	1455560	935259
Expected return on plan assets	(2165232)	(1475424)
Net Actuarial (gain)/Loss recognised in the year	(1011339)	5638648
Net Gratuity Cost	2460617	5500838

Actual Return on Plan Assets	As at 31 st March, 2016	As at 31 st March, 2015
Expected return on plan assets	2165232	1475424
Actuarial Gain/(Loss) on plan assets	Nil	Nil
Actual return on plan assets	2165232	1475424

Net (Asset)/Liability recognised in Balance Sheet as at 31 st March, 2016	As at 31 st March, 2016	As at 31 st March, 2015
Net Liability/(Asset), beginning of the year	(4753574)	(4188175)
Gratuity Cost as above	2460617	5500838
Employers Contribution	(3056136)	(6066237)
Amount recognised in the Balance Sheet-Current	(5349093)	(4753574)

Category of Assets	As at 31 st March, 2016	As at 31 st March, 2015
Insurer Managed Funds (100%)	27814796	22948068

Assumptions	As at 31 st March, 2016	As at 31 st March, 2015
Discount Rate	8%	8%
Salary Escalation	7%	7%

The estimated future salary increases take account of inflation, seniority, promotion and other retirement factors such as supply and demand in the employment markets.



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Amount recognised in current year and previous four years

Particulars	As at 31 st March				
	2016	2015	2014	2013	2012
Defined Benefit Obligation	22,465,703	18,194,494	11,658,219	10,434,072	7,590,014
Fair Value of Plan Assets	27,814,796	22,948,068	15,846,394	10,075,144	9,125,156
(Surplus) / Deficit in the plan	(5,34,9093)	(4,753,574)	(4,188,175)	358,928	(1,535,142)
Acturial (gain) / loss on plan obligation	(1,011,339)	5,638,648	(1,791,930)	(224,297)	(525,505)
Acturial (gain) / loss on plan assets	Nil	Nil	Nil	Nil	Nil
Discount Rate	8%	8%	8%	8%	8%
Salary Escalation	7%	7%	7%	7%	7%

The expected contributions for Defined Benefit Plan for the next financial year will be in line with F.Y. 2015-16

b) Defined Contribution Plan

The company has recognized the following amount in statement of profit and loss which is included under contribution to funds.

Particulars	Amount in Rs.	
	2015-16	2014-15
Employer's contribution to Provident Fund	13,129,656	10,997,825
Employer's contribution to E.S.I.	1,328,572	1,691,308

34 Disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

Particulars	Amount in Rs.	
	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Loans and advances in the nature of Loans to wholly owned Subsidiary : Bodal Agrotech Ltd.		
Balance at the year end	140,432,180	47,031,478
Maximum amount outstanding at any time during the year	140,432,180	47,353,336

- i) Loan to subsidiary has been given for acquisition of assets and other business purposes.
- ii) The loanee does not have any investment in the shares of the Company.
- iii) There are no guarantees issued by the Company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

35 Information on related party transactions as required by Accounting Standard (AS-18) on Related Party Disclosures for the year ended 31st March, 2016.

a) Names of related parties and nature of relationship

I. Key Management Personnel (KMP)

1. Shri Suresh J. Patel	Chairman& Managing Director
2. Shri Bhavin S. Patel	Executive Director
3. Shri Ankit S. Patel	Executive Director
4. Shri Mayur B. Padhya	Chief Financial Officer
5. Shri Ashutosh B. Bhatt	Company Secretary

II. Enterprise under significant influence of key management personnel(Enterprise)

- (i) Shanti Inorgo Chem (Guj.) Pvt. Ltd.
- (ii) Rudraksh Caterers Pvt. Ltd.

III. Wholly-owned Subsidiary Company (WOS)

- (i) Bodal Agrotech Ltd.

b) Transactions with related parties

Related party disclosure	Relationship	2015-2016	2014-2015
Remuneration			
Shri Suresh J. Patel	KMP	10,800,000	10,800,000
Shri Bhavin S. Patel	KMP	7,200,000	7,200,000
Shri Ankit S. Patel	KMP	7,236,646	7,200,000
Shri Mayur B. Padhya	KMP	2,299,503	2,360,707
Shri Ashutosh B. Bhatt	KMP	422,235	372,284
Loan Given			
Bodal Agrotech Ltd.	WOS	93,644,573	Nil
Loan Received Back			
Bodal Agrotech Ltd.	WOS	243,871	340,000
Loan Received			
Shri Suresh J. Patel	KMP	16,500,000	Nil
Shri Bhavin S. Patel	KMP	15,950,000	Nil
Shri Ankit S. Patel	KMP	13,028,000	Nil
Loan Repaid			
Shri Suresh J. Patel	KMP	16,500,000	50,000
Shri Bhavin S. Patel	KMP	15,950,000	Nil
Shri Ankit S. Patel	KMP	13,028,000	Nil
Purchases of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	14,728,479	8,670,908
Bodal Agrotech Ltd.	WOS	7,271,852	Nil
Rent Expense			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	3,67,500	25,000

BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Rent Income			
Bodal Agrotech Ltd.	WOS	438,710	Nil
A.G.M. Expenses			
Rudraksh Caterers Pvt. Ltd.	Enterprise	24,390	58,005
Business Development Expenses			
Rudraksh Caterers Pvt. Ltd.	Enterprise	86,720	273,911
Canteen Expenses			
Rudraksh Caterers Pvt. Ltd.	Enterprise	390,082	227,459
Commission Paid			
Shri Suresh J. Patel	KMP	Nil	40,000,000
Shri Bhavin S. Patel	KMP	Nil	30,000,000
Shri Ankit S. Patel	KMP	20,463,354	30,000,000
Dividend Paid			
Shri Suresh J. Patel	KMP	20,007,090	Nil
Shri Bhavin S. Patel	KMP	5,345,830	Nil
Shri Ankit S. Patel	KMP	3,371,930	Nil
Shri Mayur B. Padhya	KMP	117,057	Nil
Business Support Service Income			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	Nil	120,000
Interest Income			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	801,922	Nil
Sales of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	43,670,854	66,00,683
Bodal Agrotech Ltd.	WOS	198,955	Nil

c) Related Party Balances as at the year end.

Amounts Payable			
As Trade Payables			
Rudraksh Caterers Pvt. Ltd.	Enterprise	82,557	93,307
Bodal Agrotech Ltd.	WOS	8,304,315	Nil
Shri Suresh J. Patel	KMP	687,800	26,804,800
Shri Bhavin S. Patel	KMP	599,800	19,944,300
Shri Ankit S. Patel	KMP	13,869,800	19,930,800
Shri Mayur B. Padhya	KMP	118,342	14,307
Shri Ashutosh B. Bhatt	KMP	35,021	29,055
Amounts Receivable			
As Advance Given To Supplier			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	2,46,85,649	1,71,93,772
As Loan To Subsidiary			
Bodal Agrotech Ltd.	WOS	140,432,180	4,70,31,478

BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Notes:-

(i) Loan to subsidiary has been given for acquisition of assets and other business purposes and has been utilized for the same.

(ii) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

36 Segment Reporting:

The Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per Accounting Standard 17. The Company is principally engaged in a single business segment viz., "Dyes, Dyes Intermediates and Basic Chemicals".

The geographical segment has been considered for disclosure as secondary segment.

Two secondary segments have been identified based on the geographical locations of customers i.e. domestic and export. Information about geographical segments are as below.

	2015-16			2014-15		
	Domestic Operations	External Operations	Total	Domestic Operations	External Operations	Total
Segment Revenue	6,088,412,735	3,009,859,490	9,098,272,225	6,361,578,081	4,091,544,129	10,453,122,210
Carrying Cost of Segment Assets	4,709,367,738	431,150,372	5,140,518,110	4,734,272,122	657,761,774	5,392,033,896
Capital Expenditure during the year	174,246,104	Nil	174,246,104	388,204,253	Nil	388,204,253

Amount (Rs.)

- Revenue from external operations comprises of income from sale of products, and other operating revenues.
- Carrying amount of segment assets comprises of non-current assets and current assets identified to the respective segments. However Segments assets in India also includes certain common assets used to generate revenue in both segments but not feasible of allocation.
- Capital expenditure during the year represents net additions to Tangible and Intangible assets and movement in Capital work in progress.

37 Earnings per Equity Share

	Amount (Rs.)	
	2015-16	2014-15
Net Profit/(Loss) after Tax as per statement of Profit and Loss	865,985,045	920,165,420
Weighted average number of Equity Shares	109,107,370	109,107,370
Basic and Diluted Earnings per Share	7.94	8.43
Nominal Value per Share	2	2

BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

38 Value of Imports on CIF Basis	2015-16 (in Rs.)	2014-15 (in Rs.)
Raw Materials	427,193,843	492,746,367
39 Earning in Foreign Currency	2015-16 (in Rs.)	2014-15 (in Rs.)
F.O.B. Value of Exports	2,934,707,212	4,039,050,888
40 Expenditure in Foreign Currency	2015-16 (in Rs.)	2014-15 (in Rs.)
Travelling	1,924,655	1,884,284
Commission	40,393,851	76,321,188
Business Development Expense	478,938	1,149,620
Export Damage Claim	Nil	25,777
Bank Charges	5,311,751	3,976,427
Interest Expense	9,940,823	11,066,076
Repairs to Machinery	655,088	Nil
Other Selling Expense	537,022	Nil
Cash Discount	269,685	1,376,646

41 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2015-16, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

	As at 31st March, 2016	As at 31st March, 2015
a. Principal and interest amount remaining unpaid	-	-
b. Interest due thereon remaining unpaid	-	-
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
e. Interest accrued and remaining unpaid	-	-
f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

42 Corporate Social Responsibility Expenses

A. Gross amount required to be spent by the Company during the year 2015-16 - Rs.106.38 lacs (Previous year - Rs. 33.83 lacs)

B. Amount spent during the year on :

(Rs. in lacs)

	2015-16			2014-15		
	In Cash*	Yet to be paid in cash	Total	In Cash*	Yet to be paid in cash	Total
i) Construction / Acquisition of any Assets	-	-	-	-	-	-
ii) Purposes other than (i) above	256.48	-	256.48	31.28	2.55	33.83

*Represents actual outflow during the year.

43 Amalgamation of Wholly Owned Subsidiary with the Company

At their respective meeting held on 10th march, 2016, the Board of the Company and of its subsidiary, Bodal Agrotech Ltd. have approved a scheme of amalgamation of Bodal Agrotech Ltd. with the company. The appointed date for the proposed scheme is 1st April, 2016.

The scheme of amalgamation is subject to the final order of the Hon'ble High Court of Gujarat and other legal compliances as per the provision of the Companies Act 1956 and other applicable provisions of the Companies Act, 2013. The effect of the amalgamation will be given in the books of the Company only after Final Order is passed in the matter by the Hon'ble High Court of Gujarat.

44 Previous year's figures have been rearranged and reclassified wherever necessary to correspond with the current year.

As Per Our Report of even date attached

For Mayank Shah & Associates

Chartered Accountants

Firm Registration No. 106109W

For and on behalf of the Board of Directors

(M.S. Shah)
Partner

Membership No. 44093



(Suresh J. Patel)
Chairman & Managing Director
DIN:00007400

(Ankit S. Patel)
Executive Director
DIN:02173231

(Mayur B. Padhya)
Chief Financial Officer

Ahmedabad
May 26, 2016

(Ashutosh B. Bhatt)
Company Secretary

Ahmedabad
May 26, 2016

**MAYANK SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS**

**706/708 MAHAKANT
OPP.V.S.HOSPITAL,
ELLISBRIDGE,
AHMEDABAD –380006.**

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
BODAL CHEMICALS LIMITED**

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **BODAL CHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

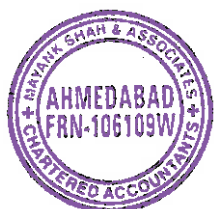
Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the



disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

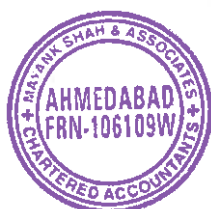
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

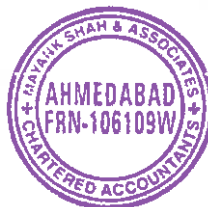
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section(11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.



- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigations as at 31st March, 2015 on its financial position in its financial statements -Refer Note 30 to the Financial Statements
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education & Protection Fund by the Company during the year ended 31st March, 2015.

Ahmedabad
May 30, 2015



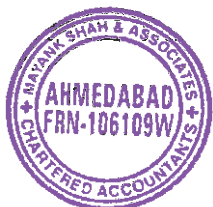
For Mayank Shah & Associates
Chartered Accountants
Firm Registration No: 106109W

M.S. Shah
M.S. SHAH
Partner
Membership No. 44093

Annexure to the Independent Auditors' Report

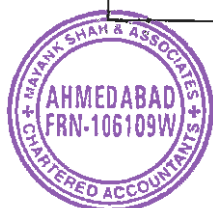
(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets;
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the company, nature and value of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories,
 - (a) The inventory except goods-in-transit has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For goods-in-transit at year end, relevant evidences have been obtained.
 - (b) In our opinion and according to information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business;
 - (c) In our opinion and according to information and explanation given to us, the Company has maintained proper records of inventory. The discrepancies noticed on verification between physical stocks and book records were not material;
- (iii) The company has granted interest free unsecured loan to 1(one) subsidiary company covered in the register maintained under section 189 of the Companies Act. Further the company has not granted any loan to firms or other parties covered in the register maintained under section 189 of the Companies Act.
 - a) In respect of the aforesaid loan, the principal amounts are repayable on demand, while the loan is interest free, both at the discretion of the Company.
 - b) In respect of the aforesaid loans, there are no overdue amounts.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.



- (v) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under subsection (1) of section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax/ Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and material statutory dues wherever applicable have generally been regularly deposited during the year by the Company with the appropriate authorities. Further, According to the information and explanations given to us, no such undisputed amounts payable were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, details of dues towards Income Tax, Excise Duty, Service Tax and, Customs Duty which have not been deposited by the Company on account of disputes are as follows,

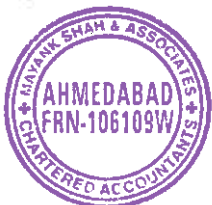
Name of the Statute	Nature of the Dues	Amount (in Rs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1,44,65,740	A.Y. 2007-08	Commissioner of Income Tax (Appeals)
	Income Tax	1,23,65,717	A.Y. 2008-09	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944.	Excise Duty & Penalty	157,822	F.Y. 2011-12	Customs, Excise & Service Tax Appellate Tribunal
	Excise Duty & Penalty	12,07,965	F.Y. 2006-07 to F.Y.2010-11	Customs, Excise & Service Tax Appellate Tribunal



	Excise Duty & Penalty	59,18,495	F.Y. 2005-06 to F.Y.2007-08	Customs, Excise & Service Tax Appellate Tribunal
	Excise Duty & Penalty	23,21,043	F.Y. 2005-06 to F.Y.2007-08	Customs, Excise & Service Tax Appellate Tribunal
	Excise Duty & Penalty	61,560	F.Y. 2011-12	Commissioner of Central Excise (Appeals)
	Excise Duty & Penalty	54,62,656	F.Y. 2013-14	Customs, Excise & Service Tax Appellate Tribunal
	Excise Duty & Penalty	26,32,176	F.Y. 2013-14	Commissioner of Central Excise (Appeals)
	Excise Duty & Penalty	6,13,312	F.Y. 2013-14	Customs, Excise & Service Tax Appellate Tribunal
	Excise Duty & Penalty	4,55,015	F.Y. 2010-11 to F.Y. 2011-12	Customs, Excise & Service Tax Appellate Tribunal
	Excise Duty & Penalty	4,86,378	F.Y. 2013-14	Commissioner of Central Excise (Appeals)
	Excise Duty & Penalty	13,488	F.Y. 2010-11 to F.Y. 2011-12	Commissioner of Central Excise (Appeals)
	Excise Duty & Penalty	14,592	F.Y. 2014-15	Commissioner of Central Excise (Appeals)
Service Tax	Service Tax & Penalty	3,86,419	F.Y. 2011-12	Customs, Excise & Service Tax Appellate Tribunal
Customs Act, 1962.	Duty, Penalty, Interest & Fine	11,70,696	F.Y. 2007-08	Customs, Excise & Service Tax Appellate Tribunal

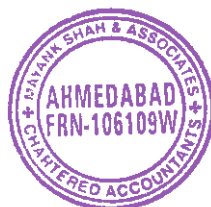
According to the information and explanations given to us, there are no material dues of wealth tax, Sales Tax including Value Added Tax, and Cess which have not been deposited with the appropriate authorities on account of any dispute.

- (c) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under has been transferred to such fund within time.



- (viii) The Company does not have any accumulated loss at the end of the financial year and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year;
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to bank. The Company did not have any amount outstanding to financial institutions or debenture holders during the Year.
- (x) According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purposes for which they were obtained.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, not have we been informed of any such case by the Management.

Ahmedabad
May 30, 2015



For Mayank Shah & Associates
Chartered Accountants
Firm Registration No: 106109W

M.S. Shah

M.S. SHAH
Partner
Membership No. 44093

BODAL CHEMICALS LTD.
BALANCE SHEET AS AT 31ST MARCH, 2015

Amount (In Rs.)

PARTICULARS	Notes	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds :			
Share Capital	2	468,214,740	468,214,740
Reserves and Surplus	3	1,390,051,267	470,992,898
		1,858,266,007	939,207,638
Deferred Grant	4	Nil	740,021
Non-Current Liabilities			
Long-term borrowings	5	862,073,596	2,158,487,813
Deferred Tax Liability (Net)	6	129,725,369	6,484,249
		991,798,965	2,164,972,062
Current Liabilities			
Short-term borrowings	7	1,224,914,479	1,273,708,307
Trade Payables	8	1,124,903,426	1,121,610,271
Other Current Liabilities	9	186,611,760	470,537,185
Short Term Provisions	10	5,539,259	2,496,591
		2,541,968,924	2,868,352,354
Total		5,392,033,896	5,973,272,075
ASSETS			
Non - Current Assets :			
Fixed Assets	11		
Tangible Assets		1,886,334,261	1,674,324,760
Intangible Assets		11,108,753	8,435,732
Capital work-in-progress		32,433,310	84,494,331
		1,929,876,324	1,767,254,823
Non-Current Investments	12	33,275,474	18,786,050
Long Term Loans and Advances	13	196,904,836	210,053,890
Other Non-current assets	14	4,612,384	7,466,772
		234,792,694	236,306,712
Current Assets			
Inventories	15	779,564,825	1,221,292,918
Trade Receivables	16	1,971,949,633	2,263,063,270
Cash and Bank Balances	17	29,894,533	34,158,488
Short - Term Loans & Advances	18	413,873,736	361,130,866
Other Current Assets	19	32,082,151	90,064,998
		3,227,364,878	3,969,710,540
Total		5,392,033,896	5,973,272,075

Significant Accounting Policies

1

Notes are an integral part of the financial statements

As Per Our Report of even date attached

For Mayank Shah & Associates

Chartered Accountants

Firm Registration No. 106109W

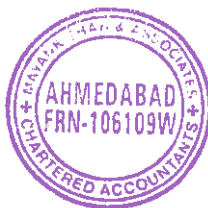
(M.S. Shah)

Partner

Membership No. 44093

Ahmedabad

May 30, 2015



For and on behalf of the Board

(Suresh J. Patel)

Chairman & Managing Director

DIN : 00007400

(Mayur B. Padhya)

Chief Financial Officer

Ahmedabad

May 30, 2015

(Bhavin S. Patel)

Executive Director

DIN : 00030464

(Ashutosh B. Bhatt)

Company Secretary

BODAL CHEMICALS LTD.
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Amount (In Rs.)

PARTICULARS	Notes	Year 2014-15	Year 2013-14
INCOME			
Sale of Products (Gross)	20	11,188,912,785	10,271,986,010
Other Operating Income		95,073,792	99,075,276
		11,283,986,577	10,371,061,286
Less : Excise Duty		(830,864,367)	(776,091,406)
		10,453,122,210	9,594,969,880
Other Income	21	47,179,067	37,071,147
Total Revenue		10,500,301,277	9,632,041,027
EXPENDITURE			
Cost of materials consumed	22	6,078,908,549	6,215,746,205
Purchases of Stock-in Trade	23	299,820,123	237,829,704
Changes in Inventories	24	200,426,059	(279,368,910)
Employee Benefits Expenses	25	589,946,359	380,300,931
Finance Costs	26	272,753,356	466,381,607
Depreciation and Amortisation expense	27	222,479,305	252,543,167
Other Expenses	28	1,441,363,526	1,150,414,533
Total Expenses		9,105,697,277	8,423,847,237
Profit Before Exceptional Items and Taxes		1,394,604,000	1,208,193,790
Exceptional Items	29	Nil	737,358,142
Profit Before Taxes		1,394,604,000	470,835,648
Tax Expenses			
Current Tax		350,623,950	139,938,694
Deferred Tax		123,811,164	18,599,940
Taxes of earlier years		3,466	5,763,754
		474,438,580	164,302,388
Profit for the Year		920,165,420	306,533,260
Earnings per equity share (Face value of Rs.2)	37		
Basic and diluted		8.43	2.81
Significant Accounting Policies	1		
Notes are an integral part of the financial statements			

As Per Our Report of even date attached

For Mayank Shah & Associates

Chartered Accountants

Firm Registration No. 106109W

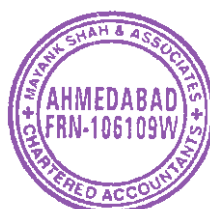
(M.S. Shah)

Partner

Membership No. 44093

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May 30, 2015



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DIN : 00030464

(Ashutosh B. Bhatt)

Company Secretary

BODAL CHEMICALS LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015

Amount (In Rs.)

PARTICULARS	Year 2014-15	Year 2013-14
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and after exceptional items	1,394,604,000	470,835,648
Adjustment for		
Depreciation and Amortisation	222,479,305	252,543,167
Bad Debts written off	64,433,448	2,328,581
Unrealised Foreign Exchange Loss / (Gain)	(2,474,444)	(31,035,027)
Finance Cost	272,753,356	466,381,607
Exceptional Item	Nil	737,358,142
(Profit)/Loss on Sale of Assets (Net)	(444,549)	1,146,241
Interest/Dividend/Rent received	(9,419,381)	(12,712,599)
Profit on sale of Investments	(734,114)	Nil
Write-back of Provision of Dimunition	(3,174,461)	Nil
Grant recognised	Nil	(1,496,973)
Operating Profit before Working Capital Changes	1,938,023,160	1,885,348,787
Adjustment for :		
(Increase) / Decrease in Trade Receivables	233,226,121	(1,400,817,310)
(Increase) / Decrease in Inventories	441,728,093	(604,390,995)
(Increase) / Decrease in Other Receivables	42,270,168	(17,302,217)
Increase / (Decrease) in Trade Payables	(277,866,704)	780,714,612
Cash generated from Operations	2,377,380,838	643,552,877
Direct Taxes Paid (Net of Refund)	399,384,487	155,340,242
Net Cash from Operating Activities (A)	1,977,996,351	488,212,635
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including Capital Work in Progress and capital advances	(354,622,424)	(182,027,801)
Sale of Fixed Assets	1,130,882	2,360,500
Loans to Subsidiary	Nil	(47,322,208)
Loan received back from Subsidiary	340,000	Nil
Interest/Dividend/Rent received	9,419,381	12,712,599
Sale of Investment	209,353,575	309,200
Purchase of investment	(219,934,424)	Nil
Net Cash used in Investing Activities (B)	(354,313,010)	(213,967,710)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long Term Borrowings	(1,296,414,217)	(298,992,024)
Increase / (Decrease) in Short Term Borrowings	(51,801,725)	402,066,044
Increase in Preference Share Capital	Nil	95,000,000
Finance Cost	(272,753,356)	(466,381,607)
Unclaimed Dividend Paid	(475,743)	(187,627)
Net Cash used in Financing Activities (C)	(1,621,445,041)	(268,495,214)
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	2,238,300	5,749,711
Cash & Cash Equivalents at the beginning of the year	9,525,140	3,775,429
Cash & Cash Equivalents at the end of the year	11,763,440	9,525,140

As Per Our Report of even date attached

For Mayank Shah & Associates

Chartered Accountants

Firm Registration No. 106109W

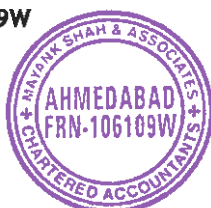
(M.S. Shah)

Partner

Membership No. 44093

Ahmedabad

May 30, 2015



For and on behalf of the Board

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DIN:00007400

(Mayur B. Padhya)

Chief Financial Officer

Ahmedabad

May 30, 2015

(Bhavin S. Patel)

Executive Director

DIN:00030464

(Ashutosh B. Bhatt)

Company Secretary

1 Significant Accounting Policies :**1.1 Basis of Preparation of Financial Statements****a) Basis of Accounting**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] of the Companies Act, 1956 and the other relevant provisions of the Companies Act, 2013.

b) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revisions to accounting estimates are recognised prospectively in current and future periods.

c) Current / Non Current Classification

All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

d) Change in Accounting Policy

Government grants related to depreciable fixed assets was treated as deferred income which was recognised in the statement of profit and loss on a systematic and rational basis over the useful life of the asset. During the year the Company has changed the method of recognizing the government grant. Grants related to specific fixed assets are presented in balance sheet by showing the opening balance of deferred grant as a deduction from the gross value of the assets concerned in arriving at their book value. Thus grant is recognised in the statement of profit and loss over the useful life of a depreciable asset by way of a reduced depreciation charge. This change results in more appropriate preparation and presentation of financial statements of the Company.



BODAL CHEMICALS LTD.**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015.**

Continued.....

Accordingly, Gross Block of Fixed Assets was reduced by Rs. 740,021/- being opening balance of deferred grant. Thus grant is recognised in the statement of profit and loss over the useful life of a depreciable asset by way of a reduced depreciation charge. The change is revenue neutral in the statement of profit and loss account.

1.2 Fixed Assets and Depreciation / Amortization**a) Tangible Assets**

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation on tangible fixed assets of the company is provided using Written Down Value Method on pro-rata basis at rates and in manner specified in Schedule II of the Companies Act, 2013 except based on technical analysis carried out by the management, remaining useful life in respect of certain plant & machineries situated at Unit-II, Unit-III & Unit-V is considered as 5 years.

b) Intangible Assets

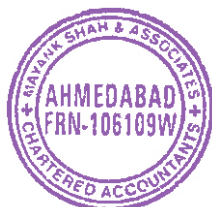
The intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Intangible assets are amortized on a straight-line basis over their technically assessed useful lives, as mentioned below:

Intangible Assets	Estimated Useful Lives (Years)
Software	5
License	10
Website	5

c) Capital Work in Progress & Capital Advances

Cost of Assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances.



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015.

Continued.....

d) Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

1.3 Investments

Investments are classified into current and non-current investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried at the lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Non-current investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss.

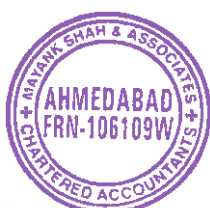
1.4 Inventories

(a) Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realisable value after providing for obsolescence, if any. The comparison of cost and net realisable value is made on an item-by item basis.

(b) In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, First-in-First-Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.

(d) Materials in transit are valued at cost-to-date.



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015.

Continued.....

1.5 Transactions in Foreign Currency:

a) Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.

b) Measurement of foreign currency items at the Balance Sheet date:

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

c) Forward exchange contracts:

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

1.6 Revenue Recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax/VAT and is net of returns & discounts. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognised separately as part of changes in inventories of finished goods, work in progress and stock in trade.

Export Incentives are recognised when the right to receive credit as per the terms of Incentives is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.



1.7 Employee Benefits**a) Short Term Employees Benefit**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, short term compensated absences, ex-gratia, etc. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

b) Post Employment Benefit**Defined Contribution Plans :**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme and Employees' State Insurance Corporation (ESIC) which are a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans :

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance sheet date.

The Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. The Company recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

The Company has funded its gratuity liability with Life Insurance Corporation of India (LIC) and Star Union Dai-ichi under the Group Gratuity Cash Accumulation Plan and SUD Life Group Gratuity Scheme respectively.

c) Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015.

Continued.....

1.8 Borrowing Cost

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, upto the date when the assets are ready for their intended use. All other borrowing costs are expensed in the period they occur.

1.9 Provisions and Contingencies

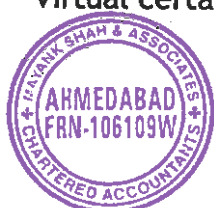
A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1.10 Taxes on Income

Income tax expenses comprise current and deferred taxes. Current tax is determined on income for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws and after considering credit for Minimum Alternate Tax (MAT) available under the said Act. MAT paid in accordance with the tax laws which gives future economic benefits in the form of adjustments to future tax liability, is considered as an asset if there is convincing evidence that the future economic benefit associated with it will flow to the Company resulting in payment of normal income tax.

Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that there is a reasonable certainty that there will be sufficient future taxable income to realise the assets. Deferred tax asset pertaining to unabsorbed depreciation and carry forward of losses are recognised only to the extent there is a virtual certainty of its realisation.



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015.

Continued.....

1.11 Governments Grants/Subsidy

Government Grants is recognized when there is a reasonable assurance that the company will comply with the conditions attached to them and grants will be received.

Grant related to depreciable assets is shown as a deduction from the gross value of the asset concerned in arriving at its book value. The grant is thus recognised in the profit and loss statement over the useful life of a depreciable asset by way of a reduced depreciation charge.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

1.12 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders after deducting preference dividends and attributable taxes by the weighted average number of equity shares outstanding during the year.

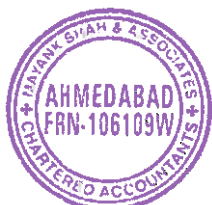
For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

1.13 Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

1.14 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

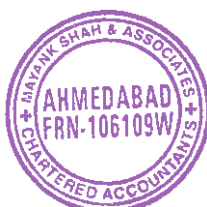


BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
2 : SHARE CAPITAL		
<u>Authorised Share Capital</u>		
12,00,00,000 (P.Y. 12,00,00,000) Equity Shares of Rs.2/- each	240,000,000	240,000,000
2,50,00,000 (P.Y. 2,50,00,000) Preference Share of Rs. 10/- each	250,000,000	250,000,000
	490,000,000	490,000,000
<u>Issued, Subscribed & Paid up Share Capital</u>		
10,91,07,370 Equity Shares of Rs. 2/- each (P. Y. 10,91,07,370 Equity Shares of Rs. 2/- each)	218,214,740	218,214,740
2,50,00,000 (P.Y. 2,50,00,000) Pref. Shares of Rs. 10/- each	250,000,000	250,000,000
Total	468,214,740	468,214,740
2.1 Reconciliation of the number of Shares		
	As at 31st March, 2015	As at 31st March, 2014
Equity Shares	No. of Shares	No. of Shares
Opening balance	109,107,370	109,107,370
Issued during the Year	Nil	Nil
Closing balance	109,107,370	109,107,370
Preference Shares		
Opening balance	25,000,000	15,500,000
Issued during the Year	Nil	9,500,000
Closing balance	25,000,000	25,000,000



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

2.2 Rights, preferences and restrictions attached to shares

Equity shares

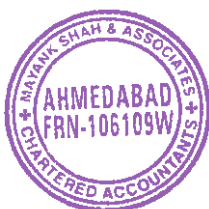
The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

Preference shares

The Company has only one class of non-convertible, non-cumulative redeemable preference shares having a par value of Rs. 10/- per share. Each shareholder shall have a right to attend general meeting of the company and vote on resolutions directly affecting their interest. In the event of liquidation, the preference shareholders shall be entitled to a preferential right of return of the amount paid up on the shares, but shall not have any further right or claim over the surplus asset of the company. The holder of these shares shall be entitled to receive dividend at fixed rate i.e. @ 9% on paid up value of shares subject to declaration of dividend by the company but do not have right to participate in surplus profit.

2.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	% held	No. of Shares	% held
Equity Shares :				
Shri Suresh J. Patel	3,33,45,151	30.57	3,33,45,151	30.57
Shri Bhavin S. Patel	78,10,050	7.16	78,10,050	7.16
Shri Ramesh P. Patel	66,35,299	6.08	66,35,299	6.08
Preference shares :				
Mayur Dyechem Intermediates Ltd.	95,00,000	38.00	95,00,000	38.00
Shri Shaunak S. Parikh	30,00,000	12.00	30,00,000	12.00
H & H Exports (Guj.) Pvt. Ltd.	20,00,000	8.00	20,00,000	8.00
Shri Ashok G. Bansal	20,00,000	8.00	20,00,000	8.00
Shri Karna A. Surti	15,00,000	6.00	15,00,000	6.00



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

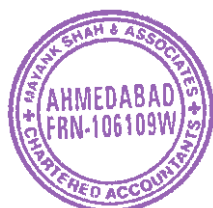
Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
3 : RESERVES & SURPLUS		
Capital Reserves		
At the commencement and at the end of the year	76,121,441	76,121,441
Capital Redemption Reserve Fund		
At the commencement and at the end of the year	39,671,460	39,671,460
Securities Premium Account		
At the commencement and at the end of the year (Premium on issue of Equity Shares)	222,035,976	222,035,976
Investment Allowance Reserve - Utilised Account		
At the commencement of the year	Nil	477,527
Less : Transferred to General Reserve	Nil	477,527
At the end of the year	Nil	Nil
General Reserve		
At the commencement of the year	138,858,089	138,380,562
Add : Transferred from Investment Allowance Reserve - Utilised Account	Nil	477,527
At the end of the year	138,858,089	138,858,089
Surplus / (Deficit) in the Statement of Profit and Loss		
At the commencement of the year	(5,694,068)	(312,227,328)
Less : Additional Depreciation (net of tax of Rs. 5,70,042/-) pursuant to enactment of Schedule II of the Companies Act, 2013 (Refer Note 11.1)	(1,107,051)	Nil
Add / (Less) : Surplus / (deficit) during the year	920,165,420	306,533,260
At the end of the year	913,364,301	(5,694,068)
Total	1,390,051,267	470,992,898

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
4 : DEFERRED GRANT		
Grant From World Bank :		
740,021	740,021	2,236,994
Less : Recognised for current year	Nil	(133,695)
Less : Additional recognition due to change in method of depreciation	Nil	(1,363,278)
Less : Transferred to Fixed Assets (Refer Note 32)	(740,021)	Nil
Total	Nil	740,021



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
5 : LONG TERM BORROWINGS		
<u>Secured</u>		
Term loan from Banks	855,375,916	2,150,605,787
<u>Unsecured</u>		
Loan From Directors	Nil	50,000
Public Deposits	Nil	2,145,000
Trade Deposits	6,697,680	5,687,026
Total	862,073,596	2,158,487,813

Current Maturities of Long Term Borrowings

*779,514

*284,370,324

*Amount disclosed under other current liabilities (Refer Note 9)

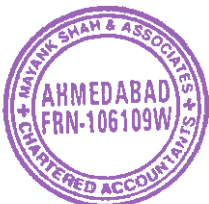
5.1 Nature of Security and terms of repayment for Long Term secured borrowings

5.1.1 Term loan from banks balance outstanding amounting to Rs.1200.00 lacs (P.Y.:Rs.1455.00 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 252,253,254 GIDC, Vatva and Plot No. 804 of Padra Unit and Hyp. of entire P&M and other equipment acquired through the term loan and repayable in 40 quarterly installments starting from April 2012. Last installment is due in March, 2022. Rate of interest 12.75%. (P.Y.16.50%) p.a. at year end.

5.1.2 Term loan from banks balance outstanding amounting to Rs.3704.00 lacs (P.Y.:Rs.4491.10 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Vadodara and Hyp. of entire P&M and other equipment acquired through the term loan and repayable in 40 quarterly installments starting from April, 2012. Last installment is due in March, 2022. Rate of interest 12.75 % (P.Y. 15.50%) p.a. at year end.

5.1.3. Term loan from banks balance outstanding amounting to Rs.2300.00 lacs (P.Y.:Rs.4243.75 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Vadodara and Hyp. of entire P&M and other equipment acquired through the term loan and repayable in 40 quarterly installments starting from April, 2012. Last installment is due in March, 2022. Rate of interest 15.25%. (P.Y. 15.00 %) p.a. at year end.

5.1.4 Working Capital Term loan from banks balance outstanding amounting to Rs.NIL (P.Y.:Rs.374.42 lacs) is secured by 1st pari pasu charge on entire current assets of the company. Loan is fully paid in August 2014. Rate of interest 15.75% (P.Y. 15.75%) p.a.



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

5.1.5. Working Capital Term loan from banks balance outstanding amounting to Rs.1349.50 lacs (P.Y.:Rs.2037.00 lacs) is secured by 1st pari pasu charge on entire current assets of the company and repayable in 120 monthly installments starting from April, 2012. Last installment is due in March, 2022. Rate of interest 12.75% (P.Y. 16.00%) p.a. at year end.

5.1.6 Working Capital Term loan from banks balance outstanding amounting to Rs.NIL (P.Y.:Rs.3488.00 lacs) is secured by 1st pari pasu charge on entire current assets of the company. loan is fully paid in July 2014. Rate of interest 10.25% (P.Y.: 10.25%) p.a.

5.1.7 Working Capital Term loan from banks balance outstanding amounting to Rs.NIL (P.Y.:Rs.5735.61 lacs) is secured by 1st pari pasu charge on entire current assets of the company. Loan is fully paid in July 2014. Rate of interest 10.25% (P.Y.: 10.25%) p.a.

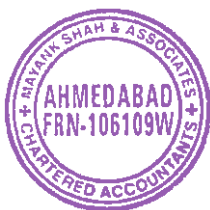
5.1.8 Funded Interest Term loan from banks balance outstanding amounting to Rs.NIL (P.Y.:Rs.1000.47 lacs) is secured by 1st pari pasu charge on entire current assets of the company. Loan is fully paid in June 2014. Rate of interest 10.25% (P.Y.: 10.25%) p.a.

5.1.9 Funded Interest Term loan from banks balance outstanding amounting to Rs.NIL (P.Y.:Rs.1476.90 lacs) is secured by 1st pari pasu charge on entire current assets of the company. Loan is fully paid in June 2014. Rate of interest 10.25% (P.Y.: 10.25%) p.a.

5.1.10 Vehicle loan ,balance outstanding amounting to Rs.8.05 lacs (P.Y.:Rs.27.53 lacs) is secured by Hire Purchase agreement for Vehicles and repayable in monthly installments. Interest rate from 9% to

5.2 Term Loans are collaterally further secured by equitable mortgage on Immovable property and Hyp. Of P&M of the company. It is further secured by personal guarantees of the Chairman and Managing Director and Executive directors. It is further secured by pledge of equity shares of the company held by the promoters and promoter group(excluding 3 NRIs and 2 resident indians from promoter groups).

5.3 Installments falling due in respect of all the above Loans upto 31/03/2016 have been grouped under "Current maturities of long-term debt".



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
6 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Difference between book depreciation and tax depreciation	131,314,435	90,660,575
Employee benefits	192,179	755,878
Deferred Tax Assets		
Expenditure covered by section 43B of Income Tax Act, 1961	(1,781,245)	(84,932,204)
Total	129,725,369	6,484,249

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
7 : SHORT TERM BORROWINGS		
<u>Secured</u>		
<u>Repayable on Demand</u>		
Working Capital Loans from Banks	1,224,914,479	1,273,708,307
Total	1,224,914,479	1,273,708,307

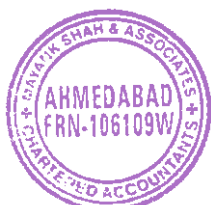
7.1 Working Capital Loans from Banks are secured by Hyp. Of Inventories, Book Debts and bills drawn under letter of credit and collaterally secured by equitable mortgage on Immovable property and Hyp. Of P&M of the company and personal guarantees of the Chairman and Managing Director and Executive directors. It is further secured by pledge of equity shares of the company held by the promoters and promoter group(excluding 3 NRIs and 2 resident indians from promoter groups).

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
8 : TRADE PAYABLES		
Trade Payables	1,124,903,426	1,121,610,271
Total	1,124,903,426	1,121,610,271

8.1 The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at year end together with interest paid payable under this Act have not been given.

8.2 Trade Payables include Rs. 93,307/- (P.Y. Nil) to related parties (refer note 35)

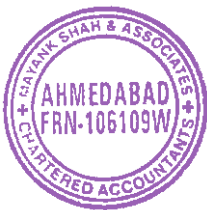


BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)		
PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
9 : OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt (Refer Note 5)	779,514	284,370,324
Advance Received from Customers	27,769,808	13,743,380
Unclaimed Dividends (Note 9.1)	1,568,041	2,043,784
Unclaimed Share Application Money (Note 9.1)	39,881	39,881
Creditors for Capital Goods	30,340,240	11,954,784
Other Current Liabilities	62,880,710	95,773,554
Statutory Liabilities (Note 9.2)	63,233,566	62,611,478
Total	186,611,760	470,537,185
9.1 There are no amounts due for payment to the Investor Education and Protection Fund Under Section 205C of the Companies Act, 1956 as at the year end. Section 125 of the Companies Act, 2013 which corresponds to Section 205C of the Companies Act, 1956 has not yet been enforced. 9.2 Statutory liabilities represent amounts payable towards VAT, CST, Excise duty and TDS etc.		

Amount (In Rs.)		
PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
10 : SHORT TERM PROVISIONS		
Provision for Employee Benefits (Refer Note 33)	5,240,496	2,323,279
Provision for Wealth Tax	298,763	173,312
Total	5,539,259	2,496,591



BODAL CHEMICALS LTD.												
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015												
11 : FIXED ASSETS												
Description	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
	As At 01.04.2014	Addition	Deduction	As At 31.03.2015	As At 01.04.2014	Addition	Retained Earnings	Deduction	Addl. Dep. On account of change in method	As At 31.03.2015	As At 31.03.2015	As At 31.03.2014
TANGIBLE ASSETS :												
Land	94,571,217	16,063,233	Nil	110,634,450	Nil	Nil	Nil	Nil	Nil	Nil	110,634,450	94,571,217
Factory Building	767,355,626	4,211,002	Nil	771,566,628	293,252,335	45,374,441	Nil	Nil	Nil	338,626,776	432,939,852	474,103,291
Office Building	15,556,924	8,646,970	Nil	24,203,894	4,281,844	609,093	Nil	Nil	Nil	4,890,937	19,312,957	11,275,080
Plant & Machinery	2,495,210,441	375,578,626	1,394,141	2,869,394,926	1,441,987,064	155,704,445	Nil	445,074	Nil	1,597,246,435	1,272,148,491	1,053,223,377
Furniture & Fixture	43,079,184	2,567,815	Nil	45,646,999	26,959,272	5,921,020	Nil	Nil	Nil	32,880,292	12,766,707	16,119,912
Office Equipment	20,373,392	7,712,003	Nil	28,085,395	13,369,769	4,256,916	1,668,533	Nil	Nil	19,295,218	8,790,177	7,003,623
Vehicles	47,813,956	20,446,012	2,761,376	65,498,592	29,785,696	8,246,798	8,560	2,284,089	Nil	35,756,965	29,741,627	18,028,260
TOTAL (A)	3,483,960,740	435,225,661	4,155,517	3,915,030,884	1,809,635,980	220,112,713	1,677,093	2,729,163	Nil	2,028,696,623	1,886,334,261	1,674,324,760
INTANGIBLE ASSETS :												
Good will	104,680,098	Nil	Nil	104,680,098	104,680,098	Nil	Nil	Nil	Nil	104,680,098	Nil	Nil
Computer Software	4,097,876	519,613	Nil	4,617,489	1,855,291	741,069	Nil	Nil	Nil	2,596,360	2,021,129	2,242,585
Licence	10,172,500	4,520,000	Nil	14,692,500	4,015,756	1,607,113	Nil	Nil	Nil	5,622,869	9,069,631	6,156,744
Website	92,050	Nil	Nil	92,050	55,647	18,410	Nil	Nil	Nil	74,057	17,993	36,403
TOTAL (B)	119,042,524	5,039,613	Nil	124,082,137	110,606,792	2,366,592	Nil	Nil	Nil	112,973,384	11,108,753	8,435,732
TOTAL (A+B)	3,603,003,264	440,265,274	4,155,517	4,039,113,021	1,920,242,772	222,479,305	1,677,093	2,729,163	Nil	2,141,670,007	1,897,443,014	1,682,760,492
PREVIOUS YEAR	3,584,653,396	27,856,332	9,506,464	3,603,003,264	936,341,186	252,543,167	Nil	5,999,723	737,358,142	1,920,242,772	1,682,760,492	2,648,312,210
Capital Work in Progress												
TOTAL FIXED ASSETS										32,433,310	1,929,876,324	84,494,331
												1,767,254,823
11.1 Depreciation on tangible fixed assets of the company is provided using Written Down Value Method on pro-rata basis at rates and in manner specified in Schedule II of the Companies Act, 2013 except based on technical analysis carried out by the management, remaining useful life in respect of certain plant & machineries situated at Unit-II, Unit-III & Unit-V is considered as 5 years. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax of Rs. 5.70 lacs, in the opening balance of Profit and Loss Account amounting to 11.07 lacs.												
11.2 From 1st April, 2014, new Companies Act, 2013 has come into force and as per the Schedule II of the Companies Act, 2013; company has revised the useful life of company's fixed assets for providing depreciation on it. Accordingly, carrying amount as on 1st April, 2014 has been depreciated over the remaining revised useful life of the fixed assets. Due to this change the depreciation for the year ended 31st March, 2015 is lower and profit before tax is higher to the extent of Rs. 99.01 lacs.												

BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
12 : NON - CURRENT INVESTMENTS		
TRADE INVESTMENTS		
<u>Quoted</u>		
100 (P.Y. 100) Equity Shares of Beta Nepthol Ltd. of Rs. 10/- Each Fully Paid Up	3,465	3,465
1,00,000 (P.Y. Nil) Equity Shares of Bhageria Dye Chem Ltd. of Rs. 10/- Each Fully Paid Up	14,934,424	Nil
Nil (P.Y. 50,000) Equity Shares of Dynamic Industries Ltd. of Rs. 10/- Each Fully Paid Up	NIL	5,204,770
	14,937,889	5,208,235
Less : Provision for diminution in Investments	3,465	4,763,235
Total	14,934,424	445,000
<u>Unquoted</u>		
250 (P.Y.250) Equity Shares of Green Environment Ser. Co-op.Soc. Ltd. of Rs. 100/- each Fully Paid Up	25,000	25,000
112,350 (P.Y. 112,350) Equity Shares of Bharuch Enviro Infrastructure Ltd of Rs. 10/-each Fully Paid Up	1,123,500	1,123,500
100 (P.Y.100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of Rs. 10/- Each Fully Paid Up	1,000	1,000
10 (P.Y.10) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of Rs. 100/- Each Fully Paid Up	1,000	1,000
10,200 (P.Y.10,200) Equity Shares of Panoli Enviro Technology Ltd. of Rs. 10/- Each Fully Paid Up	102,000	102,000
3,542 (P.Y.3,542) Equity Shares of Makarpura Ind.Est. Co-op. Bank Ltd. of Rs. 25/- Each Fully Paid Up	88,550	88,550
TOTAL OF TRADE INVESTMENTS	1,341,050	1,341,050
<u>OTHER NON CURRENT INVESTMENTS</u>		
<u>Unquoted</u>		
<u>Investment in Subsidiary Company</u>		
17,00,000 (P.Y. 17,00,000) Equity Shares of Bodal Agrotech Ltd. of Rs. 10/- Each Fully Paid Up	17,000,000	17,000,000
Total of Other Non-Current Investments	17,000,000	17,000,000
Total of Non-Current Investments	33,275,474	18,786,050
Aggregate of Quoted Investments:		
At Book value	14,934,424	445,000
At Market Price	13,060,000	1,035,500
Aggregate of Unquoted Investments:	18,341,050	18,341,050
Aggregate provision for diminution in value of investments	3,465	4,763,235



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

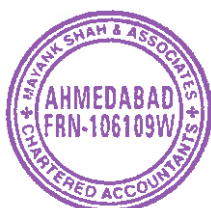
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Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
13 : LONG TERM LOANS & ADVANCES		
(Unsecured and Considered Good)		
Capital Advances	38,231,354	71,813,183
Security Deposits	6,736,467	5,473,034
Loans and Advances to Employees	3,794,171	4,233,990
Loans and Advances to related party (Refer Note 34 & 35)	47,031,478	47,353,336
Balance With Statutory Authorities	18,758,438	19,288,711
Advance Income Tax (Net)	82,352,928	33,470,406
Others*	Nil	28,421,230
Total	196,904,836	210,053,890
* Others include Advance to others and Insurance Claim receivable.		

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
14 : OTHER NON-CURRENT ASSETS		
(Unsecured and Considered Good)		
Margin Money Deposits with bank with maturity after twelve months from the reporting date*	4,612,384	7,466,772
Total	4,612,384	7,466,772
* Held as lien by bank against bank guarantees and letters of credit.		



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

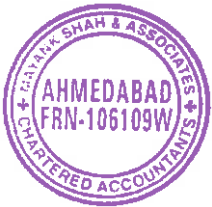
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Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
15 : INVENTORIES		
(Valued at the lower of cost and net realisable value)		
Raw Materials	224,543,374	449,507,986
Raw Materials in Transit	60,662,375	45,357,756
Finished Goods	112,304,757	244,913,831
Finished Goods in Transit	16,406,869	18,675,791
Stock In Process	331,604,882	431,248,666
Packing Materials	7,117,244	3,583,686
Packing Materials in Transit	120,746	Nil
Stock of Fuel	11,151,751	7,214,455
Stores and Spares	15,652,827	20,790,747
Total	779,564,825	1,221,292,918

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
16 : TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the due date for payment		
Unsecured & Considered Good	119,738,296	166,157,355
Trade receivables outstanding for a period less than six months from the due date for payment		
Unsecured & Considered Good (Note 16.1)	1,852,211,337	2,096,905,915
Total	1,971,949,633	2,263,063,270
16.1 Trade Receivables include Rs. Nil (P.Y. Rs. 239,641,864) to related parties. (refer note 35)		



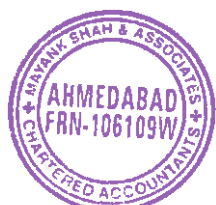
BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)		
PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
17 : CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash on hand	1,542,582	2,467,382
Balance with Banks in current accounts	10,220,858	7,057,758
	11,763,440	9,525,140
Other Bank Balances		
Margin Money Deposits with bank with maturity of more than three months but less than twelve months*	16,523,171	22,549,683
Unclaimed Dividend Accounts	1,568,041	2,043,784
Unclaimed Share Application Account	39,881	39,881
	18,131,093	24,633,348
Total	29,894,533	34,158,488
* Held as lien by bank against bank guarantees and letters of credit.		

Amount (In Rs.)		
PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
18 : SHORT TERM LOANS & ADVANCES		
(Unsecured & considered good)		
Advance to Suppliers of Goods (Note 18.1)	107,781,106	58,299,069
Advance to Suppliers of Expenses	10,454,029	7,325,900
Balance with Statutory Authorities	266,978,060	269,654,652
Loans and Advances to Employees	10,025,651	7,203,914
Others (Note 18.2)	18,634,890	18,647,331
Total	413,873,736	361,130,866
18.1 Advances to supplier of goods include Rs. 17,193,772 (P.Y. Nil) to related parties. (refer note 35)		
18.2 Others include Advance to others, Tour Advances, Gratuity Planned Assets (Net), Income Receivables and Prepaid Expenses .		

Amount (In Rs.)		
PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
19 : OTHER CURRENT ASSETS		
Fair Value of Foreign Exchange Forward Contracts	1,983,757	30,457,676
Export Incentives Recivables	27,606,560	59,607,322
Other Receivables (Note 19.1)	2,491,834	NIL
Total	32,082,151	90,064,998
19.1 Other receivables include Licences on Hand (at cost) and other receivables		



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

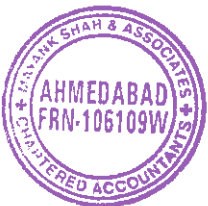
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Amount (In Rs.)

PARTICULARS	2014-15	2013-14
20 : REVENUE FROM OPERATIONS		
Sale of products	11,188,912,785	10,271,986,010
Less : Excise Duty	830,864,367	776,091,406
Sale of products (net)	10,358,048,418	9,495,894,604
Other Operating Income	95,073,792	99,075,276
Total	10,453,122,210	9,594,969,880
20.1 Details of Sales of Products (Rs. In Lacs)		
Vinyl Sulphone	16,213.69	17,186.44
H Acid	28,427.33	12,630.86
Reactive / Acid Dyes Sales	33,480.38	29,581.90
Raw Materials Sales	1,545.93	8,039.98
Sale of Stock in Trade	3,017.61	2,402.06
Others	20,895.55	25,117.70
Total of Sale of Products (Net)	103,580.48	94,958.95
20.2 Other operating income includes export benefit, scrap sales, etc.		

Amount (In Rs.)

PARTICULARS	2014-15	2013-14
21 : OTHER INCOME		
Interest Income		
On Deposits	5,195,684	5,821,550
On Others	3,976,964	6,682,631
Profit on sales of Investment	734,114	Nil
Write-back of Provision of Dimunition	3,174,461	Nil
Profit on sales of Assets	444,549	Nil
Prior Period Items	2,602	1,734,030
Dividend Income - from Non-Current Investments	246,733	208,418
Grant Income recognised	Nil	133,695
Premium / Discount on Forward Contracts	33,208,548	22,490,823
Other Income	195,412	Nil
Total	47,179,067	37,071,147



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)

PARTICULARS	2014-15	2013-14
22 : COST OF MATERIALS CONSUMED		
Opening Stock	494,865,742	207,381,661
Add. Purchases during the year	5,869,248,556	6,503,230,286
	6,364,114,298	6,710,611,947
Less : Closing Stock	285,205,749	494,865,742
Total	6,078,908,549	6,215,746,205
22.1 Major Raw Materials consumed (Rs. In Lacs)		
Sulphur	4,186.05	2,864.93
Napthelene	5,233.60	7,164.69
Aniline Oil	2,983.16	3,894.37
H Acid	16,054.92	11,397.50
Caustic Soda Flakes	2,324.47	2,669.44
Caustic Soda Lye	1,230.90	1,487.80
Ethylene Oxide	2,232.08	2,180.38
Acetanilide	599.31	495.99
Others	25,944.60	30,002.36
	60,789.09	62,157.46
22.2 Composition of Materials Consumed (Rs.)		
	2014-15	2013-14
Imported	498,935,019 8.21%	656,504,806 10.56%
Indigenous	5,579,973,530 91.79%	5,559,241,399 89.44%
Total	6,078,908,549 100.00%	6,215,746,205 100.00%

Amount (In Rs.)

PARTICULARS	2014-15	2013-14
23 : PURCHASE OF STOCK IN TRADE		
Purchase of Stock in Trade	299,820,123	237,829,704
Total	299,820,123	237,829,704

Amount (In Rs.)

PARTICULARS	2014-15	2013-14
24 : CHANGES IN INVENTORIES		
Inventories at the end of the year		
Finished Goods	128,711,626	263,589,622
Stock In Process	331,604,882	431,248,666
Total (A)	460,316,508	694,838,288
Inventories at the beginning of the year		
Finished Goods	263,589,622	50,145,795
Stock In Process	431,248,666	316,794,698
Total (B)	694,838,288	366,940,493
Total (A) - (B)	234,521,780	(327,897,795)
Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of Finished Goods	34,095,721	(48,528,885)
Total	200,426,059	(279,368,910)

BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)

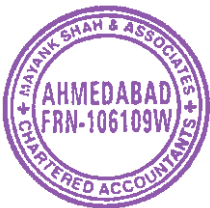
PARTICULARS	2014-15	2013-14
25 : EMPLOYEE BENEFIT EXPENSES		
Salary, Wages & Bonus	551,561,177	351,245,481
Contribution to Provident & Other Funds(Refer Note 33)	18,372,334	12,469,767
Staff Welfare Expenses	20,012,848	16,585,683
Total	589,946,359	380,300,931

Amount (In Rs.)

PARTICULARS	2014-15	2013-14
26 : FINANCE COSTS		
Bank Interest	257,870,222	439,151,063
Other Interest Expenses	1,390,187	10,508,266
Other Borrowing Cost	13,492,947	16,722,278
Total	272,753,356	466,381,607

Amount (In Rs.)

PARTICULARS	2014-15	2013-14
27 : DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Tangible Assets	220,112,713	250,982,198
Amortisation of Intangible Assets	2,366,592	1,560,969
Total	222,479,305	252,543,167



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)

PARTICULARS	2014-15	2013-14
28 : OTHER EXPENSES		
Manufacturing Expenses		
Power & Fuel Consumption	519,086,810	444,219,840
Stores Consumption (Note 28.3)	73,493,502	64,054,082
Repairs to		
Machinery	200,564,947	150,690,111
Building	25,875,591	9,155,964
Pollution Control Expenses	73,876,897	48,325,854
Insurance Expenses	4,146,533	3,434,159
Other Manufacturing Expenses	51,299,129	37,926,944
Administrative & General Expenses		
Insurance Expenses	1,840,454	1,440,289
Rent & Tax	2,751,924	3,086,099
Legal & Professional Fees (Note 28.1)	19,040,792	18,683,027
Loss on Disposal of Assets	Nil	1,146,241
Loss Due To Fire	Nil	84,672
Exchange Rate Difference (Net)	24,828,452	43,605,283
Other Administrative & General Expenses (Note 28.2)	71,112,511	64,788,713
Selling & Distribution Expenses		
Packing Material Consumption (Note 28.3)	66,377,648	84,522,853
Clearing & Forwarding Charges	47,471,515	54,511,952
Sales Commission	105,444,513	54,141,915
Outward Freight Expenses	57,518,867	38,877,020
Bad Debts Written off	64,433,448	2,328,581
Other Selling and Distribution expenses	32,199,993	25,390,934
Total	1,441,363,526	1,150,414,533

28.1 Legal & Professional Fees includes payment to auditors (excluding service tax) as below:

Amount (In Rs.)

	2014-15	2013-14
I) As Statutory Auditors	1,000,000	1,000,000
II) Other Services	500,000	500,000

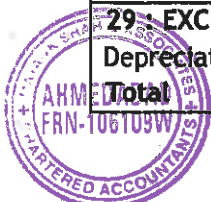
28.2 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof : Rs.31.29 lakhs included in other administrative & general expenses.

28.3 Composition of Stores and Packing Materials Consumption (Amt. in Rs.)

	2014-15		2013-14	
Imported	Nil	Nil	471,716	0.32%
Indigenous	139,871,150	100.00%	148,105,219	99.68%
Total	139,871,150	100.00%	148,576,935	100.00%

Amount (In Rs.)

PARTICULARS	2014-15	2013-14
29 : EXCEPTIONAL ITEMS		
Depreciation due to change of Method	Nil	737,358,142
Total	Nil	737,358,142



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

30 Contingent Liabilities and Commitments (to the extent not provided for)

	As at 31 st March, 2015	Amount (Rs.) As at 31 st March, 2014
(a) Contingent Liabilities		
1) Disputed matters in appeals/contested in respectof:		
i. Income Tax	26,831,457/-	40,505,870/-
ii. Excise	19,344,502/-	18,375,029/-
iii. Service Tax	386,419/-	386,419/-
iv. Customs Department	1,170,696/-	1,170,696/-

Future cash outflows in respect of the above are determinable only on receipt of Judgments /decisions pending with various forums/authorities. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

2) Letter of Credit	66,919,410/-	81,257,670/-
3) Bank Guarantee	47,177,773/-	43,228,685/-

(b) Commitments

i. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances	8,284,881/-	68,350,520/-
--	-------------	--------------

31 Derivative Instruments and Un-hedged Foreign Currency Exposure

The company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contract outstanding as at 31st March, 2015 are as under,

Category	Currency	Buy/sell	ForeignCurrency Value	Foreign Currency Value (In Rs.)
Forward Contract	USD	Sell	\$6,192,802	Rs.387,612,431

Details of un-hedged foreign currency exposure as on 31/03/2015

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	Amount (in Original Currency)	Amount (in Rs.)	Amount (in Original Currency)	Amount (in Rs.)
Payable				
USD	4,481,353	280,491,457	2,793,418	167,883,867
EURO	10,358	699,244	66,317	5,476,232
		281,190,701		173,360,099

BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	Amount (in Original Currency)	Amount (in Rs.)	Amount (in Original Currency)	Amount (in Rs.)
Receivable				
USD	Nil	Nil	752,385	45,218,194
EURO	32,800	2,214,341	Nil	Nil
		2,214,341		45,218,194

32 Grant from World Bank

Government grants related to depreciable fixed assets was treated as deferred income which was recognised in the statement of profit and loss over the useful life of the asset. During the year the Company has changed the method of recognizing the government grant. Grants related to specific fixed assets are presented in balance sheet by showing the opening balance of deferred grant as a deduction from the gross value of the assets concerned in arriving at their book value. Thus grant is recognised in the statement of profit and loss over the useful life of a depreciable asset by way of a reduced depreciation charge. This change results in more appropriate preparation and presentation of financial statements of the Company.

33 Employees' Benefits

Defined Benefit Plan

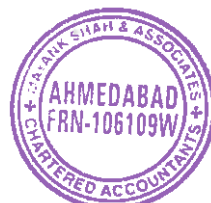
Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India and Star Union Dai-ichi Life insurance company in the form of qualifying insurance policy.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the company's financial statements based on actuarial valuations being carried out as at 31st March 2015.

	As at 31 st March, 2015	Amount (Rs.) As at 31 st March, 2014
Change in present value of obligations		
Present value of obligations as at beginning of year	11658219	10434072
Interest cost	935259	834726
Current Service Cost	402355	2613327
Benefits Paid	(439987)	(431976)
Actuarial (gain)/Loss on obligations	5638648	(1791930)
Present value of obligations as at end of year	18194494	11658219

	As at 31 st March, 2015	As at 31 st March, 2014
Change in the fair value of plan assets		
Fair value of plan assets at beginning of year	15846394	10075144
Expected return on plan assets	1475424	1081892
Employers Contributions	6066237	5121334
Benefits paid	(439987)	(431976)
Actuarial (gain)/Loss on plan assets	Nil	Nil
Fair value of plan assets at the end of year	22948068	15846394



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Net Gratuity Cost	As at 31 st March, 2015	As at 31 st March, 2014
Current Service cost	402355	2613327
Interest Cost	935259	834726
Expected return on plan assets	(1475424)	(1081892)
Net Actuarial (gain)/Loss recognised in the year	5638648	(1791930)
Net Gratuity Cost	5500838	574231

Actual Return on Plan Assets	As at 31 st March, 2015	As at 31 st March, 2014
Expected return on plan assets	1475424	1081892
Actuarial Gain/(Loss) on plan assets	Nil	Nil
Actual return on plan assets	1475424	1081892

Balance Sheet Reconciliation	As at 31 st March, 2015	As at 31 st March, 2014
Net Liability/(Asset), beginning of the year	(4188175)	358928
Gratuity Cost as above	5500838	574231
Employers Contribution	(6066237)	(5121334)
Amount recognised in the Balance Sheet-Current	(4753574)	(4188175)

Category of Assets	As at 31 st March, 2015	As at 31 st March, 2014
Insurer Managed Funds (100%)	22948068	15846394

Assumptions	As at 31 st March, 2015	As at 31 st March, 2014
Discount Rate	8%	8%
Salary Escalation	7%	7%

The estimated future salary increases take account of inflation, seniority, promotion and other retirement factors such as supply and demand in the employment markets.

Amount recognised in current year and previous four years

Particulars	As at 31 st March				
	2015	2014	2013	2012	2011
Defined Benefit Obligation	18,194,494	11,658,219	10,434,072	7,590,014	5,452,826
Fair Value of Plan Assets	22,948,068	15,846,394	10,075,144	9,125,156	8,548,468
(Surplus) / Deficit in the plan	(4,753,574)	(4,188,175)	358,928	(1,535,142)	(3,095,642)
Actuarial (gain) / loss on plan obligation	5,638,648	(1,791,930)	(224,297)	(525,505)	439,662
Actuarial (gain) / loss on plan assets	Nil	Nil	Nil	Nil	Nil
Discount Rate	8%	8%	8%	8%	8%
Salary Escalation	7%	7%	7%	7%	7%

BODAL CHEMICALS LTD.**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

Continued.....

The expected contributions for Defined Benefit Plan for the next financial year will be in line with F.Y. 2014-15

b) Defined Contribution Plan

The company has recognized the following amount in statement of profit and loss which is included under contribution to funds.

Amount in Rs.

Particulars	2014-15	2013-14
Employer's contribution to Provident Fund	10,997,825	9,543,116
Employer's contribution to E.S.I.	1,691,308	2,078,619

34 Disclosure pursuant to Clause 32 of the Equity Listing Agreement and Section 186 of the Companies Act, 2013

Particulars	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Loans and advances in the nature of Loans to wholly owned Subsidiary : Bodal Agrotech Ltd.		
Balance at the year end	47,031,478	47,353,336
Maximum amount outstanding at any time during the year	47,353,336	49,340,478

35 Related Party Disclosure**a) Names of related parties and nature of relationship****I. Key Management Personnel (KMP)**

1. Shri Suresh J. Patel	Chairman & Managing Director
2. Shri Bhavin S. Patel	Executive Director
3. Shri Ankit S. Patel	Executive Director
4. Shri Mayur B. Padhya	Chief Financial Officer
5. Shri Ashutosh B. Bhatt	Company Secretary

II. Enterprise under significant influence of key management personnel (Enterprise)

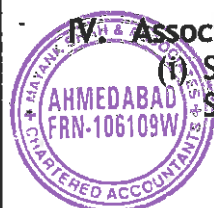
- (i) Shanti Inorgo Chem (Guj.) Pvt. Ltd.
- (ii) Siskaa Chemicals Ltd. (Associate concern till 01/04/2013)
- (iii) Rudraksh Caterers Pvt. Ltd.

III. Wholly-owned Subsidiary Company (WOS)

- (i) Bodal Agrotech Ltd.

IV. Associates

- (i) Sun Agrigenetics Pvt. Ltd. (Associate Concern Till 24/02/2015 and Fellow Subsidiary Company (FS) till 07/03/2014)



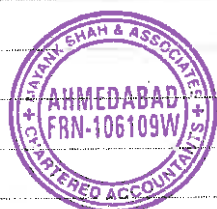
BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

b) Transactions with related parties

Related party disclosure	Relationship	2014-2015	2013-2014
Remuneration			
Shri Suresh J. Patel	KMP	10,800,000	4,800,000
Shri Bhavin S. Patel	KMP	7,200,000	1,800,000
Shri Ankit S. Patel	KMP	7,200,000	1,800,000
Shri Mayur B. Padhya	KMP	2,360,707	1,358,880
Shri Ashutosh B. Bhatt	KMP	372,284	245,889
Loan Given			
Bodal Agrotech Ltd.	WOS	Nil	49,380,720
Loan Received Back			
Bodal Agrotech Ltd.	WOS	340,000	2,058,512
Loan Repaid			
Shri Suresh J. Patel	KMP	50,000	Nil
Purchases of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	8,670,908	5,665,126
Siskaa Chemicals Ltd.	Enterprise	N.A.	62,724,157
Rent Expense			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	25,000	60,000
Cash Discount			
Siskaa Chemicals Ltd.	Enterprise	N.A.	852,760
A.G.M. Expenses			
Rudraksh Caterers OPvt. Ltd.	Enterprise	58,005	Nil
Business Development Expenses			
Rudraksh Caterers Pvt. Ltd.	Enterprise	273,911	Nil
Canteen Expenses			
Rudraksh Caterers Pvt. Ltd.	Enterprise	227,459	Nil
Commission Paid			
Siskaa Chemicals Ltd.	Enterprise	N.A.	49,874
Shri Suresh J. Patel	KMP	40,000,000	9,000,000
Shri Bhavin S. Patel	KMP	30,000,000	Nil
Shri Ankit S. Patel	KMP	30,000,000	Nil
Freight on sales			
Siskaa Chemicals Ltd.	Enterprise	N.A.	352,460
Business Support Service Income			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	120,000	Nil
Sales of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	66,00,683	12,83,221
Siskaa Chemicals Ltd.	Enterprise	N.A.	477,616,814



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

(c) Related Party Balances as at the year end.

Amounts Payable			
As Loan from Director			
Shri Suresh J. Patel	KMP	Nil	50,000
As Trade Payables			
Rudraksh Caterers Pvt. Ltd.	Enterprise	93,307	Nil
Amounts Receivable			
As Advance Given To Supplier			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	1,71,93,772	Nil
As Trade Receivables			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	Nil	4,40,00,616
Bodal Agrotech Ltd.	WOS	Nil	18,142
Siskaa Chemicals Ltd.	Enterprise	N.A.	195,623,106
As Loan To Subsidiary			
Bodal Agrotech Ltd.	WOS	4,70,31,478	4,73,53,336

Notes:-

- (i) Loan to subsidiary has been given for acquisition of assets and other business purposes and has been utilized for the same.
- (ii) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

36 Segment Reporting:

The Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per Accounting Standard 17. The Company is principally engaged in a single business segment viz., "Dyes, Dyes Intermediates and Basic Chemicals".

The geographical segment has been considered for disclosure as secondary segment.

Two secondary segments have been identified based on the geographical locations of customers i.e. domestic and export. Information about geographical segments are as below,

Amount (Rs.)

	2014-15			2013-14		
	Domestic Operations	External Operations	Total	Domestic Operations	External Operations	Total
Segment Revenue	6,361,578,081	4,091,544,129	10,453,122,210	6,246,466,544	3,348,503,336	9,594,969,880
Carrying Cost of Segment Assets	4,734,272,122	657,761,774	5,392,033,896	5,110,656,222	862,615,813	5,973,272,075
Capital Expenditure during the year	388,204,253	Nil	388,204,253	110,585,238	Nil	110,585,238

BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

- a) Revenue from external operations comprises of income from sale of products, and other operating revenues.
- b) Carrying amount of segment assets comprises of non-current assets and current assets identified to the respective segments. However Segments assets in India also includes certain common assets used to generate revenue in both segments but not feasible of allocation.
- c) Capital expenditure during the year represents net additions to Tangible and Intangible assets and movement in Capital work in progress.

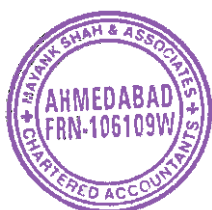
37 Earnings per Equity Share

	Amount (Rs.)	
	2014-15	2013-14
Net Profit/(Loss) after Tax as per statement of Profit and Loss	920,165,420	306,533,260
Weighted average number of Equity Shares	109,107,370	109,107,370
Basic and Diluted Earnings per Share	8.43	2.81
Nominal Value per Share	2	2

38 Value of Imports on CIF Basis	2014-15 (in Rs.)	2013-14 (in Rs.)
Raw Materials	492,746,367	645,453,859

39 Earning in Foreign Currency	2014-15 (in Rs.)	2013-14 (in Rs.)
F.O.B. Value of Exports	4,039,050,888	3,265,764,259

40 Expenditure in Foreign Currency	2014-15 (in Rs.)	2013-14 (in Rs.)
Travelling	1,884,284	519,578
Commission	76,321,188	36,668,638
Business Development Expense	1,149,620	233,842
Export Damage Claim	25,777	325,148
Bank Charges	3,976,427	5,648,909
Interest Expense	11,066,076	10,909,298
Cash Discount	1,376,646	411,867



BODAL CHEMICALS LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

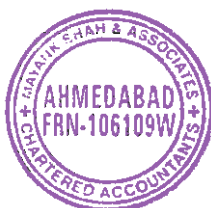
Continued.....

- 41 Previous year's figures have been rearranged and reclassified wherever necessary to Correspond with the current year.

As Per Our Report of even date attached

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No. 106109W

(M.S. Shah)
Partner
Membership No. 44093



Ahmedabad
May 30, 2015

For and on behalf of the Board

(Suresh J. Patel)
Chairman & Managing Director
DIN:00007400

(Mayur B. Padhya)
Chief Financial Officer

Ahmedabad
May 30, 2015

(Bhavin S. Patel)
Executive Director
DIN:00030464

(Ashutosh B. Bhatt)
Company Secretary

**MAYANK SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS**

**706, MAHAKANT
OPP.V.S.HOSPITAL,
ELLISBRIDGE,
AHMEDABAD-380006**

INDEPENDENT AUDITORS' REPORT

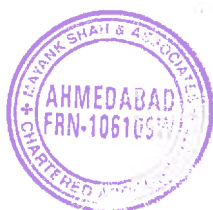
**TO THE MEMBERS OF
BODAL CHEMICALS LIMITED**

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of BODAL CHEMICALS LIMITED (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate company comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("the Rules") (particularly Accounting Standard 21 - Consolidated Financial Statements). The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

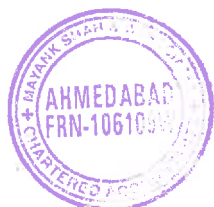


Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

OPINION

- i) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March 2017;
- ii) in the case of the Consolidated statement of Profit and Loss, of the Consolidated profits for the year ended on that date; and
- iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.



OTHER MATTERS

We did not audit the financial statements of subsidiary company, whose financial statements reflect total assets of Rs. 6,263.35 lakhs as at 31st March, 2017, total revenues of Rs. 8,113.08 lakhs and net cash flows amounting to Rs. 1,007.49 lakhs for the year ended on that date as considered in the Consolidated Financial statements. We did not audit the financial statements of associate included in the consolidated financial statements reflect Group's share of net loss of Rs. (2.89) lakhs for the period ended 31st March, 2017. These Financial Statements have been audited by other auditors whose report have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of subsidiary and associate and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary and associate, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of a subsidiary company, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and on the basis of the relevant assertion contained in the audit report on standalone financial statement which is incorporated in India, none of the



directors of the Group are disqualified as on 31st March, 2017 from being appointed as a director of that company in terms of sub section 2 of Section 164 of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding company, subsidiary company and its associated company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of subsidiary company, as noted in the 'Other Matter' paragraphs:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its Associate Company - Refer Note 30 to the consolidated financial statements.
- ii. The Group and its associate company, did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education & Protection Fund by the Holding Company, its Subsidiary company and its Associate company during the year ended 31st March, 2017.
- iv. The Group has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note 17.1 to the consolidated financial statements.

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No: 106109W



mesha
M.S. SHAH
Partner
Membership No. 44093

Ahmedabad
May 25, 2017

ANNEXUREA

to the Independent Auditors' Report - 31st March 2017 on the Consolidated Financial Statements

(Referred to our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

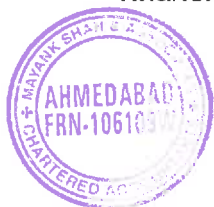
In conjunction with our audit of the consolidated financial statements of the Group and its associate as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of the BODAL CHEMICALS LIMITED (Holding Company), its subsidiary Company and its associate company, incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company, its subsidiary Company and its Associate Company, incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated



effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiary Company and its associated company incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



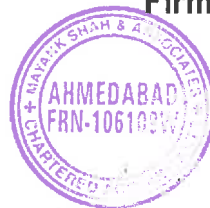
Opinion

In our opinion, the Holding Company, its subsidiary company and its associate company, incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary Company, incorporated in India considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary Company and one associate company, which are companies incorporated in India, is based on the corresponding report of the auditor of such companies.

Ahmedabad
May 25, 2017



For Mayank Shah & Associates
Chartered Accountants
Firm Registration No: 106109W

mshah

M.S. SHAH
Partner
Membership No. 44093

BODAL CHEMICALS LTD.
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	Notes	Amount (In Rs.)	
		As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds :			
Share Capital	3	218,214,740	218,214,740
Reserves and Surplus	4	3,374,389,573	2,127,766,809
		3,592,604,313	2,345,981,549
Minority Interest		17,613,572	Nil
Non-Current Liabilities			
Long-term borrowings	5	78,625,356	6,791,330
Deferred Tax Liability (Net)	6	189,573,754	153,656,195
		268,199,110	160,447,525
Current Liabilities			
Short-term borrowings	7	1,411,521,228	1,422,248,404
Trade Payables	8		
Due to Micro and Small Enterprises		8,092,954	5,993,709
Due to Others		1,545,600,763	1,040,825,863
Other Current Liabilities	9	103,175,655	78,427,375
Short Term Provisions	10	28,629,793	44,906,355
		3,097,020,393	2,592,401,706
Total		6,975,437,388	5,098,830,780
ASSETS			
Non - Current Assets :			
Fixed Assets	11		
Tangible Assets		2,206,693,972	1,909,847,127
Intangible Assets		8,114,470	9,630,204
Capital work-in-progress		91,668,478	2,721,753
		2,306,476,920	1,922,199,084
Non-Current Investments	12	125,043,702	16,275,474
Long Term Loans and Advances	13	468,111,455	85,618,890
Other Non-current assets	14	10,383,096	454,846
		2,910,015,173	2,024,548,294
Current Assets			
Inventories	15	1,308,183,913	898,018,463
Trade Receivables	16	2,305,490,286	1,666,789,250
Cash and Bank Balances	17	167,073,788	38,547,186
Short - Term Loans & Advances	18	248,506,566	423,838,400
Other Current Assets	19	36,167,662	47,089,187
		4,065,422,215	3,074,282,486
Total		6,975,437,388	5,098,830,780
Significant Accounting Policies	2		

Notes are an integral part of the financial statements

As Per Our Report of even date attached

For Mayank Shah & Associates

Chartered Accountants

Firm Registration No. 106109W

(M.S. Shah)
Partner

Membership No. 44093

Ahmedabad
May 25, 2017



For and on behalf of the Board of Directors

(Suresh J. Patel)
Chairman & Managing Director
DIN : 00007400

(Mayur B. Padhya)
Chief Financial Officer
Ahmedabad
May 25, 2017

(Ankit S. Patel)
Executive Director
DIN : 02173231

(Ashutosh B. Bhatt)
Company Secretary

BODAL CHEMICALS LTD.
CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Amount (In Rs.)			
PARTICULARS	Notes	YEAR 2016-17	Year 2015-16
INCOME			
Revenue from Operations			
Sale of Products	20A	13,282,976,444	9,759,708,577
Other Operating Income	20B	128,361,993	129,370,374
		13,411,338,437	9,889,078,951
Less : Excise Duty		1,048,368,497	789,915,153
		12,362,969,940	9,099,163,798
Other Income	21	68,293,730	119,701,007
Total Revenue		12,431,263,670	9,218,864,805
EXPENSES			
Cost of Materials Consumed	22	7,971,059,862	5,731,513,206
Purchases of Stock-in Trade	23	102,987,047	75,975,115
Changes in Inventories of Finished Goods and Stock in Process	24	(100,813,015)	(101,805,334)
Employee Benefits Expenses	25	428,683,131	367,895,906
Finance Costs	26	86,908,370	121,993,140
Depreciation and Amortisation expense	27	288,944,052	257,905,043
Other Expenses	28	1,703,118,079	1,527,677,715
Total Expenses		10,480,887,526	7,981,154,791
Profit Before Exceptional Items and Taxes		1,950,376,144	1,237,710,014
Exceptional Items	29	48,544,947	67,547,124
Profit Before Taxes		1,998,921,091	1,305,257,138
Tax Expenses			
Current Tax		664,020,067	408,891,047
Deferred Tax		36,353,059	31,059,117
Taxes of earlier years		12,095,996	5,441,384
		712,469,122	445,391,548
Profit for the year before share of Profit /(Loss) of Associate and Minority Interest		1,286,451,969	859,865,590
Less : Share of Loss of Associate of the Year		(288,782)	Nil
Profit before Minority Interest		1,286,163,187	859,865,590
Pre-Acquisition Profit adjusted against Capital Reserve		(227,341)	Nil
Minority Share in Profit		(100,460)	Nil
Net Profit for the year		1,285,835,386	859,865,590
Earnings per equity share (Face value of Rs.2)	36		
Basic and diluted		11.79	7.88
Significant Accounting Policies	2		
Notes are an integral part of the financial statements			

As Per Our Report of even date attached

For Mayank Shah & Associates

Chartered Accountants

Firm Registration No. 106109W

meeshah
(M.S. Shah)
Partner

Membership No. 44093

Ahmedabad
May 25, 2017



For and on behalf of the Board of Directors

Suresh J. Patel
(Suresh J. Patel)
Chairman & Managing Director
DIN : 00007400

Mayur B. Padhya
(Mayur B. Padhya)
Chief Financial Officer
Ahmedabad
May 25, 2017

Ankit S. Patel
(Ankit S. Patel)
Executive Director
DIN : 02173231

Ashutosh B. Bhatt
(Ashutosh B. Bhatt)
Company Secretary

BODAL CHEMICALS LTD.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2017

Amount (In Rs.)

PARTICULARS	Year 2016-17	Year 2015-16
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and after exceptional items	1,998,921,091	1,305,257,138
Adjustment for		
Depreciation and Amortisation	288,944,052	257,905,043
Recovery of Bad Debts	Nil	(59,232,393)
Unrealised Foreign Exchange Loss / (Gain)	(23,071,599)	(15,373,570)
Finance Cost	86,908,370	121,993,140
Exceptional Item	(48,544,947)	(67,547,124)
Provision for Diminution in Investments	Nil	1,536,095
(Profit)/Loss on Sale of Assets (Net)	3,386,302	(590,908)
Interest/Dividend/Rent received	(25,737,399)	(15,901,713)
Profit on sale of Investments	(5,488,073)	(96,773)
Operating Profit before Working Capital Changes	2,275,317,797	1,527,948,935
Adjustment for :		
(Increase) / Decrease in Trade Receivables	(591,843,896)	355,040,332
(Increase) / Decrease in Inventories	(311,416,712)	(118,453,638)
(Increase) / Decrease in Other Receivables	130,661,270	(43,610,364)
Increase / (Decrease) in Trade Payables	324,385,617	(51,142,571)
Cash generated from Operations	1,827,104,076	1,669,782,694
Direct Taxes Paid (Net of Refund)	697,836,778	357,509,036
Net Cash from Operating Activities (A)	1,129,267,298	1,312,273,658
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including Capital Work in Progress and capital advances	(589,004,638)	(244,060,062)
Sale proceeds of Tangible Assets	57,632,692	2,551,000
Loan given to Associated Concern	(158,119,746)	Nil
Interest/Dividend/Rent received	25,737,399	15,901,713
Sale proceed of Current Investment	1,085,488,073	220,096,773
Purchase of Current Investments	(1,080,000,000)	(220,000,000)
Purchase of Non-Current Investments	(5,000,000)	Nil
Investments in Associates	(104,057,010)	Nil
Net Cash used in Investing Activities (B)	(767,323,230)	(225,510,576)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	1,181,182	1,150,000
Repayment of Long Term Borrowings	(118,393,971)	(856,432,266)
Increase / (Decrease) in Short Term Borrowings	15,886,779	211,164,829
Redemption of Preference Share Capital	Nil	(250,000,000)
Finance Cost	(86,908,370)	(121,993,140)
Dividend Paid	(39,540,399)	(77,974,947)
Net Cash used in Financing Activities (C)	(227,774,779)	(1,094,085,524)



NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	134,169,289	(7,322,442)
Cash & Cash Equivalents at the beginning of the year	11,026,981	12,017,162
Cash & Cash Equivalents at the end of the year	145,196,270	4,694,720
As Per Our Report of even date attached Significant Accounting Policies as per Note 2 Notes are an integral part of the financial statements		
For Mayank Shah & Associates Chartered Accountants Firm Registration No. 106109W		
 (M.S. Shah) Partner Membership No. 44093		For and on behalf of the Board of Directors  (Suresh J. Patel) Chairman & Managing Director DIN:00007400
		 (Ankit S. Patel) Executive Director DIN:02173231
		 (Mayur B. Padhya) Chief Financial Officer Ahmedabad May 25,2017
		 (Ashutosh B. Bhatt) Company Secretary
Ahmedabad May 25,2017		

BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017.

1 General Information

1.1 The Consolidated Financial Statements present the consolidated accounts of Bodal Chemicals Ltd. and its Subsidiary SPS Processors Pvt. Ltd. (together constitute 'the Group') and associate Trion Chemicals Pvt. Ltd.

The list of Subsidiary and Associate which are included in the consolidation with their respective country of incorporation and the Group's holding therein, is given below:-

Name of the Company	Relationship	Country of Incorporation	Proportion of Ownership of Interest	
			31/03/2017	31/03/2016
SPS Processors Pvt. Ltd.	Subsidiary w.e.f 21th March, 2017	India	70.00	Nil
Trion Chemicals Pvt. Ltd.	Associate concern w.e.f 16 th March, 2017	India	41.51	Nil
Bodal Agrotech Limited*	Wholly owned subsidiary up to 31 st March, 2016	India	Nil	100.00

* Bodal Agrotech Ltd is amalgamated with Bodal Chemicals Ltd w.e.f 1st April, 2016

1.2 Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the Companies. Recognising this purpose, the Company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.

1.3 Disclosures mandated by Schedule III of the Companies Act, 2013, by way of additional information

Name of the Entities	Net Assets i.e. total assets minus total liabilities		Share in Profit / (Loss)	
	As % of consolidated net assets	Amount (Rs. in Lakhs)	As % of consolidated profit or loss	Amount (Rs. in Lakhs)
Parent				
Bodal Chemicals Ltd.	100.01%	35931.41	100.02%	12861.17
Subsidiary				
SPS Processors Pvt. Ltd. Ltd.	1.63%	587.12	0.00%	0.07
Associates				
Trion Chemicals Pvt. Ltd.			(0.02)	(2.89)
Inter-company eliminations & Consolidation adjustments	(1.64%)	(592.49)	Nil	Nil
Total	100.00%	35,926.04	100.00%	12,858.35

2 Significant Accounting Policies :**2.1 Principles of Consolidation**

The Consolidated Financial Statements present the consolidated accounts of Bodal Chemicals Ltd. ("the Company"), its Subsidiary SPS Processors Private Limited (together referred to as "the Group") and Group's share of Profit / Loss in its associate company. The Consolidated Financial Statements have been prepared on following basis :

i) The financial statements of the Company and its subsidiary company have been consolidated on a line-by-line basis by adding together the value of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions and resulting profits or losses in accordance with Accounting Standard (AS) 21 - "Consolidated financial Statements".

ii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible, are made in the consolidated financial statements and are presented to the extent possible, in the same manner as the Company's standalone financial statements.

iii) The difference between the cost of investments in the subsidiary over the net assets at the time of acquisition of shares in the subsidiary is recognized in the financial statements as Capital Reserve on Consolidation.

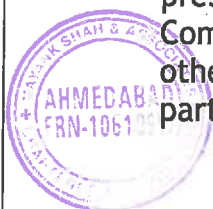
iv) Minority Interest's share in net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

v) An investment in associate company is accounted for using equity method in accordance with Accounting Standard (AS) 23 - "Accounting for Investments in Associates in consolidated financial statements". Accordingly, the share of profit/loss of the associate company (the loss being restricted to the cost of investment) has been added to/deducted from the cost of investments.

vi) The Company accounts for its share in the change in the net assets of the associate, post acquisition, after eliminating unrealised profits and losses resulting from the transaction.

2.2 Basis of Preparation of Financial Statements**a) Basis of Accounting**

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable and in particular Accounting Standard 21 (AS 21) - 'Consolidated Financial Statements'.



b) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revisions to accounting estimates are recognised prospectively in current and future periods.

c) Current / Non Current Classification

All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

2.3 Fixed Assets and Depreciation / Amortization**a) Tangible Assets**

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation on tangible fixed assets of the company is provided using Written Down Value Method on pro-rata basis at rates and in manner specified in Schedule II of the Companies Act, 2013 except based on technical analysis carried out by the management, remaining useful life in respect of certain plant & machineries situated at Unit-II, Unit-III & Unit-V is considered as 5 years.

b) Intangible Assets

The intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment loss, if any.



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017.

Continued.....

Intangible assets are amortized on a straight-line basis over their technically assessed useful lives, as mentioned below:

Intangible Assets	Estimated Useful Lives (Years)
Software	5
License	10
Website	5

c) Capital Work in Progress & Capital Advances

Cost of Assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances.

d) Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

2.4 Investments

Investments are classified into current and non-current investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments.

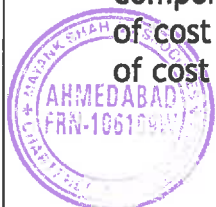
Current investments are carried at the lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Non-current investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss.

2.5 Inventories

(a) Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade of holding company are carried at the lower of cost and net realisable value after providing for obsolescence, if any. The comparison of cost and net realisable value is made on an item-by item basis.



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017.

Continued.....

Raw Materials, packing materials, stores and spares and consumables of subsidiary company are valued at cost. Work in progress of subsidiary company is valued at estimated cost.

(b) In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, First-in-First-Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.

(d) Materials in transit are valued at cost-to-date.

2.6 Transactions in Foreign Currency:

a) Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.

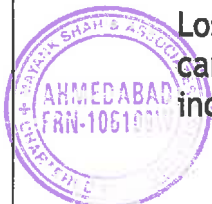
b) Measurement of foreign currency items at the Balance Sheet date:

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

c) Forward exchange contracts:

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.



2.7 Revenue Recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax/VAT and is net of returns & discounts. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognised separately as part of changes in inventories of finished goods, work in progress and stock in trade.

Export Incentives are recognised when the right to receive credit as per the terms of Incentives is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.

2.8 Employee Benefits**a) Short Term Employees Benefit**

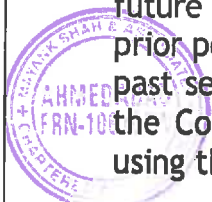
Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, short term compensated absences, ex-gratia, etc. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

b) Post Employment Benefit**Defined Contribution Plans :**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme and Employees' State Insurance Corporation (ESIC) which are a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans :

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method, which recognizes each period of service as giving



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017.

Continued.....

rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance sheet date.

The Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. The Company recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

The Company has funded its gratuity liability with Life Insurance Corporation of India (LIC) under the Group Gratuity Cash Accumulation Plan.

c) Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

2.9 Borrowing Cost

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, upto the date when the assets are ready for their intended use. All other borrowing costs are expensed in the period they occur.

2.10 Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.11 Taxes on Income

Income tax expenses comprise current and deferred taxes. Current tax is determined on income for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws and after considering

BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017.

Continued.....

credit for Minimum Alternate Tax (MAT) available under the said Act. MAT paid in accordance with the tax laws which gives future economic benefits in the form of adjustments to future tax liability, is considered as an asset if there is convincing evidence that the future economic benefit associated with it will flow to the Company resulting in payment of normal income tax.

Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that there is a reasonable certainty that there will be sufficient future taxable income to realise the assets. Deferred tax asset pertaining to unabsorbed depreciation and carry forward of losses are recognised only to the extent there is a virtual certainty of its realisation.

2.12 Governments Grants/Subsidy

Government Grants is recognized when there is a reasonable assurance that the company will comply with the conditions attached to them and grants will be received.

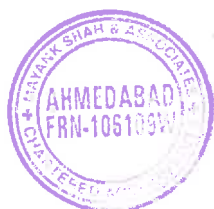
Grant related to depreciable assets is shown as a deduction from the gross value of the asset concerned in arriving at its book value. The grant is thus recognised in the profit and loss statement over the useful life of a depreciable asset by way of a reduced depreciation charge.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

2.13 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders after deducting preference dividends and attributable taxes by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earning 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, if any.



2.14 Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

2.15 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.16 Proposed Dividend

Dividend recommended by the Board of Directors is provided for in the accounts, pending approval at the Annual General Meeting.

2.17 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. The Group's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers.



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
3 : SHARE CAPITAL		
<u>Authorised Share Capital</u>		
13,50,00,000 (P.Y. 12,00,00,000) Equity Shares of Rs.2/- each	270,000,000	240,000,000
2,50,00,000 (P.Y. 2,50,00,000) Preference Share of Rs. 10/- each	250,000,000	250,000,000
	520,000,000	490,000,000
<u>Issued, Subscribed & Paid up Share Capital</u>		
10,91,07,370 Equity Shares of Rs. 2/- each (P. Y. 10,91,07,370 Equity Shares of Rs. 2/- each)	218,214,740	218,214,740
Total	218,214,740	218,214,740
3.1 Pursuant to the Scheme of Amalgamation u/s 391 to 394 of the Companies Act, 1956 and u/s 52 of the Companies Act, 2013 for amalgamation of Bodal Agrotech Ltd. (Transferor Company) with the Company, with effect from 1st April, 2016 (appointed date), as sanctioned by the Hon'ble High Court of Gujarat dated 11th November 2016, Authorised Share Capital of Bodal Agrotech Ltd. of Rs. 3,00,00,000/- has been added in the Authorised Share Capital of the Company.		
3.2 Reconciliation of the number of Shares		
	As at 31st March, 2017	As at 31st March, 2016
	No. of Shares	No. of Shares
Equity Shares		
Opening balance	109,107,370	109,107,370
Issued during the Year	Nil	Nil
Closing balance	109,107,370	109,107,370
Preference Shares		
Opening balance	Nil	25,000,000
Redeemed during the Year	Nil	25,000,000
Closing balance	Nil	Nil
3.3 Rights, preferences and restrictions attached to shares		
Equity shares		
The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.		



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

3.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company				
Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	% held	No. of Shares	% held
Equity Shares :				
Shri Suresh J. Patel	3,46,95,151	31.80	3,33,45,151	30.57
Shri Bhavin S. Patel	94,59,549	8.67	94,59,549	8.67
Shri Ankit S. Patel	65,36,550	5.99	65,36,550	5.99

3.5 The Board of Directors at its meeting held on 3rd August, 2016 declared an interim dividend of Re. 0.30 (Paise thirty only) per equity share of Rs. 2/- each. The total dividend appropriation for the year ended 31st March, 2017 amounted to Rs. 393.96 lacs including corporate dividend tax of Rs. 66.64 lacs.

3.6 The Board of Directors at its meeting held on 25th May, 2017 has recommended a final dividend of Re. 0.50 (Paise fifty only) per equity share for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting and if approved would result in a cash outflow of Rs. 656.60 lacs including corporate dividend tax of Rs. 111.06 lacs.

PARTICULARS	Amount (In Rs.)	
	As at 31st March, 2017	As at 31st March, 2016
4 : RESERVES & SURPLUS		
Capital Reserves on Consolidation	183,098	NIL
Capital Reserves		
At the commencement and at the end of the year	76,121,441	76,121,441
Capital Redemption Reserve Fund		
At the commencement of the year	289,671,460	39,671,460
Add : Transferred from Profit & Loss Account	Nil	250,000,000
At the end of the year	289,671,460	289,671,460
Securities Premium Account		
At the commencement and at the end of the year	222,035,976	222,035,976
General Reserve		
At the commencement and at the end of the year	138,858,089	138,858,089
Surplus / (Deficit) in the Statement of Profit and Loss		
At the commencement of the year	1,401,079,843	870,005,692
Add : Surplus during the year	1,285,835,386	859,865,590
	2,686,915,229	1,729,871,282
Less : Appropriations :		
Interim Dividend on Equity Shares	32,732,211	65,464,422
Tax on Dividends	6,663,509	13,327,017
Transfer to Capital Redemption Reserve	Nil	250,000,000
	39,395,720	328,791,439
At the end of the year	2,647,519,509	1,401,079,843
Total	3,374,389,573	2,127,766,809

BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
5 : LONG TERM BORROWINGS		
<u>Secured</u>		
Term loan from Banks	60,910,189	Nil
Term loan from Others	10,574,499	Nil
<u>Unsecured</u>		
Trade Deposits	7,140,668	6,791,330
Total	78,625,356	6,791,330
Current Maturities of Long Term Borrowings (Refer Note 9)	19,120,778	Nil
5.1 Term Loans from Banks & Others are secured by way of First charge ranking in each case with the other on all of the present & future Fixed Assets & a floating charge on remainder assets of the subsidiary company and Hyp. Of Inventories and Book Debts and personally guaranteed by the Directors of the subsidiary company.		

Amount (In Rs.)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
6 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Difference between book depreciation and tax depreciation	191,362,523	174,876,893
Expense claimed for tax purpose on payment basis	207,807	206,098
Deferred Tax Assets		
Unabsorbed Depreciation & c/f loss	Nil	(17,507,108)
Preliminary Expenses	(27,250)	Nil
Expenditure covered by section 43B of Income Tax Act, 1961	(1,969,326)	(3,919,688)
Total	189,573,754	153,656,195

Amount (In Rs.)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
7 : SHORT TERM BORROWINGS		
<u>Secured</u>		
<u>Repayable on Demand</u>		
Working Capital Loans from Banks	891,966,264	1,396,134,294
<u>Unsecured</u>		
Working Capital Loans from Banks	99,999,999	Nil
Loans From Directors	343,699,836	Nil
Loans From Corporates	75,855,129	26,114,110
Total	1,411,521,228	1,422,248,404

7.1 Working Capital Loans from Banks are secured by Hyp. Of Inventories, Book Debts and bills drawn under letter of credit and confirmed contracts and collaterally secured by equitable mortgage of Immovable property and Hyp. Of P&M of the company and personal guarantees of the Chairman and Managing Director and Executive directors.

7.2 Unsecured Working Capital Loan from Bank is personally guaranteed by Chairman and Managing Director and Executive directors.



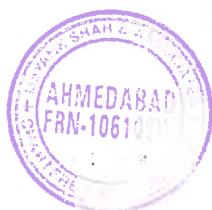
BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

Amount (In Rs.)		
PARTICULARS	As at 31st March,2017	As at 31st March,2016
8 : TRADE PAYABLES		
Due to Micro and Small Enterprises (Refer Note 40)	8,092,954	5,993,709
Due to Others (Note 8.1)	1,545,600,763	1,040,825,863
Total	1,553,693,717	1,046,819,572
8.1 Trade Payables include Rs. 33,775/- (P.Y. 82,557/-) to related parties (refer note 34)		

Amount (In Rs.)		
PARTICULARS	As at 31st March,2017	As at 31st March,2016
9 : OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt (Refer Note 5)	19,120,778	Nil
Advance Received from Customers	5,236,324	15,003,186
Unclaimed Dividends (Note 9.1)	2,239,854	2,384,533
Creditors for Capital Goods	22,220,234	22,365,960
Other Current Liabilities (Note 9.2)	9,918,241	10,997,404
Statutory Liabilities (Note 9.3)	44,440,224	27,676,292
Total	103,175,655	78,427,375
9.1 There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund as on 31st March 2017.		
9.2 Other Current Liabilities includes Deferred Premium, Interest payable, expenses payable etc.		
9.3 Statutory liabilities represent amounts payable towards VAT, CST, Excise duty and TDS etc.		

Amount (In Rs.)		
PARTICULARS	As at 31st March,2017	As at 31st March,2016
10 : SHORT TERM PROVISIONS		
Provision for Employee Benefits (Refer Note 32)	27,990,243	44,906,355
Provision for Income Tax	639,550	Nil
Total	28,629,793	44,906,355
10.1 Provision for Employee Benefits include Rs. 1,176,791/- (P.Y. 15,310,763/-) to related parties (refer note 34)		



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

11 : FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION / AMORTISATION					NET BLOCK	
	As At	Addition	Deduction	As At	As At	Addition	Deduction	As At	As At	As At
	01.04.2016			31.03.2017	01.04.2016			31.03.2017	31.03.2017	31.03.2016
TANGIBLE ASSETS :										
Land	145,286,358	5,831,025	427,568	150,689,815	Nil	Nil	Nil	Nil	150,689,815	110,634,450
Factory Building	846,733,611	64,178,854	1,710,760	909,201,705	384,801,323	45,877,567	1,239,501	429,439,389	479,762,316	431,210,754
Office Building	25,069,281	Nil	Nil	25,069,281	5,863,225	943,134	Nil	6,806,359	18,262,922	19,206,056
Plant & Machinery	3,251,797,276	280,262,234	19,252,232	3,512,807,278	1,809,667,152	218,638,992	15,001,805	2,013,304,339	1,499,502,939	1,307,759,641
Furniture & Fixture	47,524,444	1,841,920	15,723	49,350,641	37,254,857	3,353,858	14,254	40,594,461	8,756,180	10,227,408
Office Equipment	31,305,370	5,450,988	3,250	36,753,108	24,527,153	4,830,845	3,087	29,354,911	7,398,197	6,766,958
Vehicles	70,212,163	34,691,320	15,890,543	89,012,940	42,761,452	12,497,267	8,567,382	46,691,337	42,321,603	24,041,860
TOTAL (A)	4,417,928,503	392,256,341	37,300,076	4,772,884,768	2,304,875,162	286,141,663	24,826,029	2,566,190,796	2,206,693,972	1,909,847,127
INTANGIBLE ASSETS :										
Good will	104,680,098	Nil	Nil	104,680,098	104,680,098	Nil	Nil	104,680,098	Nil	Nil
Trade mark	91,062	Nil	Nil	91,062	91,062	Nil	Nil	91,062	Nil	Nil
Computer Software	5,662,643	1,286,655	Nil	6,949,298	3,432,869	1,133,090	Nil	4,565,959	2,383,339	2,229,774
Membership Fees	14,692,500	Nil	Nil	14,692,500	7,292,119	1,669,250	Nil	8,961,369	5,731,131	7,400,381
Website	92,050	Nil	Nil	92,050	92,001	49	Nil	92,050	Nil	49
TOTAL (B)	125,218,353	1,286,655	Nil	126,505,008	115,588,149	2,802,389	Nil	118,390,538	8,114,470	9,630,204
TOTAL (A+B)	4,543,146,856	393,542,996	37,300,076	4,899,389,776	2,420,463,311	288,944,052	24,826,029	2,684,581,334	2,214,808,442	1,919,477,331
PREVIOUS YEAR	4,039,204,083	281,881,238	11,808,647	4,309,276,674	2,141,742,855	257,905,043	9,848,555	2,389,799,343	1,919,477,331	1,897,461,228
Capital Work in Progress									91,668,478	2,721,753
TOTAL FIXED ASSETS									2,306,476,920	1,922,199,084

11.1. Opening Balance includes balance of wholly owned subsidiary - Bodal Agrotech Ltd. which is amalgamated with the company w.e.f. 01/04/2016.

11.2. Opening Balance includes balance of SPS Procesors Pvt. Ltd. (Subsidiary w.e.f. 21/03/2017)



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

PARTICULARS	Amount (In Rs.)	
	As at 31st March, 2017	As at 31st March, 2016
12 : NON - CURRENT INVESTMENTS		
LONG TERM INVESTMENTS		
TRADE INVESTMENTS		
Quoted		
100 (P.Y. 100) Equity Shares of Beta Nephthol Ltd. of Rs. 10/- Each Fully Paid Up	3,465	3,465
2,00,000 (P.Y. 1,00,000) Equity Shares of Bhageria Dye Chem Ltd. of Rs. 5/- Each (P.Y. Rs. 10/- Each) Fully Paid Up (Note 12.1)	14,934,424	14,934,424
	14,937,889	14,937,889
Less :		
Provision for diminution in Investments	3,465	3,465
Total	14,934,424	14,934,424
Unquoted		
250 (P.Y. 250) Equity Shares of Green Environment Ser. Co-op. Soc. Ltd. of Rs. 100/- each Fully Paid Up	25,000	25,000
112,350 (P.Y. 112,350) Equity Shares of Bharuch Enviro Infrastructure Ltd of Rs. 10/- each Fully Paid Up	1,123,500	1,123,500
100 (P.Y. 100) Equity Shares of Guj. Ind. Waste Mng. Co. Ltd. of Rs. 10/- Each Fully Paid Up	1,000	1,000
10 (P.Y. 10) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of Rs. 100/- Each Fully Paid Up	1,000	1,000
10,200 (P.Y. 10,200) Equity Shares of Panoli Enviro Technology Ltd. of Rs. 10/- Each Fully Paid Up	102,000	102,000
3,542 (P.Y. 3,542) Equity Shares of Makarpura Ind. Est. Co-op. Bank Ltd. of Rs. 25/- Each Fully Paid Up	88,550	88,550
TOTAL OF TRADE INVESTMENTS	1,341,050	1,341,050



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

<u>OTHER NON CURRENT INVESTMENTS</u>		
<u>Unquoted</u>		
<u>Investment in Associate Concern</u>		
29,05,701 (P.Y. Nil) Equity Shares of Trion Chemicals Pvt. Ltd. of Rs. 10/- Each Fully Paid Up (including goodwill of Rs. 1,43,64,833) (Refer note 44)	29,057,010	Nil
Less : Share of Loss upto 31/03/2017	(288,782)	
	28,768,228	
75,00,000 (P.Y. Nil) 9% Non-Cumulative Non-Convertible Preference Shares of Trion Chemicals Pvt. Ltd. of Rs. 10/- Each Fully Paid Up (Refer note 44)	75,000,000	Nil
<u>Other Investment</u>		
5,00,000 Units (P.Y. Nil) of Union Capital Protection Oriented Fund Series 7 - Regular Plan - Growth	5,000,000	Nil
Total of Other Non-Current Investments	108,768,228	Nil
Total of Non-Current Investments	125,043,702	16,275,474
Aggregate of Quoted Investments:		
At Book value	14,934,424	14,934,424
At Market Price	63,600,000	14,040,000
Aggregate of Unquoted Investments:	110,109,278	1,341,050
Aggregate provision for diminution in value of investments	3,465	3,465
12.1 1 (One) Equity Share of Bhageria Industries Ltd. of Rs. 10/- each is sub-divided into 2 (Two) Equity Shares of Rs. 5/- each fully paid-up with effect from October 27, 2016.		



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
13 : LONG TERM LOANS & ADVANCES (Unsecured and Considered Good)		
Capital Advances	136,675,562	30,854,462
Security Deposits	30,761,394	6,883,591
Loans and Advances to Employees	7,362,355	4,348,567
Loans and Advances to related party (Refer Note 33 & 34)	158,119,746	Nil
Balance With Statutory Authorities (Note 13.1)	60,229,213	18,301,500
Advance Income Tax (Net of Provision for Tax)	47,591,035	25,230,770
Advance for Purchase of Shares	27,372,150	Nil
Total	468,111,455	85,618,890

13.1 Balance with Statutory Authorities includes balances with Excise, Service Tax, Sales Tax, Customs Dept. etc.

Amount (In Rs.)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
14 : OTHER NON-CURRENT ASSETS (Unsecured and Considered Good)		
Term Deposits with maturity of more than twelve months	Nil	30,118
Margin Money Deposits with bank with maturity after twelve months from the reporting date*	10,383,096	424,728
Total	10,383,096	454,846

* Held as lien by bank against bank guarantees and letters of credit.



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

PARTICULARS	Amount (In Rs.)	
	As at 31st March, 2017	As at 31st March, 2016
15 : INVENTORIES		
(Valued at the lower of cost or net realisable value)		
a) Raw Materials	481,120,778	274,292,298
Raw Materials in Transit	86,150,892	17,241,045
	567,271,670	291,533,343
b) Finished Goods	180,388,156	101,991,401
Finished Goods in Transit	15,614,845	27,121,572
	196,003,001	129,112,973
c) Stock In Process	486,511,143	427,566,970
	486,511,143	427,566,970
d) Stock In Trade (in Transit)	4,469,420	Nil
	4,469,420	Nil
e) Packing Materials	5,938,337	6,747,987
Packing Materials in Transit	282,666	113,683
	6,221,003	6,861,670
f) Stock of Fuel	4,762,526	5,375,422
	4,762,526	5,375,422
g) Stores and Spares	42,945,150	37,568,085
	42,945,150	37,568,085
Total	1,308,183,913	898,018,463

PARTICULARS	Amount (In Rs.)	
	As at 31st March, 2017	As at 31st March, 2016
16 : TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the due date for payment		
Unsecured & Considered Good	114,243,815	147,990,413
Trade receivables outstanding for a period less than six months from the due date for payment		
Unsecured & Considered Good	2,191,246,471	1,518,798,837
Total	2,305,490,286	1,666,789,250
16.1 Trade Receivables include Rs. 22,728,621/- (P.Y. 9,126,448/-) to related parties. (refer note 34)		



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
17 : CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash on hand	2,002,286	888,518
Balance with Banks in current accounts	141,971,529	3,806,202
Cheques on Hand	1,222,455	Nil
	145,196,270	4,694,720
Other Bank Balances		
Margin Money Deposits with bank with maturity of more than three months but less than twelve months*	19,637,664	31,467,933
Unclaimed Dividend Accounts	2,239,854	2,384,533
	21,877,518	33,852,466
Total	167,073,788	38,547,186

* Held as lien by bank against bank guarantees and letters of credit.

17.1 Details of Specified Bank Notes (SBN) held and transacted during demonetisation period from 08-11-2016 to 30-12-2016

	SBNs (Rs.)	Other Denomination Notes (Rs.)	Total (Rs.)
Closing cash in hand as on 8-11-2016	3,759,000	810,190	4,569,190
(+) Permitted receipts	Nil	2,546,710	2,546,710
(-) Permitted payments	Nil	1,987,397	1,987,397
(-) Amount deposited in Banks	3,759,000	241,710	4,000,710
Closing cash in hand as on 30-12-2016	Nil	1,127,793	1,127,793

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Amount (In Rs.)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
18 : SHORT TERM LOANS & ADVANCES		
(Unsecured & considered good)		
Advance to Suppliers of Goods (Note 18.1)	66,709,727	55,617,177
Advance to Suppliers of Expenses	2,044,621	10,785,712
Balance with Statutory Authorities (Note 18.2)	145,757,829	201,363,916
Loans and Advances to Employees	18,876,888	16,836,700
Inter-Corporate Loans	Nil	119,175,222
Pre-paid Expenses	7,754,941	14,185,117
Others (Note 18.3)	7,362,560	5,874,556
Total	248,506,566	423,838,400

18.1 Advances to supplier of goods include Rs. 64,371,594/- (P.Y. 24,685,649/-) to related parties. (refer note 34)

18.2 Balance with Statutory Authorities includes balances with Excise, Service Tax, Sales Tax, etc.

18.3 Others include Tour Advances, Gratuity Planned Assets (Net), and Income Receivables.



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
19 : OTHER CURRENT ASSETS		
Fair Value of Foreign Exchange Forward Contracts	10,831,115	4,719,124
Export Incentives Recivables	25,194,755	42,288,282
Other Receivables	81,781	81,781
Licence on Hand (at Cost)	60,011	Nil
Total	36,167,662	47,089,187

Amount (In Rs.)

PARTICULARS	2016-17	2015-16
20 : REVENUE FROM OPERATIONS		
A) Sale of products	13,282,976,444	9,759,708,577
Less : Excise Duty	1,048,368,497	789,915,153
Sale of products (net)	12,234,607,947	8,969,793,424
B) Other Operating Income		
Export Incentives	117,293,173	107,903,447
Insurance claim for Goods Burnt	Nil	13,011,469
Scrap Sales	11,001,682	8,379,692
Brokerage Income	67,138	75,766
Total	128,361,993	129,370,374
Net Revenue From Operations	12,362,969,940	9,099,163,798

Amount (In Rs.)

PARTICULARS	2016-17	2015-16
21 : OTHER INCOME		
Interest Income		
On Deposits	3,019,734	2,157,568
On Others	22,826,088	13,244,145
Profit on sales of Investment	5,488,073	96,773
Profit on sales of Assets	48,248	590,908
Prior Period Items	406,371	70,257
Recovery of Bad Debts	Nil	59,232,393
Dividend Income - from Non-Current Investments	500,000	500,000
Exchange Rate Difference (Net)	16,651,113	Nil
Premium / Discount on Forward Contracts	14,015,641	18,546,388
Other Income	5,338,462	25,262,575
Total	68,293,730	119,701,007



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

		Amount (In Rs.)
PARTICULARS	2016-17	2015-16
22 : COST OF MATERIALS CONSUMED		
Opening Stock	368,571,899	285,205,749
Add: Purchases during the year	8,169,759,633	5,737,840,800
	8,538,331,532	6,023,046,549
Less : Closing Stock	567,271,670	291,533,343
Total	7,971,059,862	5,731,513,206

		Amount (In Rs.)
PARTICULARS	2016-17	2015-16
23 : PURCHASE OF STOCK IN TRADE		
Purchase of Stock in Trade	102,987,047	75,975,115
Total	102,987,047	75,975,115



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....
Amount (In Rs.)

PARTICULARS	2016-17	2015-16
24 : CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN PROCESS		
Inventories at the end of the year		
Finished Goods	196,003,001	129,112,973
Stock In Process	486,511,143	427,566,970
Stock - in Trade	4,469,420	Nil
Total (A)	686,983,564	556,679,943
Inventories at the beginning of the year		
Finished Goods	150,823,155	128,711,626
Stock In Process	427,566,970	331,604,882
Total (B)	578,390,125	460,316,508
Changes in Inventories	(108,593,439)	(96,363,435)
Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of Finished Goods	(7,780,424)	5,441,899
Changes In Inventories Of Finished Goods & Stock In Process	(100,813,015)	(101,805,334)

Amount (In Rs.)

PARTICULARS	2016-17	2015-16
25 : EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages & Bonus	375,990,365	325,877,008
Contribution to Provident & Other Funds(Refer Note 32)	24,299,998	17,379,740
Staff Welfare Expenses	28,392,768	24,639,158
Total	428,683,131	367,895,906

Amount (In Rs.)

PARTICULARS	2016-17	2015-16
26 : FINANCE COSTS		
Bank Interest	58,672,936	104,745,216
Other Interest Expenses	10,975,304	906,925
Other Borrowing Cost	17,260,130	16,340,999
Total	86,908,370	121,993,140

Amount (In Rs.)

PARTICULARS	2016-17	2015-16
27 : DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Tangible Assets	286,141,663	255,363,126
Amortisation on Intangible Assets	2,802,389	2,541,917
Total	288,944,052	257,905,043



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

		Amount (In Rs.)
PARTICULARS	2016-17	2015-16
28 : OTHER EXPENSES		
Stores Consumption	43,570,012	46,863,534
Power & Fuel Consumption	551,941,137	496,845,742
Repairs to		
Machinery	184,249,202	151,704,975
Building	15,771,648	14,481,997
Others	1,159,301	2,425,405
Pollution Control Expenses	136,507,491	83,858,590
Rent & Taxes	3,222,334	2,154,226
Labour Charges	174,879,367	148,026,828
Insurance Expenses	9,296,513	6,382,274
Loss Due To Fire	Nil	407,759
Corporate Social Responsibility Expenses	21,502,471	25,648,123
Directors' Sitting fees	500,000	550,000
Travelling & Vehicle Expense	24,480,810	21,248,179
Legal & Professional Fees	27,021,935	19,327,407
Loss on Disposal of Assets	3,434,550	Nil
Provision for diminution in investments	Nil	1,536,095
Exchange Rate Difference (Net)	Nil	48,040,503
Packing Material Consumption	97,015,962	86,534,489
Freight & Handling Charges	208,523,392	199,674,908
Advertisement & Business Promotion Expenses	21,079,247	11,925,650
Sales Commission	65,504,474	75,676,487
Cash Discount	19,306,871	22,946,791
Rebate and Discout	8,812,361	Nil
Other Expenses	85,339,001	61,417,753
Total	1,703,118,079	1,527,677,715

		Amount (In Rs.)
PARTICULARS	2016-17	2015-16
29 : EXCEPTIONAL ITEMS		
Profit from Sale of Unit-V (Refer Note 41)	48,544,947	Nil
Excess Provision Written Back	Nil	78,989,124
Loans & Advances written off	Nil	(11,442,000)
Total	48,544,947	67,547,124



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

30 Contingent Liabilities and Commitments (to the extent not provided for)

	Amount (Rs.)	
	As at 31 st March, 2017	As at 31 st March, 2016
(a) Contingent Liabilities		
1) Disputed matters in appeals/contested in respectof:		
i. Income Tax	30,115,941	29,605,773
ii. Excise	31,950,356	31,467,144
iii. Service Tax	393,419	613,312
iv. Customs Department	Nil	12,129
Future cash outflows in respect of the above are determinable only on receipt of Judgments /decisions pending with various forums/authorities. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.		
2) Letter of Credit issued by bankers and outstanding as on 31 st March, 2017.	91,502,061	59,502,729
3) Bank Guarantee issued by bankers and outstanding as on 31 st March, 2017.	47,797,416	52,740,601
4) Share in the Contingent Liabilities of Associate Company	10,980,226	Nil
(b) Commitments		
i. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances.	297,907,576	4,40,000

31 Derivative Instruments and Un-hedged Foreign Currency Exposure

The company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contract outstanding as at 31st March, 2017 are as under,

Category	Currency	Buy/sell	ForeignCurrency Value	Foreign Currency Value (In Rs.)
Forward Contract	USD	Sell	4,195,876	272,054,726

Details of un-hedged foreign currency exposure as on 31/03/2017

Particulars	Currency	As at 31 st March, 2017		As at 31 st March, 2016	
		Amount (in Currency)	Amount (in Rs.)	Amount (in Currency)	Amount (in Rs.)
Payable	USD	3,763,901	244,046,071	2,705,470	179,461,666
Payable	EURO	12,537	868,127	10,358	777,807
Payable	AED	51,714	913,214	Nil	Nil
Receivable	USD	15,58,690	101,063,248	1,543,559	102,388,712
Receivable	EURO	12,166	842,466	Nil	Nil
Borrowings	USD	6,006,478	389,451,644	6,071,987	402,772,479

BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

32 Employees' Benefits

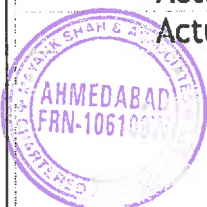
a) Defined Benefit Plan

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India and Star Union Dai-ichi Life insurance company in the form of qualifying insurance policy.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the company's financial statements based on actuarial valuations being carried out as at 31st March 2017.

	Amount (Rs.)	
	As at 31 st March, 2017	As at 31 st March, 2016
Change in present value of obligations		
Present value of obligations as at beginning of year	22,465,703	18,194,494
Interest cost	1,797,256	1,455,560
Current Service Cost	4,309,220	4,181,628
Benefits Paid	(1,575,615)	(354,640)
Actuarial (gain)/Loss on obligations	3,560,704	(1,011,339)
Present value of obligations as at end of year	30,557,268	22,465,703
Change in the fair value of plan assets	As at 31 st March, 2017	As at 31 st March, 2016
Fair value of plan assets at beginning of year	27,814,796	22,948,068
Expected return on plan assets	2,507,636	2,165,232
Employers Contributions	7,760,002	3,056,136
Benefits paid	(1,575,615)	(354,640)
Actuarial (gain)/Loss on plan assets	Nil	Nil
Fair value of plan assets at the end of year	36,506,819	27,814,796
Net Gratuity Cost	As at 31 st March, 2017	As at 31 st March, 2016
Current Service cost	4,309,220	4,181,628
Interest Cost	1,797,256	1,455,560
Expected return on plan assets	(2,507,636)	(2,165,232)
Net Actuarial (gain)/Loss recognised in the year	3,560,704	(1,011,339)
Net Gratuity Cost	7,159,544	2,460,617
Actual Return on Plan Assets	As at 31 st March, 2017	As at 31 st March, 2016
Expected return on plan assets	2,507,636	2165232
Actuarial Gain/(Loss) on plan assets	Nil	Nil
Actual return on plan assets	2,507,636	2165232



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Net (Asset)/Liability recognised in Balance Sheet	As at 31 st March, 2017	Continued..... As at 31 st March, 2016
Net Liability/(Asset), beginning of the year	(5,349,093)	(4753574)
Gratuity Cost as above	7,159,544	2460617
Employers Contribution	(7,760,002)	(3056136)
Amount recognised in the Balance Sheet	(5,949,551)	(5349093)
Category of Assets	As at 31 st March, 2017	As at 31 st March, 2016
Insurer Managed Funds (100%)	36,506,819	27814796
Assumptions	As at 31 st March, 2017	As at 31 st March, 2016
Discount Rate	8%	8%
Salary Escalation	7%	7%
The estimated future salary increases take account of inflation, seniority, promotion and other retirement factors such as supply and demand in the employment markets.		

Amount recognised in current year and previous four years

Particulars	Amount (Rs.)				
	As at 31 st March				
	2017	2016	2015	2014	2013
Defined Benefit Obligation	30,557,268	22,465,703	18,194,494	11,658,219	10,434,072
Fair Value of Plan Assets	36,506,819	27,814,796	22,948,068	15,846,394	10,075,144
(Surplus) / Deficit in the plan	(5,949,551)	(5,34,9093)	(4,753,574)	(4,188,175)	358,928
Acturial (gain) / loss on plan obligation	3,560,704	(1,011,339)	5,638,648	(1,791,930)	(224,297)
Acturial (gain) / loss on plan assets	Nil	Nil	Nil	Nil	Nil
Discount Rate	8%	8%	8%	8%	8%
Salary Escalation	7%	7%	7%	7%	7%

The expected contributions for Defined Benefit Plan for the next financial year will be in line with F.Y. 2016-17

No provision for payment of gratuity has been made by the subsidiary company as no employee has put in the qualifying period of service for entitlement of gratuity.



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

b) Defined Contribution Plan

The company has recognized the following amount in statement of profit and loss which is included under contribution to funds.

Particulars	Amount in Rs.	
	2016-17	2015-16
Employer's contribution to Provident Fund	15,331,419	13,130,219
Employer's contribution to E.S.I.	1,257,375	1,328,572

33 Disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

Loans and advances in the nature of Loans to associate.

Sr. No.	Particulars	Relationship	Amount (Rs.)	
			As at 31 st March, 2017	As at 31 st March, 2016
1	Trion Chemicals Pvt. Ltd.	Associate concern w.e.f 16 th March, 2017	158,119,746	Nil

- i) Loan to associate has been given for acquisition of assets and other business purposes.
- ii) The loanee does not have any investment in the shares of the Company.
- iii) There are no guarantees issued by the Company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.

34 Information on related party transactions as required by Accounting Standard (AS-18) on Related Party Disclosures for the year ended 31st March, 2017.**a) Names of related parties and nature of relationship****I. Key Management Personnel (KMP)**

1. Shri Suresh J. Patel	Chairman & Managing Director
2. Shri Bhavin S. Patel	Executive Director
3. Shri Ankit S. Patel	Executive Director
4. Shri Vijayant Mittal	Director
5. Shri Avinashkumar Jain	Director
6. Smt. Sonica Jain	Director
7. Shri Mayur B. Padhya	Chief Financial Officer
8. Shri Ashutosh B. Bhatt	Company Secretary

II. Enterprise under significant influence of key management personnel (Enterprise)

- (i) Shanti Inorgo Chem (Guj.) Pvt. Ltd.
- (ii) Rudraksh Caterers Pvt. Ltd.

III. Associate Concern (AC)

- (i) Trion Chemicals Pvt. Ltd. (W.e.f 16th March, 2017)

BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

b) Transactions with related parties

Related party disclosure	Relationship	2016-2017	2015-2016
Remuneration			
Shri Suresh J. Patel	KMP	11,021,946	11,827,020
Shri Bhavin S. Patel	KMP	7,239,600	7,435,826
Shri Ankit S. Patel	KMP	7,749,243	7,388,291
Shri Vijayant Mittal	KMP	720,000	Nil
Shri Avinashkumar Jain	KMP	720,000	Nil
Smt. Sonica Jain	KMP	450,000	Nil
Shri Mayur B. Padhya	KMP	3,135,363	2,299,503
Shri Ashutosh B. Bhatt	KMP	571,452	422,235
Loan Given			
Trion Chemicals Pvt. Ltd.	AC	192,403,498	Nil
Loan Received Back			
Trion Chemicals Pvt. Ltd.	AC	149,458,974	Nil
Loan Received			
Shri Suresh J. Patel	KMP	475,280,000	16,500,000
Shri Bhavin S. Patel	KMP	116,825,000	15,950,000
Shri Ankit S. Patel	KMP	5,000,000	13,028,000
Loan Repaid			
Shri Suresh J. Patel	KMP	237,105,164	16,500,000
Shri Bhavin S. Patel	KMP	13,900,000	15,950,000
Shri Ankit S. Patel	KMP	2,400,000	13,028,000
Purchases of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	1,168,837	14,728,479
Rent Expense			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	600,000	3,67,500
A.G.M. Expenses			
Rudraksh Caterers Pvt. Ltd.	Enterprise	34,772	24,390
Business Development Expenses			
Rudraksh Caterers Pvt. Ltd.	Enterprise	10,900	86,720
Canteen Expenses			
Rudraksh Caterers Pvt. Ltd.	Enterprise	724,232	390,082
Commission Paid			
Shri Ankit S. Patel	KMP	Nil	20,463,354
Dividend Paid			
Shri Suresh J. Patel	KMP	10,003,545	20,007,090
Shri Bhavin S. Patel	KMP	2,837,865	5,245,826
Shri Ankit S. Patel	KMP	1,963,965	3,371,930
Shri Mayur B. Padhya	KMP	58,529	117,057



BODAL CHEMICALS LTD.

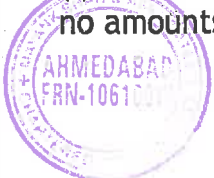
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

Interest Income			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	Nil	801,922
Trion Chemicals Pvt. Ltd.	AC	19,589,742	Nil
Sales of Asset			
Trion Chemicals Pvt. Ltd.	AC	273,484	Nil
Sales of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	34,118,438	43,670,854
Related Party Balances as at the year end.			
Amount Payable			
As Unsecured Loan			
Shri Suresh J. Patel	KMP	238,174,836	Nil
Shri Bhavin S. Patel	KMP	102,925,000	Nil
Shri Ankit S. Patel	KMP	2,600,000	Nil
As Trade Payables			
Rudraksh Caterers Pvt. Ltd.	Enterprise	33,775	82,557
As Short Term Provisions			
Shri Suresh J. Patel	KMP	3,09,130	687,800
Shri Bhavin S. Patel	KMP	4,23,800	599,800
Shri Ankit S. Patel	KMP	2,65,500	13,869,800
Shri Mayur B. Padhya	KMP	1,39,140	118,342
Shri Ashutosh B. Bhatt	KMP	39,221	35,021
As Investment			
As Equity shares			
Trion Chemicals Pvt. Ltd.	AC	29,057,010	Nil
As Preference shares			
Trion Chemicals Pvt. Ltd.	AC	75,000,000	Nil
Amounts Receivable			
As Trade Receivables			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	22,728,621	9,126,448
As Advance Given to Supplier			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	41,642,973	15,559,201
As Loan to Associate concern			
Trion Chemicals Pvt. Ltd.	AC	158,119,746	Nil

Notes:-

(i) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

35 Segment Reporting:

The geographical segment has been considered for disclosure as secondary segment.

Two secondary segments have been identified based on the geographical locations of customers i.e. domestic and export. Information about geographical segments are as below.

	Amount (Rs.)					
	2016-17			2015-16		
	Domestic Operations	External Operations	Total	Domestic Operations	External Operations	Total
Segment Revenue	8,873,769,110	3,489,200,830	12,362,969,940	6,089,304,308	3,009,859,490	9,099,163,798
Carrying Cost of Segment Assets	6,470,374,646	505,062,742	6,975,437,388	4,667,680,409	431,150,372	5,098,830,780
Capital Expenditure during the year	482,489,721	Nil	482,489,721	251,436,954	Nil	251,436,954

- a) Revenue from external operations comprises of income from sale of products, and other operating revenues.
- b) Carrying amount of segment assets comprises of non-current assets and current assets identified to the respective segments. However Segments assets in India also includes certain common assets used to generate revenue in both segments but not feasible of allocation.
- c) Capital expenditure during the year represents net additions to Tangible and Intangible assets and movement in Capital work in progress.

36 Earnings per Equity Share	Amount (Rs.)	
	2016-17	2015-16
Net Profit/(Loss) after Tax as per statement of Profit and Loss	1,285,835,386	859,865,590
Weighted average number of Equity Shares	109,107,370	109,107,370
Basic and Diluted Earnings per Share	11.79	7.88
Nominal Value per Share	2	2



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

37 Value of Imports on CIF Basis		Amount (Rs.)	
		2016-17	2015-16
Raw Materials		744,715,078	427,193,843
Other Materials		1,034,317	Nil
Capital Goods		4,026,824	Nil

38 Earning in Foreign Currency		Amount (Rs.)	
		2016-17	2015-16
F.O.B. Value of Exports		3,410,309,999	2,934,707,212

39 Expenditure in Foreign Currency		Amount (Rs.)	
		2016-17	2015-16
Travelling		2,607,996	1,924,655
Commission		41,407,708	40,393,851
Business Development Expense		2,315,313	478,938
Bank Charges		7,026,720	5,311,751
Interest Expense		11,398,251	9,940,823
Repairs to Machinery		Nil	655,088
Other Selling Expense		66,937	537,022
Cash Discount		80,318	269,685



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Continued.....

40 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2016-17, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

Particulars	As at 31st March, 2017	As at 31st March, 2016
a. Principal and interest amount remaining unpaid	8,092,954	5,993,709
b. Interest due thereon remaining unpaid	-	-
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
e. Interest accrued and remaining unpaid	-	-
f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

41 Exceptional items

During the Year, the Company has sold out Unit-5 located at Ankleswar- GIDC, Bharuch, Gujarat. The company has gained Rs. 48,544,947 out of sale of whole unit and the same is disclosed under "Exceptional items" in the statement of Profit and loss.

Further, the revenue of Unit- V of the Company during the last financial year was nominal and the company has also not calculated capacity of Unit V in total production of capacity disclosed by the company.

42 Amalgamation of Wholly Owned Subsidiary with the Company

Pursuant to the Scheme of Amalgamation u/s 391 to 394 of the Companies Act, 1956 for amalgamation of the erstwhile wholly owned subsidiary, Bodal Agrotech Ltd. (Transferor Company) whose business of manufacturing as well as trading of the chemicals products merged with the Company, with effect from 1st April, 2016 (appointed date), as sanctioned by the Hon'ble High Court of Gujarat. The effect of the merger has been given in the accounts as per the scheme sanctioned.



BODAL CHEMICALS LTD.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

Continued.....

The amalgamation has been accounted for under the "Pooling of Interests method" as prescribed by Accounting Standard 14 (AS-14) notified by the Government of India. Accordingly, the assets, liabilities and reserves of the erstwhile Bodal Agrotech Ltd. as on the appointed date have been merged with the Company at their book values. The net impact of the merger on assets, liabilities and reserves as on the appointed date is as below:

Particulars	Amount (In Rs.)
Share capital *	17,000,000
Reserves & Surplus	(49,039,943)
Long term Borrowings	140,432,180
Trade Payable	8,365,215
Other Current Liabilities	22,142,829
Total Equity and Liabilities	138,900,281
Tangible Assets	78,256,841
Deferred Tax Assets (Net)	14,412,996
Long-term Loans and Advances	2,466,001
Other Non-Current Assets	30,118
Inventories	25,078,247
Trade Receivables	9,127,845
Cash and Bank Balances	195,508
Short-term Loans and Advances	9,332,725
Total Assets	138,900,281

Transferor Company being a wholly owned subsidiary of the Company neither any shares were required to be issued nor any consideration was paid.

* On amalgamation Rs. 17,000,000 carrying value of investment in equity of the transferor company eliminated in books of Transferee Company against Equity Share Capital of the Transferor Company.

The scheme was given effect to in the financial statement from 1st April, 2016 and accordingly all the assets, liabilities, reserves and surplus of Transferor Company were recorded in the books of the transferee Company at their carrying amounts.

The figures for the previous year do not include figures for the erstwhile Bodal Agrotech Ltd. and accordingly the current year's figures are not comparable to those of the previous year.

43 During the year, the Company has acquired 70% of the equity shares in SPS Processors Pvt. Ltd. As a result of this acquisition, SPS Processors Pvt Ltd. has become a subsidiary of the Company with effect from 21st March, 2017.

44 During the year, the Company has acquired 41.51% of the equity shares and 100% of the preference shares in Trion Chemicals Pvt. Ltd. As a result of this acquisition, Trion Chemicals Pvt. Ltd. has become an Associate concern of the Company with effect from 16th March, 2017.

45 Previous year's figures have been rearranged and reclassified wherever necessary to correspond with the current year.

As Per Our Report of even date attached

For Mayank Shah & Associates

Chartered Accountants

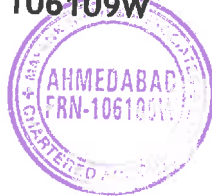
Firm Registration No. 106109W



(M.S. Shah)

Partner

Membership No. 44093



For and on behalf of the Board of Directors



(Suresh J. Patel)

Chairman & Managing Director
DIN:00007400



(Ankit S. Patel)
Executive Director
DIN:02173231



(Mayur B. Padhya)

Chief Financial Officer

Ahmedabad

May 25, 2017



(Ashutosh B. Bhatt)

Company Secretary

Ahmedabad

May 25, 2017

**MAYANK SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS**

**706, MAHAKANT
OPP.V.S.HOSPITAL,
ELLISBRIDGE,
AHMEDABAD-380006**

INDEPENDENT AUDITORS' REPORT

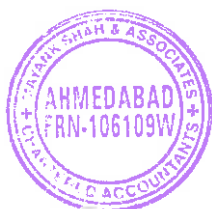
**TO THE MEMBERS OF
BODAL CHEMICALS LIMITED**

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of BODAL CHEMICALS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2016. , the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("the Rules") (particularly Accounting Standard 21 – Consolidated Financial Statements). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.



AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors, on separate financial statements of the subsidiary, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March 2016;
- ii) in the case of the Consolidated statement of Profit and Loss, of the Consolidated profits for the year ended on that date; and
- iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.



OTHER MATTERS

We did not audit the financial statements of subsidiary company, whose financial statements reflect total assets of Rs.1389 lacs as at 31st March, 2016, total revenues of Rs.87.52 lacs and net cash outflows amounting to Rs. 0.58 Lacs for the year ended on that date as considered in the Consolidated Financial statements. These Financial Statements have been audited by other auditor whose report have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of a subsidiary company, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and on the basis of the relevant assertion contained in the audit report on standalone



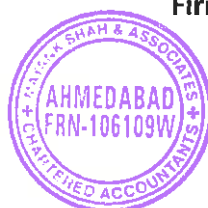
financial statement which is incorporated in India, none of the directors of the Group are disqualified as on 31st March, 2016 from being appointed as a director of that company in terms of sub section 2 of Section 164 of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding company, subsidiary company, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of subsidiary company, as noted in the 'Other Matter' paragraphs:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding company and its Subsidiary company – Refer Note 32 to the consolidated financial statements.
- ii. The Holding company and its subsidiary company, did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education & Protection Fund by the Holding Company and its Subsidiary company during the year ended 31st March, 2016.

Ahmedabad
May 26, 2016



For Mayank Shah & Associates
Chartered Accountants
Firm Registration No: 106109W


M.S. SHAH

Partner
Membership No. 44093

ANNEXURE A

to the Independent Auditors' Report – 31st March 2016 on the Consolidated Financial Statements

(Referred to our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

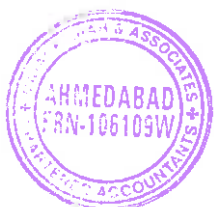
In conjunction with our audit of the consolidated financial statements of Bodal Chemicals Limited ("the Holding Company") as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary Company, incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company and its subsidiary Company, incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was



established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

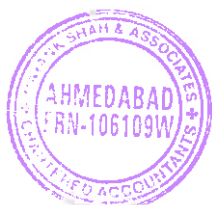
We believe that the audit evidence we have obtained and audit evidence obtained by other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiary Company, incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the Holding Company and its subsidiary company, incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary Company, incorporated in India considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary Company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company.

Ahmedabad
May 26, 2016



For Mayank Shah & Associates
Chartered Accountants
Firm Registration No: 106109W

mshah
M.S. SHAH

Partner
Membership No. 44093

BODAL CHEMICALS LTD.
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

PARTICULARS	Notes	Amount (In Rs.)	
		As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds :			
Share Capital	3	218,214,740	468,214,740
Reserves and Surplus	4	2,127,766,809	1,346,692,658
		2,345,981,549	1,814,907,398
Deferred Grant	5	Nil	Nil
Non-Current Liabilities			
Long-term borrowings	6	6,791,330	862,073,596
Deferred Tax Liability (Net)	7	153,656,195	122,597,078
Other Long Term Liabilities	8	Nil	792,000
		160,447,525	985,462,674
Current Liabilities			
Short-term borrowings	9	1,422,248,404	1,224,914,479
Trade Payables	10		
Due to Micro and Small Enterprises			
Due to Others		1,080,399,970	1,124,914,662
Other Current Liabilities	11	78,427,375	186,611,760
Short Term Provisions	12	11,325,957	5,539,259
		2,592,401,706	2,541,980,160
Total		5,098,830,780	5,342,350,232
ASSETS			
Non - Current Assets :			
Fixed Assets	13		
Tangible Assets		1,909,847,127	1,886,334,261
Intangible Assets		9,630,204	11,126,967
Capital work-in-progress		2,721,753	33,166,037
		1,922,199,084	1,930,627,265
Non-Current Investments	14	16,275,474	17,811,569
Long Term Loans and Advances	15	85,618,890	161,111,666
Other Non-current assets	16	454,846	4,700,616
		2,024,548,294	2,114,251,116
Current Assets			
Inventories	17	898,018,463	779,564,825
Trade Receivables	18	1,657,662,802	1,972,041,627
Cash and Bank Balances	19	38,547,186	30,508,377
Short - Term Loans & Advances	20	432,964,848	413,902,136
Other Current Assets	21	47,089,187	32,082,151
		3,074,282,486	3,228,099,116
Total		5,098,830,780	5,342,350,232
Significant Accounting Policies	1		
Notes are an integral part of the financial statements			

As Per Our Report of even date attached
For Mayank Shah & Associates
Chartered Accountants
Firm Registration No. 106109W

(M.S. Shah)
Partner
Membership No. 44093

Ahmedabad
May 26, 2016



For and on behalf of the Board of Directors

(Suresh J. Patel)
Chairman & Managing Director
DIN : 00007400

(Mayur B. Padhya)
Chief Financial Officer
Ahmedabad

May 26, 2016

(Ankit S. Patel)
Executive Director
DIN : 02173231

(Ashutosh B. Bhatt)
Company Secretary

BODAL CHEMICALS LTD.
CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016
Amount (In Rs.)

PARTICULARS	Notes	YEAR 2015-16	Year 2014-15
INCOME			
Revenue from Operations			
Sale of Products	22A	9,759,708,577	11,188,912,785
Other Operating Income	22B	129,757,511	95,073,792
		9,889,466,088	11,283,986,577
Less : Excise Duty		789,915,153	830,864,367
		9,099,550,935	10,453,122,210
Other Income	23	119,701,007	46,460,610
Total Revenue		9,219,251,942	10,499,582,820
EXPENDITURE			
Cost of materials consumed	24	5,731,513,206	6,078,908,549
Purchases of Stock-in Trade	25	75,975,115	299,820,123
Changes in Inventories of Finished Goods and Stock in Process	26	(101,805,334)	200,426,059
Employee Benefits Expenses	27	515,922,734	589,946,359
Finance Costs	28	121,993,140	272,753,457
Depreciation and Amortisation expense	29	257,905,043	222,505,430
Other Expenses	30	1,380,038,024	1,442,959,968
Total Expenses		7,981,541,928	9,107,319,945
Profit Before Exceptional Items and Taxes		1,237,710,014	1,392,262,875
Exceptional Items	31	67,547,124	Nil
Profit Before Taxes		1,305,257,138	1,392,262,875
Tax Expenses			
Current Tax		408,891,047	350,623,950
Deferred Tax		31,059,117	123,811,164
Taxes of earlier years		5,441,384	3,466
		445,391,548	474,438,580
Profit for the Year		859,865,590	917,824,295
Earnings per equity share (Face value of Rs.2)	38		
Basic and diluted		7.88	8.41
Significant Accounting Policies	1		
Notes are an integral part of the financial statements			

As Per Our Report of even date attached

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No. 106109W


(M.S. Shah)
Partner
Membership No. 44093

Ahmedabad
May 26, 2016



For and on behalf of the Board of Directors


(Suresh J. Patel)
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Ahmedabad
May 26, 2016


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DIN : 02173231


(Ashutosh B. Bhatt)
Company Secretary

BODAL CHEMICALS LTD.
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016

Amount (In Rs.)

PARTICULARS	Year 2015-16	Year 2014-15
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and after exceptional items	1,305,257,138	1,392,262,875
Adjustment for		
Depreciation and Amortisation	257,905,043	222,505,430
Bad Debts written off	Nil	64,433,448
Recovery of Bad Debts	(59,232,393)	Nil
Unrealised Foreign Exchange Loss / (Gain)	(15,373,570)	(2,474,444)
Finance Cost	121,993,140	272,753,457
Exceptional Item	(67,547,124)	Nil
Provision for Dimunition in Investments	1,536,095	Nil
(Profit)/Loss on Sale of Assets (Net)	(590,908)	(444,549)
Interest/Dividend/Rent received	(15,901,713)	(9,421,738)
(Profit)/Loss on sale of Investments (Net)	(96,773)	1,338,629
Write-back of Provision of Dimunition	Nil	(3,174,461)
Operating Profit before Working Capital Changes	1,527,948,935	1,937,778,647
Adjustment for :		
(Increase) / Decrease in Trade Receivables	355,040,332	233,402,050
(Increase) / Decrease in Inventories	(118,453,638)	441,728,093
(Increase) / Decrease in Other Receivables	(43,610,364)	41,504,375
Increase / (Decrease) in Trade Payables	(51,142,571)	(277,869,704)
Cash generated from Operations	1,669,782,694	2,376,543,461
Direct Taxes Paid (Net of Refund)	357,509,036	399,384,487
Net Cash from Operating Activities (A)	1,312,273,658	1,977,158,974
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including Capital Work in Progress and capital advances	(244,060,062)	(354,622,424)
Sale of Fixed Assets	2,551,000	1,130,882
Interest/Dividend/Rent received	15,901,713	9,421,738
Sale of Investment	220,096,773	210,594,575
Purchase of investment	(220,000,000)	(219,934,424)
Net Cash used in Investing Activities (B)	(225,510,576)	(353,409,653)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long Term Borrowings	(855,282,266)	(1,296,414,217)
Increase / (Decrease) in Short Term Borrowings	211,164,829	(51,801,725)
Redemption of Preference Share Capital	(250,000,000)	Nil
Finance Cost	(121,993,140)	(272,753,457)
Dividend Paid	(77,974,947)	(475,743)
Net Cash used in Financing Activities (C)	(1,094,085,524)	(1,621,445,142)
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	(7,322,442)	2,304,179
Cash & Cash Equivalents at the beginning of the year	12,017,162	9,712,983
Cash & Cash Equivalents at the end of the year	4,694,720	12,017,162

As Per Our Report of even date attached

For Mayank Shah & Associates

Chartered Accountants

Firm Registration No. 106109W

meeshah
(M.S. Shah)

Partner

Membership No. 44093

Ahmedabad

May 26, 2016



For and on behalf of the Board OF Directors

Suresh J. Patel
(Suresh J. Patel)

Chairman & Managing Director

DIN:00007400

Mayur B. Padhya
(Mayur B. Padhya)

Chief Financial Officer

Ahmedabad

May 26, 2016

Ankit S. Patel
(Ankit S. Patel)

Executive Director

DIN:02173231

Ashutosh B. Bhatt
(Ashutosh B. Bhatt)

Company Secretary

BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.

1 Significant Accounting Policies :

1.1 Principles of Consolidation

The financial statements of Bodal Chemicals Ltd. (the holding Company) and Bodal Agrotech Ltd. (its Subsidiary) have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealized profits or losses.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible, are made in the consolidated financial statements and are presented to the extent possible, in the same manner as the Company's standalone financial statements.

1.2 Basis of Preparation of Financial Statements

a) Basis of Accounting

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable and in particular Accounting Standard 21 (AS 21) - 'Consolidated Financial Statements'.

b) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revisions to accounting estimates are recognised prospectively in current and future periods.

c) Current / Non Current Classification

All assets and liabilities have been classified as current or noncurrent as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.

Continued.....

1.3 Fixed Assets and Depreciation / Amortization**a) Tangible Assets**

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation on tangible fixed assets of the Group is provided using Written Down Value Method on pro-rata basis at rates and in manner specified in Schedule II of the Companies Act, 2013 except based on technical analysis carried out by the management, remaining useful life in respect of certain plant & machineries situated at Unit-II, Unit-III & Unit-V is considered as 5 years.

b) Intangible Assets

The intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Intangible assets are amortized on a straight-line basis over their technically assessed useful lives, as mentioned below:

Intangible Assets	Estimated Useful Lives (Years)
Software	5
License	10
Website	5

c) Capital Work in Progress & Capital Advances

Cost of Assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances.

d) Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.

Continued.....

1.4 Investments

Investments are classified into current and non-current investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried at the lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Non-current investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss.

1.5 Inventories

(a) Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realisable value after providing for obsolescence, if any. The comparison of cost and net realisable value is made on an item-by item basis.

(b) In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, First-in-First-Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.

(d) Materials in transit are valued at cost-to-date.

1.6 Transactions in Foreign Currency:

a) Initial recognition:

Transactions in foreign currencies entered into by the holding company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.

b) Measurement of foreign currency items at the Balance Sheet date:

Foreign currency monetary items of the holding company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.

Continued.....

c) Forward exchange contracts:

The holding company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The holding company does not enter into any derivative instruments for trading or speculative purposes.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

1.7 Revenue Recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax/VAT and is net of returns & discounts. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognised separately as part of changes in inventories of finished goods, work in progress and stock in trade.

Export Incentives are recognised when the right to receive credit as per the terms of Incentives is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.

1.8 Employee Benefits

a) Short Term Employees Benefit

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, short term compensated absences, ex-gratia, etc. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

b) Post Employment Benefit

Defined Contribution Plans :

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The holding company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme and Employees' State Insurance Corporation (ESIC) which are a defined contribution plan. The holding

BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.

Continued.....

company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans :

The holding company's gratuity benefit scheme is a defined benefit plan. The holding company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of the holding company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance sheet date.

The holding company recognizes all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. The holding company recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

The holding company has funded its gratuity liability with Life Insurance Corporation of India (LIC) and Star Union Dai-ichi under the Group Gratuity Cash Accumulation Plan and SUD Life Group Gratuity Scheme respectively.

c) Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The holding company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

1.9 Borrowing Cost

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, upto the date when the assets are ready for their intended use. All other borrowing costs are expensed in the period they occur.

1.10 Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Group has a present obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is

BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.

Continued.....

remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1.11 Taxes on Income

Income tax expenses comprise current and deferred taxes. Current tax is determined on income for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws and after considering credit for Minimum Alternate Tax (MAT) available under the said Act. MAT paid in accordance with the tax laws which gives future economic benefits in the form of adjustments to future tax liability, is considered as an asset if there is convincing evidence that the future economic benefit associated with it will flow to the Group resulting in payment of normal income tax.

Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that there is a reasonable certainty that there will be sufficient future taxable income to realise the assets. Deferred tax asset pertaining to unabsorbed depreciation and carry forward of losses are recognised only to the extent there is a virtual certainty of its realisation.

1.12 Governments Grants/Subsidy

Government Grants is recognized when there is a reasonable assurance that the holding company will comply with the conditions attached to them and grants will be received.

Grant related to depreciable assets is shown as a deduction from the gross value of the asset concerned in arriving at its book value. The grant is thus recognised in the profit and loss statement over the useful life of a depreciable asset by way of a reduced depreciation charge.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

1.13 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders after deducting preference dividends and attributable taxes by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earning 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, if any.

BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.

Continued.....

1.14 Cash and Cash Equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

1.15 Cash Flow Statement

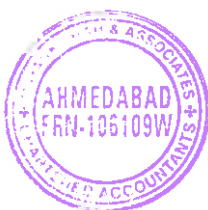
Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

1.16 Proposed Dividend

Dividend recommended by the Board of Directors is provided for in the accounts, pending approval at the Annual General Meeting.

1.17 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. The Group's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers.



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.

Continued.....

- 2.1 The Consolidated Financial Statements present the consolidated accounts of Bodal Chemicals Ltd. ("the Company") and its Subsidiary Bodal Agrotech Ltd. (together referred to as "the Group").

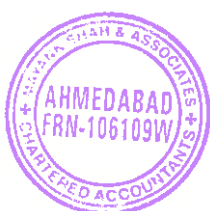
The list of Subsidiary Company which is included in the consolidation with their respective country of incorporation and the Group's holding therein, is given below:-

Name of the Company	Relationship	Country of Incorporation	Proportion of Ownership of Interest	
			31/03/2016	31/03/2015
Bodal Agrotech Limited	Wholly owned-Subsidiary	India	100.00	100.00

- 2.2 Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the Companies. Recognising this purpose, the Company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.

- 2.3 Disclosures mandated by Schedule III of the Companies Act, 2013, by way of additional information

Name of the Entities	Net Assets i.e. total assets minus total liabilities		Share in Profit / (Loss)	
	As % of consolidated net assets	Amount (Rs. in Lakhs)	As % of consolidated profit or loss	Amount (Rs. in Lakhs)
Parent				
Bodal Chemicals Ltd.	102.11%	23,954.60	100.71%	8,659.85
Subsidiary				
Bodal Agrotech Ltd.	(1.37%)	(320.40)	(0.66%)	(56.81)
Inter-company eliminations & Consolidation adjustments	(0.74%)	(174.38)	(0.05%)	(4.38)
Total	100.00%	23,459.82	100.00%	8,598.66



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

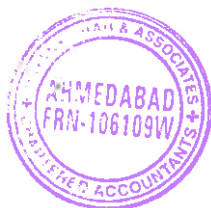
Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
3 : SHARE CAPITAL		
<u>Authorised Share Capital</u>		
12,00,00,000 (P.Y. 12,00,00,000) Equity Shares of Rs.2/- each	240,000,000	240,000,000
2,50,00,000 (P.Y. 2,50,00,000) Preference Share of Rs. 10/- each	250,000,000	250,000,000
	490,000,000	490,000,000
<u>Issued, Subscribed & Paid up Share Capital</u>		
10,91,07,370 Equity Shares of Rs. 2/- each (P. Y. 10,91,07,370 Equity Shares of Rs. 2/- each)	218,214,740	218,214,740
Nil (P.Y. 2,50,00,000) Pref. Shares of Rs. 10/- each	Nil	250,000,000
Total	218,214,740	468,214,740

During the year Company has redeemed 2,50,00,000 9% Non Cumulative Reedemable Preference Share of Rs. 10/- each on 6th August, 2015 accordingly share capital of the Company as at 31st March, 2016 has been decreased to Rs. 2182.15 lacs as compared to Rs. 4682.15 lacs as at 31st March, 2015.

3.1 Reconciliation of the number of Shares

	As at 31st March, 2016	As at 31st March, 2015
	No. of Shares	No. of Shares
Equity Shares		
Opening balance	109,107,370	109,107,370
Issued during the Year	Nil	Nil
Closing balance	109,107,370	109,107,370
Preference Shares		
Opening balance	25,000,000	25,000,000
Redeemed during the Year	25,000,000	Nil
Closing balance	Nil	25,000,000



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

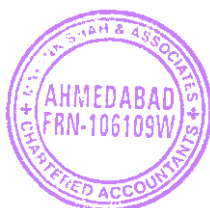
3.2 Rights, preferences and restrictions attached to shares

Equity shares

The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

3.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% held	No. of Shares	% held
Equity Shares :				
Shri Suresh J. Patel	3,33,45,151	30.57	3,33,45,151	30.57
Shri Bhavin S. Patel	94,59,549	8.67	78,10,050	7.16
Shri Ankit S. Patel	65,36,550	5.99	37,86,550	3.47
Shri Ramesh P. Patel	17,35,299	1.59	66,35,299	6.08
Preference shares :				
Mayur Dyechem Intermediates Ltd.	Nil	Nil	95,00,000	38.00
Shri Shaunak S. Parikh	Nil	Nil	30,00,000	12.00
H & H Exports (Guj.) Pvt. Ltd.	Nil	Nil	20,00,000	8.00
Shri Ashok G. Bansal	Nil	Nil	20,00,000	8.00
Shri Karna A. Surti	Nil	Nil	15,00,000	6.00



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
4 : RESERVES & SURPLUS		
Capital Reserves		
At the commencement and at the end of the year	76,121,441	76,121,441
Capital Redemption Reserve Fund		
At the commencement of the year	39,671,460	39,671,460
Add : Transferred from Profit & Loss Account (Note 4.1)	250,000,000	Nil
At the end of the year	289,671,460	39,671,460
Securities Premium Account		
At the commencement and at the end of the year (Premium on issue of Equity Shares)	222,035,976	222,035,976
General Reserve		
At the commencement and at the end of the year	138,858,089	138,858,089
Surplus / (Deficit) in the Statement of Profit and Loss		
At the commencement of the year	870,005,692	(46,711,552)
Less : Adjustment for Depreciation (Note 4.2)	Nil	(1,107,051)
Add : Surplus during the year	859,865,590	917,824,295
	1,729,871,282	870,005,692
Less : Appropriations :		
Interim Dividend on Equity Shares	65,464,422	Nil
Tax on Dividends	13,327,017	Nil
Transfer to Capital Redemption Reserve (Note 4.1)	250,000,000	Nil
	328,791,439	Nil
At the end of the year	1,401,079,843	870,005,692
Total	2,127,766,809	1,346,692,658

4.1 During the year the Company has redeemed 2,50,00,000 9% Non Cumulative Redeemable Preference Share of Rs. 10/- each on 06.08.2015 accordingly Rs. 25,00,00,000/- has been transferred to Capital Redemption Reserve Fund from Profit and Loss Account.

4.2 In the previous year, the Company had adopted estimated useful life of fixed assets as stipulated by Schedule II to the Companies Act 2013. Accordingly, depreciation of Rs.11.07 lacs net of deferred tax of Rs. 5.70 lacs on account of assets whose useful life had already exhausted on April 01, 2014, has been adjusted against Profit and Loss Account.

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
5 : DEFERRED GRANT		
Grant From World Bank :	Nil	740,021
Less : Transferred to Fixed Assets	Nil	(740,021)
Total	Nil	Nil

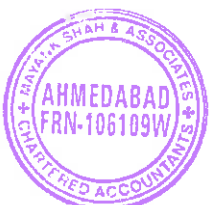


BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
6 : LONG TERM BORROWINGS		
<u>Secured</u>		
Term loan from Banks	Nil	855,375,916
<u>Unsecured</u>		
Trade Deposits	6,791,330	6,697,680
Total	6,791,330	862,073,596
Current Maturities of Long Term Borrowings	*Nil	*779,514
*Amount disclosed under other current liabilities (Refer Note 11)		
6.1 Nature of Security and terms of repayment for Long Term secured borrowings		
6.1.1 Term loan from banks balance outstanding amounting to Rs.Nil (P.Y.:Rs.1200.00 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 252,253,254 GIDC, Vatva and Plot No. 804 of Padra Unit and Hyp. of entire P&M and other equipment of the company. Loan id fully paid in August 2015. Rate of interest 12.75% (P.Y.12.75%) p.a.		
6.1.2 Term loan from banks balance outstanding amounting to Rs.Nil (P.Y.:Rs.3704.00 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Vadodara and Hyp. of entire P&M and other equipment of the company. Loan is fully paid in March 2016. Rate of interest 12.40 % (P.Y. 12.75%) p.a.		
6.1.3. Term loan from banks balance outstanding amounting to Rs.Nil (P.Y.:Rs.2300.00 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Vadodara and Hyp. of entire P&M and other equipment of the comapny. Loan is fully paid in June 2015. Rate of interest 15.45% (P.Y. 15.25 %) p.a.		
6.1.4. Working Capital Term loan from banks balance outstanding amounting to Rs.Nil (P.Y.:Rs.1349.50 lacs) is secured by 1st pari pasu charge on entire current assets of the company. Loan is fully paid in August 2015. Rate of interest 12.75% (P.Y. 12.75%) p.a.		
6.1.5 Vehicle loan ,balance outstanding amounting to Rs.Nil (P.Y.:Rs.8.05 lacs) is secured by Hire Purchase agreement for Vehicles and repayable in monthly installments. Interest rate from 9% to		
6.1.6 The Company has not defaulted in the repayment of loans and interest in current and previous year.		



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
7 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Difference between book depreciation and tax depreciation	174,876,893	131,517,611
Expense claimed for tax purpose on payment basis	206,098	192,179
Deferred Tax Assets		
Unabsorbed Depreciation & c/f loss	(17,507,108)	(7,331,467)
Expenditure covered by section 43B of Income Tax Act, 1961	(3,919,688)	(1,781,245)
Total	153,656,195	122,597,078

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
8 : OTHER LONG TERM LIABILITIES		
Other Long-Term Liabilities	Nil	792,000
	Nil	792,000

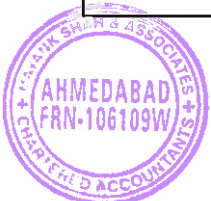
PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
9 : SHORT TERM BORROWINGS		
Secured		
Repayable on Demand		
Working Capital Loans from Banks	1,396,134,294	1,224,914,479
Unsecured		
Loans From Corporates	26,114,110	Nil
Total	1,422,248,404	1,224,914,479

9.1 Working Capital Loans from Banks are secured by Hyp. Of Inventories, Book Debts and bills drawn under letter of credit and collaterally secured by equitable mortgage on Immovable property and Hyp. Of P&M of the company and personal guarantees of the Chairman and Managing Director and Executive directors. It is further secured by pledge of equity shares of the company held by the promoters and promoter group(excluding 3 NRIs and 1 resident Indian from promoter groups).

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
10 : TRADE PAYABLES		
Due to Micro and Small Enterprises	Nil	Nil
Due to Others (Note 10.1)	1,080,399,970	1,124,914,662
Total	1,080,399,970	1,124,914,662

10.1 Trade Payables include Rs. 15,393,320/- (P.Y. 66,816,569/-) to related parties (refer note 36)



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

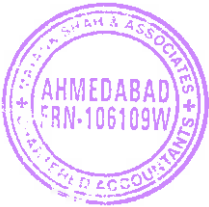
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Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
11 : OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt (Refer Note 6)	Nil	779,514
Advance Received from Customers	15,003,186	27,769,808
Unclaimed Dividends (Note 11.1)	2,384,533	1,568,041
Unclaimed Share Application Money (Note 11.1)	Nil	39,881
Creditors for Capital Goods	22,365,960	30,340,240
Other Current Liabilities (Note 11.2)	10,997,404	62,880,710
Statutory Liabilities (Note 11.3)	27,676,292	63,233,566
Total	78,427,375	186,611,760
11.1 There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund as on 31st March 2016.		
11.2 Other Current Liabilities includes Deferred Premium, Interest payable, expenses payable etc.		
11.3 Statutory liabilities represent amounts payable towards VAT, CST, Excise duty and TDS etc.		

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
12 : SHORT TERM PROVISIONS		
Provision for Employee Benefits (Refer Note 35)	11,325,957	5,240,496
Provision for Wealth Tax	Nil	298,763
Total	11,325,957	5,539,259



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

13 : FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION / AMORTISATION					NET BLOCK	
	As At	Addition	Deduction	As At	As At	Addition	Retained	Deduction	As At	As At	As At
	01.04.2015			31.03.2016	01.04.2015		Earnings		31.03.2016	31.03.2016	31.03.2015
TANGIBLE ASSETS :											
Land	110,634,450	-	Nil	110,634,450	Nil	Nil	Nil	Nil	Nil	110,634,450	110,634,450
Factory Building	771,566,628	40,451,424	Nil	812,018,052	338,626,776	42,180,522	Nil	Nil	380,807,298	431,210,754	432,939,852
Office Building	24,203,894	865,387	Nil	25,069,281	4,890,937	972,288	Nil	Nil	5,863,225	19,206,056	19,312,957
Plant & Machinery	2,869,394,926	227,975,512	Nil	3,097,370,438	1,597,246,435	192,364,362	Nil	Nil	1,789,610,797	1,307,759,641	1,272,148,491
Furniture & Fixture	45,646,999	1,697,926	Nil	47,344,925	32,880,292	4,237,225	Nil	Nil	37,117,517	10,227,408	12,766,707
Office Equipment	28,085,395	3,085,550	Nil	31,170,945	19,295,218	5,108,769	Nil	Nil	24,403,987	6,766,958	8,790,177
Vehicles	65,498,592	6,760,285	11,808,647	60,450,230	35,756,965	10,499,960	Nil	9,848,555	36,408,370	24,041,860	29,741,627
TOTAL (A)	3,915,030,884	280,836,084	11,808,647	4,184,058,321	2,028,696,623	255,363,126	Nil	9,848,555	2,274,211,194	1,909,847,127	1,886,334,261
INTANGIBLE ASSETS :											
Good will	104,680,098	Nil	Nil	104,680,098	104,680,098	Nil	Nil	Nil	104,680,098	Nil	Nil
Computer Software	4,617,489	1,045,154	Nil	5,662,643	2,596,360	836,509	Nil	Nil	3,432,869	2,229,774	2,021,129
Membership Fees	14,692,500	Nil	Nil	14,692,500	5,622,869	1,669,250	Nil	Nil	7,292,119	7,400,381	9,069,631
Website	92,050	Nil	Nil	92,050	74,057	17,944	Nil	Nil	92,001	49	17,993
Trade Mark	91,062	Nil	Nil	91,062	72,848	18,214*	Nil	Nil	91,062	Nil	18,214
TOTAL (B)	124,173,199	1,045,154	Nil	125,218,353	113,046,232	2,541,917	Nil	Nil	115,588,149	9,630,204	11,126,967
TOTAL (A+B)	4,039,204,083	281,881,238	11,808,647	4,309,276,674	2,141,742,855	257,905,043	Nil	9,848,555	2,389,799,343	1,919,477,331	1,897,461,228
PREVIOUS YEAR	3,603,094,326	440,265,274	4,155,517	4,039,204,083	1,920,289,495	222,505,430	1,677,093	2,729,163	2,141,742,855	1,897,461,228	1,682,804,831
Capital Work in Progress										2,721,753	33,166,037
TOTAL FIXED ASSETS										1,922,199,084	1,930,627,265

13.1 Depreciation of Rs. Nil (March 31, 2015 - Rs. 16.77 lacs subject to deferred tax) on account of assets whose useful life was exhausted on April 01, 2014 has been adjusted against Profit and Loss Account pursuant to adoption of estimated useful life of fixed assets as stipulated by Schedule II of the Companies Act, 2013.



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
14 : NON - CURRENT INVESTMENTS		
LONG TERM INVESTMENTS		
TRADE INVESTMENTS		
Quoted		
100 (P.Y. 100) Equity Shares of Beta Nephthol Ltd. of Rs. 10/- Each Fully Paid Up	3,465	3,465
1,00,000 (P.Y. Nil) Equity Shares of Bhageria Dye Chem Ltd. of Rs. 10/- Each Fully Paid Up	14,934,424	14,934,424
	14,937,889	14,937,889
Less :		
Provision for diminution in Investments	3,465	3,465
Total	14,934,424	14,934,424
Unquoted		
250 (P.Y. 250) Equity Shares of Green Environment Ser. Co-op. Soc. Ltd. of Rs. 100/- each Fully Paid Up	25,000	25,000
112,350 (P.Y. 112,350) Equity Shares of Bharuch Enviro Infrastructure Ltd of Rs. 10/-each Fully Paid Up	1,123,500	1,123,500
100 (P.Y. 100) Equity Shares of Guj. Ind. Waste Mng. Co. Ltd. of Rs. 10/- Each Fully Paid Up	1,000	1,000
10 (P.Y. 10) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of Rs. 100/- Each Fully Paid Up	1,000	1,000
10,200 (P.Y. 10,200) Equity Shares of Panoli Enviro Technology Ltd. of Rs. 10/- Each Fully Paid Up	102,000	102,000
3,542 (P.Y. 3,542) Equity Shares of Makarpura Ind. Est. Co-op. Bank Ltd. of Rs. 25/- Each Fully Paid Up	88,550	88,550
TOTAL OF TRADE INVESTMENTS	1,341,050	1,341,050
OTHER NON CURRENT INVESTMENTS		
Unquoted		
In Equity Shares of Sun Agrigenetics Pvt. Ltd (Associated Concern till 24/02/2015)		
16,000 (P.Y. 16,000) Equity Shares of Sun Agrigenetics Pvt. Ltd of Rs. 10/- each fully paid up	1,536,095	1,536,095
Less : Provision for diminution in Investments	1,536,095	Nil
Total of Other Non-Current Investments	Nil	1,536,095
Total of Non-Current Investments	16,275,474	17,811,569
Aggregate of Quoted Investments:		
At Book value	14,934,424	14,934,424
At Market Price	14,040,000	13,060,000
Aggregate of Unquoted Investments:	1,341,050	2,877,145
Aggregate provision for diminution in value of investments	1,539,560	3,465

BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

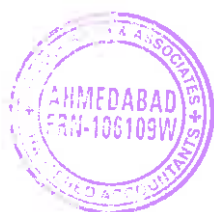
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Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
15 : LONG TERM LOANS & ADVANCES (Unsecured and Considered Good)		
Capital Advances	30,854,462	38,231,354
Security Deposits	6,883,591	6,315,775
Loans and Advances to Employees	4,348,567	3,944,171
Balance With Statutory Authorities (Note 15.1)	18,301,500	18,758,438
Advance Income Tax (Net of Provision for Tax)	25,230,770	82,352,928
Others	Nil	11,509,000
Total	85,618,890	161,111,666
15.1 Balance with Statutory Authorities includes balances with Excise, Service Tax, Sales Tax, Customs Dept. etc.		

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
16 : OTHER NON-CURRENT ASSETS (Unsecured and Considered Good)		
Term Deposits with maturity of more than twelve months	30,118	27,662
Margin Money Deposits with bank with maturity after twelve months from the reporting date*	424,728	4,672,954
Total	454,846	4,700,616
* Held as lien by bank against bank guarantees and letters of credit.		



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
17 : INVENTORIES		
(Valued at the lower of cost and net realisable value)		
a) Raw Materials	274,292,298	224,543,374
Raw Materials in Transit	17,241,045	60,662,375
	291,533,343	285,205,749
b) Finished Goods	101,991,401	112,304,757
Finished Goods in Transit	27,121,572	16,406,869
	129,112,973	128,711,626
c) Stock In Process	427,566,970	331,604,882
	427,566,970	331,604,882
d) Packing Materials	6,747,987	7,117,244
Packing Materials in Transit	113,683	120,746
	6,861,670	7,237,990
e) Stock of Fuel	5,375,422	11,151,751
	5,375,422	11,151,751
f) Stores and Spares	37,568,085	15,652,827
	37,568,085	15,652,827
Total	898,018,463	779,564,825

Amount (In Rs.)

PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
18 : TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the due date for payment		
Unsecured & Considered Good	147,990,413	119,830,290
Trade receivables outstanding for a period less than six months from the due date for payment		
Unsecured & Considered Good	1,509,672,389	1,852,211,337
Total	1,657,662,802	1,972,041,627



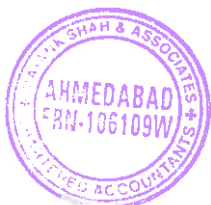
BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Amount (In Rs.)		
PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
19 : CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash on hand	888,518	1,544,498
Balance with Banks in current accounts	3,806,202	10,472,664
	4,694,720	12,017,162
Other Bank Balances		
Margin Money Deposits with bank with maturity of more than three months but less than twelve months*	31,467,933	16,883,293
Unclaimed Dividend Accounts	2,384,533	1,568,041
Unclaimed Share Application Account	Nil	39,881
	33,852,466	18,491,215
Total	38,547,186	30,508,377
* Held as lien by bank against bank guarantees and letters of credit.		

Amount (In Rs.)		
PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
20 : SHORT TERM LOANS & ADVANCES		
(Unsecured & considered good)		
Advance to Suppliers of Goods (Note 20.1)	64,743,625	107,781,106
Advance to Suppliers of Expenses	10,785,712	10,454,029
Balance with Statutory Authorities (Note 20.2)	201,363,916	266,981,461
Loans and Advances to Employees	16,836,700	10,050,650
Inter-Corporate Loans	119,175,222	4,000,000
Pre-paid Expenses	14,185,117	9,491,105
Others (Note 20.3)	5,874,556	5,143,785
Total	432,964,848	413,902,136
20.1 Advances to supplier of goods include Rs. 24,685,649/- (P.Y. 17,193,772/-) to related parties. (refer note 36)		
20.2 Balance with Statutory Authorities includes balances with Excise, Service Tax, Sales Tax, etc.		
20.3 Others include Tour Advances, Gratuity Planned Assets (Net), and Income Receivables.		

Amount (In Rs.)		
PARTICULARS	As at 31st March, 2016	As at 31st March, 2015
21 : OTHER CURRENT ASSETS		
Fair Value of Foreign Exchange Forward Contracts	4,719,124	1,983,757
Export Incentives Recivables	42,288,282	27,606,560
Other Receivables	81,781	2,491,834
Total	47,089,187	32,082,151



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

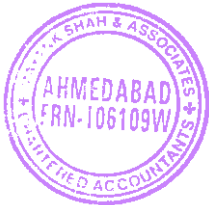
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Amount (In Rs.)

PARTICULARS	2015-16	2014-15
22 : REVENUE FROM OPERATIONS		
A) Sale of products	9,759,708,577	11,188,912,785
Less : Excise Duty	789,915,153	830,864,367
Sale of products (net)	8,969,793,424	10,358,048,418
B) Other Operating Income		
Export Incentives	107,903,447	85,125,531
Insurance claim for Goods Burnt(Note 34)	13,011,469	Nil
Goods sent as samples	387,137	262,135
Scrap Sales	8,379,692	9,599,109
Brokerage Income	75,766	87,017
Total	129,757,511	95,073,792
Net Revenue From Operations	9,099,550,935	10,453,122,210

Amount (In Rs.)

PARTICULARS	2015-16	2014-15
23 : OTHER INCOME		
Interest Income		
On Deposits	7,968,655	5,211,341
On Others	7,433,058	3,976,964
Profit on sales of Investment	96,773	Nil
Write-back of Provision of Dimunition	Nil	3,174,461
Profit on sales of Assets	590,908	444,549
Prior Period Items	70,257	2,602
Recovery of Bed Debts	59,232,393	Nil
Dividend Income - from Non-Current Investments	500,000	246,733
Premium / Discount on Forward Contracts	18,546,388	33,208,548
Other Income	25,262,575	195,412
Total	119,701,007	46,460,610



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Amount (In Rs.)

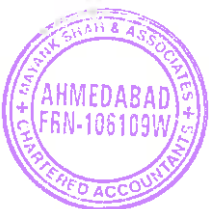
PARTICULARS	2015-16	2014-15
24 : COST OF MATERIALS CONSUMED		
Opening Stock	285,205,749	494,865,742
Add. Purchases during the year	5,737,840,800	5,869,248,556
	6,023,046,549	6,364,114,298
Less : Closing Stock	291,533,343	285,205,749
Total	5,731,513,206	6,078,908,549

Amount (In Rs.)

PARTICULARS	2015-16	2014-15
25 : PURCHASE OF STOCK IN TRADE		
Purchase of Stock in Trade	75,975,115	299,820,123
Total	75,975,115	299,820,123

Amount (In Rs.)

PARTICULARS	2015-16	2014-15
26 : CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN PROCESS		
Inventories at the end of the year		
Finished Goods	129,112,973	128,711,626
Stock In Process	427,566,970	331,604,882
Total (A)	556,679,943	460,316,508
Inventories at the beginning of the year		
Finished Goods	128,711,626	263,589,622
Stock In Process	331,604,882	431,248,666
Total (B)	460,316,508	694,838,288
Total (A) - (B)	(96,363,435)	234,521,780
Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of Finished Goods	5,441,899	34,095,721
Changes In Inventories Of Finished Goods & Stock In Process	(101,805,334)	200,426,059



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

	Amount (In Rs.)	
PARTICULARS	2015-16	2014-15
27 : EMPLOYEE BENEFIT EXPENSES		
Salary, Wages & Bonus	473,903,836	551,561,177
Contribution to Provident & Other Funds(Refer Note 35)	17,379,740	18,372,334
Staff Welfare Expenses	24,639,158	20,012,848
Total	515,922,734	589,946,359

	Amount (In Rs.)	
PARTICULARS	2015-16	2014-15
28 : FINANCE COSTS		
Bank Interest	104,745,216	257,870,222
Other Interest Expenses	906,925	1,390,187
Other Borrowing Cost	16,340,999	13,493,048
Total	121,993,140	272,753,457

	Amount (In Rs.)	
PARTICULARS	2015-16	2014-15
29 : DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Tangible Assets	255,363,126	220,112,713
Amortisation of Intangible Assets	2,541,917	2,392,717
Total	257,905,043	222,505,430



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Amount (In Rs.)

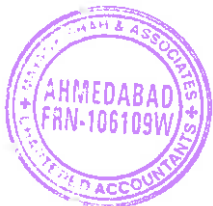
PARTICULARS	2015-16	2014-15
30 : OTHER EXPENSES		
Stores Consumption	46,863,534	73,493,502
Power & Fuel Consumption	496,845,742	519,086,810
Repairs to		
Machinery	151,704,975	200,564,947
Building	14,481,997	25,875,591
Others	2,425,405	3,820,538
Pollution Control Expenses	83,858,590	73,876,897
Rent & Tax	2,154,226	2,751,924
Insurance Expenses	6,382,274	5,986,987
Loss Due To Fire (Note 34)	407,759	Nil
Corporate Social Responsibility Expenses	25,648,123	3,128,760
Directors' Sitting fees	550,000	295,000
Travelling & Conveyance Expenses	21,248,179	19,345,967
Legal & Professional Fees	19,327,407	19,052,028
Provision for diminution in investments	1,536,095	Nil
Exchange Rate Difference (Net)	48,040,503	24,828,452
Packing Material Consumption	86,534,489	66,377,648
Freight & Handling Charges	199,674,908	135,943,372
Advertisement & Business Promotion Expenses	11,925,650	9,198,067
Sales Commission	75,676,487	105,444,513
Loss on sales of Investment	Nil	1,338,629
Cash Discount	22,946,791	21,763,782
Bad Debts Written off	Nil	64,433,448
Other Expenses	61,804,890	66,353,106
Total	1,380,038,024	1,442,959,968

Amount (In Rs.)

PARTICULARS	2015-16	2014-15
31 : EXCEPTIONAL ITEMS		
Excess Provision Written Back (Note 31.1)	78,989,124	Nil
Loans & Advances written off (Note 31.2)	(11,442,000)	Nil
Total	67,547,124	Nil

31.1 Excess provision written back includes provision of Interest recompense on exit from Corporate Debt Restructuring (CDR) amounting Rs. 350.78 lacs and liabilities not required to be paid by the company amounting Rs. 439.11 lacs.

31.2 Loans & Advances not recoverable is written off during the year.



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

32 Contingent Liabilities and Commitments (to the extent not provided for)

	As at 31 st March, 2016	Amount (Rs.) As at 31 st March, 2015
(a) Contingent Liabilities		
1) Disputed matters in appeals/contested in respectof:		
i. Income Tax	29,605,773/-	26,831,457/-
ii. Excise	31,467,144/-	19,344,502/-
iii. Service Tax	613,312/-	386,419/-
iv. Customs Department	12,129/-	1,170,696/-

Future cash outflows in respect of the above are determinable only on receipt of Judgments /decisions pending with various forums/authorities. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

2) Letter of Credit issued by bankers and outstanding as on 31 st March, 2016.	59,502,729/-	66,919,410/-
3) Bank Guarantee issued by bankers and outstanding as on 31 st march, 2016.	52,740,601/-	47,177,773/-

(b) Commitments

i. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances	4,40,000/-	8,284,881/-
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33 Derivative Instruments and Un-hedged Foreign Currency Exposure

The company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contract outstanding as at 31st March, 2016 are as under,

Category	Currency	Buy/sell	ForeignCurrency Value	Foreign Currency Value (In Rs.)
Forward Contract	USD	Sell	\$2,915,883	Rs.193,418,975

Details of un-hedged foreign currency exposure as on 31/03/2016

Particulars	Currency	As at 31 st March, 2016		As at 31 st March, 2015	
		Amount (in Currency)	Amount (in Rs.)	Amount (in Currency)	Amount (in Rs.)
Payable	USD	2,705,470	179,461,666	2,080,018	130,190,004
Payable	EURO	10,358	777,807	10,358	699,244
Receivable	USD	1,543,559	102,388,712	3,142,727	196,705,813
Receivable	EURO	Nil	Nil	32,800	2,214,341
Borrowings	USD	6,071,987	402,772,479	5,544,062	347,007,266

BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

34 During the year there was fire at the Company's unit situated at Vatva, Ahmedabad and due to fire part of inventories, plant and machinery, electronic components, building structure and others has been damaged. The above items are fully insured and the company has received insurance claim of Rs. 156.13 lacs from insurance company against insurance claim of Rs. 160.21 lacs resulting in loss due to fire of Rs. 4.08 lacs.

35 Employees' Benefits**Defined Benefit Plan****Gratuity**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India and Star Union Dai-ichi Life insurance company in the form of qualifying insurance policy.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the company's financial statements based on actuarial valuations being carried out as at 31st March 2016.

	As at 31 st March, 2016	Amount (Rs.) As at 31 st March, 2015
Change in present value of obligations		
Present value of obligations as at beginning of year	18194494	11658219
Interest cost	1455560	935259
Current Service Cost	4181628	402355
Benefits Paid	(354640)	(439987)
Actuarial (gain)/Loss on obligations	(1011339)	5638648
Present value of obligations as at end of year	22465703	18194494
	As at 31 st March, 2016	As at 31 st March, 2015
Change in the fair value of plan assets		
Fair value of plan assets at beginning of year	22948068	15846394
Expected return on plan assets	2165232	1475424
Employers Contributions	3056136	6066237
Benefits paid	(354640)	(439987)
Actuarial (gain)/Loss on plan assets	Nil	Nil
Fair value of plan assets at the end of year	27814796	22948068
	As at 31 st March, 2016	As at 31 st March, 2015
Net Gratuity Cost		
Current Service cost	4181628	402355
Interest Cost	1455560	935259
Expected return on plan assets	(2165232)	(1475424)
Net Actuarial (gain)/Loss recognised in the year	(1011339)	5638648
Net Gratuity Cost	2460617	5500838



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Actual Return on Plan Assets	As at 31 st March, 2016	As at 31 st March, 2015
------------------------------	---------------------------------------	---------------------------------------

Expected return on plan assets	2165232	1475424
Actuarial Gain/(Loss) on plan assets	Nil	Nil
Actual return on plan assets	2165232	1475424

Balance Sheet Reconciliation	As at 31 st March, 2016	As at 31 st March, 2015
------------------------------	---------------------------------------	---------------------------------------

Net Liability/(Asset), beginning of the year	(4753574)	(4188175)
Gratuity Cost as above	2460617	5500838
Employers Contribution	(3056136)	(6066237)
Amount recognised in the Balance Sheet-Current	(5349093)	(4753574)

Category of Assets	As at 31 st March, 2016	As at 31 st March, 2015
--------------------	---------------------------------------	---------------------------------------

Insurer Managed Funds (100%)	27814796	22948068
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Assumptions	As at 31 st March, 2016	As at 31 st March, 2015
-------------	---------------------------------------	---------------------------------------

Discount Rate	8%	8%
Salary Escalation	7%	7%

The estimated future salary increases take account of inflation, seniority, promotion and other retirement factors such as supply and demand in the employment markets.

Amount recognised in current year and previous four years

Particulars	As at 31 st March				
	2016	2015	2014	2013	2012
Defined Benefit Obligation	22,465,703	18,194,494	11,658,219	10,434,072	7,590,014
Fair Value of Plan Assets	27,814,796	22,948,068	15,846,394	10,075,144	9,125,156
(Surplus) / Deficit in the plan	(5,34,9093)	(4,753,574)	(4,188,175)	358,928	(1,535,142)
Actuarial (gain) / loss on plan obligation	(1,011,339)	5,638,648	(1,791,930)	(224,297)	(525,505)
Actuarial (gain) / loss on plan assets	Nil	Nil	Nil	Nil	Nil
Discount Rate	8%	8%	8%	8%	8%
Salary Escalation	7%	7%	7%	7%	7%

The expected contributions for Defined Benefit Plan for the next financial year will be in line with F.Y. 2015-16



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

b) Defined Contribution Plan

The company has recognized the following amount in statement of profit and loss which is included under contribution to funds.

Particulars	Amount in Rs.	
	2015-16	2014-15
Employer's contribution to Provident Fund	13,130,219	10,997,825
Employer's contribution to E.S.I.	1,328,572	1,691,308

36 Information on related party transactions as required by Accounting Standard (AS-18) on Related Party Disclosures for the year ended 31st March, 2016
a) Names of related parties and nature of relationship**I. Key Management Personnel (KMP)**

1. Shri Suresh J. Patel	Chairman & Managing Director
2. Shri Bhavin S. Patel	Executive Director
3. Shri Ankit S. Patel	Executive Director
4. Shri Mayur B. Padhya	Chief Financial Officer
5. Shri Ashutosh B. Bhatt	Company Secretary

II. Enterprise under significant influence of key management personnel (Enterprise)

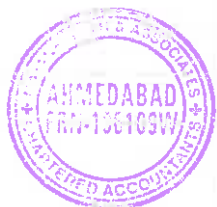
- (i) Shanti Inorgo Chem (Guj.) Pvt. Ltd.
- (ii) Rudraksh Caterers Pvt. Ltd.

III. Associates

- (i) Sun Agrigenetics Pvt. Ltd. (Associate concern till 24/02/2015)

b) Transactions with related parties

Related party disclosure	Relationship	2015-2016	2014-2015
Remuneration			
Shri Suresh J. Patel	KMP	10,800,000	10,800,000
Shri Bhavin S. Patel	KMP	7,200,000	7,200,000
Shri Ankit S. Patel	KMP	72,36,646	7,200,000
Shri Mayur B. Padhya	KMP	2,299,503	2,360,707
Shri Ashutosh B. Bhatt	KMP	422,235	372,284
Loan Given			
Sun Agrigenetics Pvt. Ltd.	Associates	*N.A.	10,00,000
Loan Received			
Shri Suresh J. Patel	KMP	16,500,000	Nil
Shri Bhavin S. Patel	KMP	15,950,000	Nil
Shri Ankit S. Patel	KMP	13,028,000	Nil
Loan Repaid			
Shri Suresh J. Patel	KMP	16,500,000	50,000
Shri Bhavin S. Patel	KMP	15,950,000	Nil
Shri Ankit S. Patel	KMP	13,028,000	Nil



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Purchases of Materials

Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	14,728,479	8,670,908
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Rent Expense

Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	3,67,500	25,000
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Rent Income

A.G.M. Expenses

Rudraksh Caterers Pvt. Ltd.	Enterprise	24,390	58,005
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Business Development Expenses

Rudraksh Caterers Pvt. Ltd.	Enterprise	86,720	273,911
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Canteen Expenses

Rudraksh Caterers Pvt. Ltd.	Enterprise	390,082	227,459
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Commission Paid

Shri Suresh J. Patel	KMP	Nil	40,000,000
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Shri Bhavin S. Patel	KMP	Nil	30,000,000
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Shri Ankit S. Patel	KMP	20,463,354	30,000,000
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Dividend Paid

Shri Suresh J. Patel	KMP	20,007,090	Nil
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Shri Bhavin S. Patel	KMP	5,345,830	Nil
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Shri Ankit S. Patel	KMP	3,371,930	Nil
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Shri Mayur B. Padhya	KMP	117,057	Nil
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Business Support Service Income

Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	Nil	120,000
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Interest Income

Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	801,922	Nil
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Sales of Materials

Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	43,670,854	66,00,683
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c) Related Party Balances as at the year end.

Amounts Payable

As Trade Payables

Rudraksh Caterers Pvt. Ltd.	Enterprise	82,557	93,307
-----------------------------	------------	--------	--------

Shri Suresh J. Patel	KMP	687,800	26,804,800
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Shri Bhavin S. Patel	KMP	599,800	19,944,300
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Shri Ankit S. Patel	KMP	13,869,800	19,930,800
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Shri Mayur B. Padhya	KMP	118,342	14,307
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Shri Ashutosh B. Bhatt	KMP	35,021	29,055
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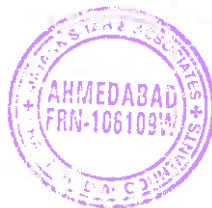
Amounts Receivable

As Advance Given To Supplier

Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	2,46,85,649	1,71,93,772
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As Long Term Loans & Advances

Sun Agrigentics Pvt. Ltd.	Associates	*N.A.	11,509,000
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BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

Investment in Equity Shares

Sun Agrigentic Pvt. Ltd.

Associates

*N.A.

1,536,095

*Sun Agrigentic Pvt Ltd. was Associates concern till 24/02/2015, hence, previous figures have been given and current year transactions are not shown since, it is not an Associates concern in the current year.

Notes:-

No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts pertaining to related parties have been written off or written back during the year.

37 Segment Reporting:

The Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per Accounting Standard 17. The Company is principally engaged in a single business segment viz., "Dyes, Dyes Intermediates and Basic Chemicals".

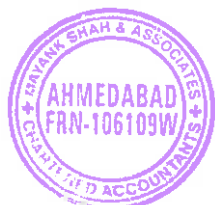
The geographical segment has been considered for disclosure as secondary segment.

Two secondary segments have been identified based on the geographical locations of customers i.e. domestic and export. Information about geographical segments are as below.

Amount (Rs.)

	2015-16			2014-15		
	Domestic Operations	External Operations	Total	Domestic Operations	External Operations	Total
Segment Revenue	6,089,691,445	3,009,859,490	9,099,550,935	6,361,578,081	4,091,544,129	10,453,122,210
Carrying Cost of Segment Assets	4,667,680,408	431,150,372	5,098,830,780	4,684,588,458	657,761,774	5,342,350,232
Capital Expenditure during the year	251,436,954	Nil	251,436,954	388,204,253	Nil	388,204,253

- Revenue from external operations comprises of income from sale of products, and other operating revenues.
- Carrying amount of segment assets comprises of non-current assets and current assets identified to the respective segments. However Segments assets in India also includes certain common assets used to generate revenue in both segments but not feasible of allocation.
- Capital expenditure during the year represents net additions to Tangible and Intangible assets and movement in Capital work in progress.



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

38 Earnings per Equity Share

	Amount (Rs.)	
	2015-16	2014-15
Net Profit/(Loss) after Tax as per statement of Profit and Loss	859,865,590	917,824,295
Weighted average number of Equity Shares	109,107,370	109,107,370
Basic and Diluted Earnings per Share	7.88	8.41
Nominal Value per Share	2	2

39 Value of Imports on CIF Basis	2015-16 (in Rs.)	2014-15 (in Rs.)
Raw Materials	427,193,843	492,746,367

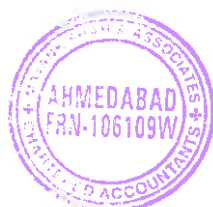
40 Earning in Foreign Currency	2015-16 (in Rs.)	2014-15 (in Rs.)
F.O.B. Value of Exports	2,934,707,212	4,039,050,888

41 Expenditure in Foreign Currency	2015-16 (in Rs.)	2014-15 (in Rs.)
Travelling	1,924,655	1,884,284
Commission	40,393,851	76,321,188
Business Development Expense	478,938	1,149,620
Export Damage Claim	Nil	25,777
Bank Charges	5,311,751	3,976,427
Interest Expense	9,940,823	11,066,076
Repairs to Machinery	655,088	Nil
Other Selling Expense	537,022	Nil
Cash Discount	269,685	1,376,646

42 Amalgamation of Wholly Owned Subsidiary with the Company

At their respective meeting held on 10th march, 2016, the Board of the Company and of its subsidiary, Bodal Agrotech Ltd. have approved a scheme of amalgamation of Bodal Agrotech Ltd. with the company. The appointed date for the proposed scheme is 1st April, 2016.

The scheme of amalgamation is subject to the final order of the Hon'ble High Court of Gujarat and other legal compliances as per the provision of the Companies Act 1956 and other applicable provisions of the Companies Act, 2013. The effect of the amalgamation will be given in the books of the Company only after Final Order is passed in the matter by the Hon'ble High Court of Gujarat.



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Continued.....

43 Previous year's figures have been rearranged and reclassified wherever necessary to correspond with the current year.

As Per Our Report of even date attached

For Mayank Shah & Associates

For and on behalf of the Board of Directors

Chartered Accountants

Firm Registration No. 106109W



(M.S. Shah)

Partner

Membership No. 44093



Ahmedabad

May 26, 2016



(Suresh J. Patel)

Chairman & Managing Director

DIN:00007400



(Mayur B. Padhya)

Chief Financial Officer

Ahmedabad

May 26, 2016



(Ankit S. Patel)

Executive Director

DIN:02173231



(Ashutosh B. Bhatt)

Company Secretary

**MAYANK SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS**

**706/708 MAHAKANT
OPP.V.S.HOSPITAL,
ELLISBRIDGE,
AHMEDABAD-380006**

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
BODAL CHEMICALS LIMITED**

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of BODAL CHEMICALS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2015. , the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.



AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors, on separate financial statements of the subsidiary noted below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and its consolidated cash flows for the year ended on that date.



OTHER MATTERS

We did not audit the financial statements of subsidiary company, whose financial statements reflect total assets of Rs.214.76 lacs as at 31st March, 2015, total revenues of Rs.0.16 lacs and net cash outflows amounting to Rs. 0.66 Lacs for the year ended on that date as considered in the Consolidated Financial statements. These Financial Statements and other financial information have been audited by other auditor whose report have been furnished to us by the management, and our opinion, in so far as it relates to amounts and disclosures included in respect of subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters stated in above paragraphs with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of a subsidiary company, as noted in the 'Other Matter' paragraphs, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.



(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditor of its subsidiary company, none of the directors of the Group companies is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of subsidiary company, as noted in the 'Other Matter' paragraphs:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding company and its Subsidiary company – Refer Note 33 to the consolidated financial statements.
- ii. The Holding company and its subsidiary company, did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education & Protection Fund by the Holding Company and its Subsidiary company during the year ended 31st March, 2015.

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No: 106109W



mesha
M.S. SHAH

Partner

Membership No. 44093

Ahmedabad
May 30, 2015

Annexure to the Independent Auditors' Report

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" section of our report of even date on the consolidated financial statements of BODAL CHEMICALS LIMITED ("The Holding Company") for the year ended March 31,2015)

- (i) (a) The Holding company and its subsidiary company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets;
- (b) The fixed assets were physically verified during the year by the respective Management of the Holding and Subsidiary Company in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the each Company, nature and value of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories,
 - (a) In case of Holding Company, the inventory except goods-in-transit has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For goods-in-transit at year end, relevant evidences have been obtained. However subsidiary company does not hold any inventories, therefore paragraph 3(ii) of the order is not applicable to the subsidiary company.
 - (b) In our opinion and according to information and explanation given to us, the procedures of physical verification of inventories followed by the management of the Holding Company are reasonable and adequate in relation to the size of the holding company and the nature of its business;
 - (c) In our opinion and according to information and explanation given to us, the holding company has maintained proper records of inventory. The discrepancies noticed on verification between physical stocks and book records were not material;
- (iii) The Holding Company and its subsidiary companies have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities except for unsecured loans, to the extent included in the consolidated financial statements, granted by a subsidiary company to a company where the receipts of principal and interest have been as per the stipulations and there is no overdue amount in excess of Rs. 1lac remaining outstanding as at the year-end.



- (iv) In our opinion and the opinions of the other auditors and according to the information and explanations given to us and to other auditor, there is an adequate internal control system in the Holding Company and its Subsidiary Company commensurate with the size of the respective entities the nature of their business with regard to purchase of inventories and fixed assets and with regard to sale of goods and services. During the course of our and other auditor's audit, we and the other auditor have not observed any continuing failure to correct major weaknesses in such internal control system.
- (v) In our opinion and according to the information and explanation given to us the holding company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the holding company. However, as reported by the other auditor subsidiary company has not accepted any deposits from the public and accordingly paragraph 3(v) of the order is not applicable to the subsidiary company.
- (vi) In Case of Holding Company, we have broadly reviewed the books of accounts maintained by the holding company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under subsection (1) of section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same. Moreover, in case of subsidiary company as reported by the other auditor the central government has not prescribed the maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013, for the products and services of these companies.
- (vii) (a) According to the information and explanations given to us and to other auditor and on the basis of examination of the records of the respective companies by us and the other auditor, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax/ Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and material statutory dues wherever applicable have generally been regularly deposited during the year by each of the company with the appropriate authorities. Further, According to the information and explanations given to us, no such undisputed amounts payable were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.



- (b) In case of Holding Company, according to the information and explanations given to us, details of dues towards Income Tax, Excise Duty, Service Tax and Customs Duty which have not been deposited by the holding company on account of disputes are as follows,

Name of the Statute	Nature of the Dues	Amount (in Rs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1,44,65,740	A.Y. 2007-08	Commissioner of Income Tax (Appeals)
	Income Tax	1,23,65,717	A.Y. 2008-09	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944.	Excise Duty & Penalty	157,822	F.Y. 2011-12	Customs, Excise & Service Tax Appellate Tribunal
	Excise Duty & Penalty	12,07,965	F.Y. 2006-07 to F.Y.2010-11	Customs, Excise & Service Tax Appellate Tribunal
	Excise Duty & Penalty	59,18,495	F.Y. 2005-06 to F.Y.2007-08	Customs, Excise & Service Tax Appellate Tribunal
	Excise Duty & Penalty	23,21,043	F.Y. 2005-06 to F.Y.2007-08	Customs, Excise & Service Tax Appellate Tribunal
	Excise Duty & Penalty	61,560	F.Y. 2011-12	Commissioner of Central Excise (Appeals)
	Excise Duty & Penalty	54,62,656	F.Y. 2013-14	Customs, Excise & Service Tax Appellate Tribunal
	Excise Duty & Penalty	26,32,176	F.Y. 2013-14	Commissioner of Central Excise (Appeals)
	Excise Duty & Penalty	6,13,312	F.Y. 2013-14	Customs, Excise & Service Tax Appellate Tribunal
	Excise Duty & Penalty	4,55,015	F.Y. 2010-11 to F.Y. 2011-12	Customs, Excise & Service Tax Appellate Tribunal
	Excise Duty & Penalty	4,86,378	F.Y. 2013-14	Commissioner of Central Excise (Appeals)



	Excise Duty & Penalty	13,488	F.Y. 2010-11 to F.Y. 2011-12	Commissioner of Central Excise (Appeals)
	Excise Duty & Penalty	14,592	F.Y. 2014-15	Commissioner of Central Excise (Appeals)
Service Tax	Service Tax & Penalty	3,86,419	F.Y. 2011-12	Customs, Excise & Service Tax Appellate Tribunal
Customs Act, 1962.	Duty, Penalty, Interest & Fine	11,70,696	F.Y. 2007-08	Customs, Excise & Service Tax Appellate Tribunal

According to the information and explanations given to us , there are no dues of wealth tax, Sales Tax including Value Added Tax, and Cess which have not been deposited with the appropriate authorities on account of any dispute. Moreover, in case of subsidiary company there are no dues of Income Tax, Excise Duty. Service Tax, Customs Duty, wealth tax, Sales Tax including Value Added Tax, and Cess which have not been deposited with the appropriate authorities on account of any dispute

(c) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under has been transferred to such fund within time.

- (viii) On a Consolidated basis, the Holding Company and Subsidiary Company does not have any accumulated loss, at the end of the financial year and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year;
- (ix) In our opinion and according to the information and explanations given to us and to other auditor, the holding and subsidiary company has not defaulted during the year in repayment of dues to bank. The holding and subsidiary company did not have any amount outstanding to financial institutions or debenture holders during the Year.
- (x) According to the information and explanations given to us and other auditor, the holding and subsidiary company has not given any guarantees for loan taken by others from a banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans taken by the holding company have been applied for the purposes for which they were obtained. However, as reported by the other auditor subsidiary company has not taken any term loan and accordingly paragraph 3(xi) is not applicable to subsidiary company.



- (xii) To the best of our knowledge and belief and according to the information and explanations given to us and the other auditors, and considering the size and nature of the consolidated operations of the Holding Company and its subsidiary company no fraud of material significance on the Holding Company and its subsidiary company or no fraud by the Holding Company and its subsidiary company have been noticed or reported during the year.

Ahmedabad
May 30, 2015



For Mayank Shah & Associates
Chartered Accountants
Firm Registration No: 106109W

mshah
M.S. SHAH
Partner
Membership No. 44093

BODAL CHEMICALS LTD.
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

		Amount (In Rs.)	
PARTICULARS	Notes	As at 31st March, 2015	As at 31st March, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds :			
Share Capital	3	468,214,740	468,214,740
Reserves and Surplus	4	1,346,692,658	429,975,414
		1,814,907,398	898,190,154
Deferred Grant	5	Nil	740,021
Non-Current Liabilities			
Long-term borrowings	6	862,073,596	2,158,487,813
Deferred Tax Liability (Net)	7	122,597,078	Nil
Other Long Term Liabilities	8	792,000	Nil
		985,462,674	2,158,487,813
Current Liabilities			
Short-term borrowings	9	1,224,914,479	1,273,708,307
Trade Payables	10	1,124,914,662	1,121,624,507
Other Current Liabilities	11	186,611,760	471,329,185
Short Term Provisions	12	5,539,259	2,496,591
		2,541,980,160	2,869,158,590
Total		5,342,350,232	5,926,576,578
ASSETS			
Non - Current Assets :			
Fixed Assets	13		
Tangible Assets		1,886,334,261	1,674,324,760
Intangible Assets		11,126,967	8,480,071
Capital work-in-progress		33,166,037	85,227,058
		1,930,627,265	1,768,031,889
Non-Current Investments	14	17,811,569	6,635,888
Deferred Tax Assets (Net)	15	Nil	644,042
Long Term Loans and Advances	16	161,532,358	173,380,054
Other Non-current assets	17	4,640,046	7,492,077
		183,983,973	188,152,061
Current Assets			
Inventories	18	779,564,825	1,221,292,918
Trade Receivables	19	1,972,041,627	2,263,313,051
Cash and Bank Balances	20	30,148,255	34,346,331
Short - Term Loans & Advances	21	413,902,136	361,375,330
Other Current Assets	22	32,082,151	90,064,998
		3,227,738,994	3,970,392,628
Total		5,342,350,232	5,926,576,578
Significant Accounting Policies		2	
Notes are an integral part of the financial statements			

As Per Our Report of even date attached

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No. 106109W

(M.S. Shah)

Partner

Membership No. 44093



For and on behalf of the Board

(Suresh J. Patel)

Chairman & Managing Director

DIN : 00007400

(Mayur B. Padhya)

Chief Financial Officer

Ahmedabad

May 30, 2015

(Bhavin S. Patel)

Executive Director

DIN : 00030464

(Ashutosh B. Bhatt)

Company Secretary

Ahmedabad

May 30, 2015

BODAL CHEMICALS LTD.

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Amount (In Rs.)

PARTICULARS	Notes	Year 2014-15	Year 2013-14
INCOME			
Sale of Products (Gross)	23	11,188,912,785	10,272,177,684
Other Operating Income		95,073,792	99,075,276
		11,283,986,577	10,371,252,960
Less : Excise Duty		830,864,367	776,091,406
		10,453,122,210	9,595,161,554
Other Income	24	46,460,610	37,086,849
Total Revenue		10,499,582,820	9,632,248,403
EXPENDITURE			
Cost of materials consumed	25	6,078,908,549	6,215,817,135
Purchases of Stock-in Trade	26	299,820,123	237,829,704
Changes in Inventories	27	200,426,059	(278,993,379)
Employee Benefits Expenses	28	589,946,359	380,366,991
Finance Costs	29	272,753,457	469,059,555
Depreciation and Amortisation expense	30	222,505,430	252,559,759
Other Expenses	31	1,442,959,968	1,152,318,626
Total Expenses		9,107,319,945	8,428,958,391
Profit Before Exceptional Items and Taxes		1,392,262,875	1,203,290,012
Exceptional Items	32	Nil	737,358,142
Profit Before Taxes		1,392,262,875	465,931,870
Tax Expenses			
Current Tax		350,623,950	139,938,694
Deferred Tax		123,811,164	18,599,940
Taxes of earlier years		3,466	5,765,149
		474,438,580	164,303,783
Profit for the Year		917,824,295	301,628,087
Earnings per equity share (Face value of Rs.2)	39		
Basic and diluted		8.41	2.76
Significant Accounting Policies	2		
Notes are an integral part of the financial statements			

As Per Our Report of even date attached

For Mayank Shah & Associates

Chartered Accountants

Firm Registration No. 106109W

mechah
(M.S. Shah)

Partner

Membership No. 44093



Ahmedabad
May 30, 2015

For and on behalf of the Board

X Suresh J. Patel

(Suresh J. Patel)

Chairman & Managing Director

DIN : 00007400

Mayur B. Padhya

(Mayur B. Padhya)

Chief Financial Officer

Ahmedabad

May 30, 2015

Bhavin S. Patel

(Bhavin S. Patel)

Executive Director

DIN : 00030464

Ashutosh B. Bhatt

(Ashutosh B. Bhatt)

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015

Amount (In Rs.)

PARTICULARS	Year 2014-15	Year 2013-14
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and after exceptional items	1,392,262,875	465,931,870
Adjustment for		
Depreciation and Amortisation	222,505,430	252,559,759
Bad Debts written off	64,433,448	2,328,581
Unrealised Foreign Exchange Loss	(2,474,444)	(31,035,027)
Finance Cost	272,753,457	469,059,555
Exceptional Item (Refer Note 32)	Nil	737,358,142
(Profit)/Loss on Sale of Assets (Net)	(444,549)	2,853,829
Interest/Dividend/Rent received	(9,421,738)	(12,716,877)
Loss on Sale of Investments (Net)	1,338,629	278,842
Write-back of Provision of Diminution	(3,174,461)	Nil
Grant recognised	Nil	(1,496,973)
Operating Profit before Working Capital Changes	1,937,778,647	1,885,121,701
Adjustment for :		
(Increase) / Decrease in Trade Receivables	233,402,050	(1,397,591,588)
(Increase) / Decrease in Inventories	441,728,093	(603,944,534)
(Increase) / Decrease in Other Receivables	41,504,375	(16,836,550)
Increase / (Decrease) in Trade Payables	(277,869,704)	780,193,217
Cash generated from Operations	2,376,543,461	646,942,246
Direct Taxes Paid (Net of Refund)	399,384,487	155,345,038
Net Cash from Operating Activities (A)	1,977,158,974	491,597,208
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including Capital Work in Progress and capital advances	(354,622,424)	(182,031,701)
Sale of Fixed Assets	1,130,882	3,251,640
Interest/Dividend/Rent received	9,421,738	12,716,877
Sale of Investment	210,594,575	346,520
Purchase of investment	(219,934,424)	Nil
Net Cash used in Investing Activities (B)	(353,409,653)	(165,716,664)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Long Term Borrowings	(1,296,414,217)	(298,992,024)
Increase / (Decrease) in Short Term Borrowings	(51,801,725)	352,715,745
Increase in Preference Share Capital	Nil	95,000,000
Finance Cost	(272,753,457)	(469,059,555)
Unclaimed Dividend Paid	(475,743)	(187,627)
Net Cash used in Financing Activities (C)	(1,621,445,142)	(320,523,461)
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	2,304,179	5,357,083
Cash & Cash Equivalents at the beginning of the year	9,712,983	4,355,900
Cash & Cash Equivalents at the end of the year	12,017,162	9,712,983

As Per Our Report of even date attached

For Mayank Shah & Associates

Chartered Accountants

Firm Registration No. 106109W

(M.S. Shah)

Partner

Membership No. 44093

For and on behalf of the Board

X 

(Suresh J. Patel)

Chairman & Managing Director

DIN : 00007400


(Mayur B. Padhya)

Chief Financial Officer

Ahmedabad

May 30, 2015



(Bhavin S. Patel)

Executive Director

DIN : 00030464


(Ashutosh B. Bhatt)

Company Secretary

Ahmedabad

May 30, 2015

BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015.

1 General Information

1.1 The Consolidated Financial Statements present the consolidated accounts of Bodal Chemicals Ltd. and its Subsidiary Bodal Agrotech Ltd.

The list of Subsidiary which is included in the consolidation with their respective country of incorporation and the Group's holding therein, is given below:-

Name of the Company	Relationship	Country of Incorporation	Proportion of Ownership of Interest	
			31/03/2015	31/03/2014
Bodal Agrotech Limited	Wholly owned-Subsidiary	India	100.00	100.00

During the year the subsidiary has sold 24,100 equity shares out of 40,100 equity shares previously held of its Associate concern M/s. Sun Agrigenetics Pvt. Ltd. ("SAPL"). Accordingly, SAPL ceased to be associate of the subsidiary.

1.2 Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the Companies. Recognising this purpose, the Company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.

1.3 Disclosures mandated by Schedule III of the Companies Act, 2013, by way of additional information

Name of the Entities	Net Assets i.e. total assets minus total liabilities		Share in Profit / (Loss)	
	As % of consolidated net assets	Amount (Rs. in Lakhs)	As % of consolidated profit or loss	Amount (Rs. in Lakhs)
Parent				
Bodal Chemicals Ltd.	102.39%	18,582.66	100.26%	9,201.65
Subsidiary				
Bodal Agrotech Ltd.	(1.45%)	(263.59)	(0.26%)	(23.41)
Inter-company eliminations & Consolidation adjustments	(0.94%)	(170.00)	-	-
Total	100.00%	18,149.07	100.00%	9,178.24



2. Significant Accounting Policies :**2.1 Basis of Preparation of Financial Statements****a) Basis of Accounting**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] of the Companies Act, 1956 and the other relevant provisions of the Companies Act, 2013.

b) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revisions to accounting estimates are recognised prospectively in current and future periods.

c) Current / Non Current Classification

All assets and liabilities have been classified as current or noncurrent as per the holding Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

d) Change In Accounting Policy

Government grants related to depreciable fixed assets was treated as deferred income which was recognised in the statement of profit and loss on a systematic and rational basis over the useful life of the asset. During the year the holding company has changed the method of recognizing the government grant. Grants related to specific fixed assets are presented in balance sheet by showing the opening balance of deferred grant as a deduction from the gross value of the assets concerned in arriving at their book value. Thus grant is recognised in the statement of profit and loss over the useful life of a depreciable asset by way of a reduced depreciation charge. This change results in more appropriate preparation and presentation financial statement of the Group.

BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015.

Continued.....

Accordingly, Gross Block of Fixed Assets was reduced by Rs. 740,021/- being opening balance of deferred grant. Thus grant is recognised in the statement of profit and loss over the useful life of a depreciable asset by way of a reduced depreciation charge. The change is revenue neutral in the statement of profit and loss account.

2.2 Principles of Consolidation

The financial statements of the Parent Company and its Subsidiary have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealized profits or losses in accordance with Accounting Standards(AS) 21-“Consolidated Financial Statements”.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible, are made in the consolidated financial statements and are presented to the extent possible, in the same manner as the holding company's standalone financial statements.

2.3 Fixed Assets and Depreciation / Amortization

a) Tangible Assets

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation on tangible fixed assets of the holding company is provided using Written Down Value Method on pro-rata basis at rates and in manner specified in Schedule II of the Companies Act, 2013 except based on technical analysis carried out by the management, remaining useful life in respect of certain plant & machineries situated at Unit-II, Unit-III & Unit-V is considered as 5 years.

b) Intangible Assets

The intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Intangible assets are amortized on a straight-line basis over their technically assessed useful lives, as mentioned below:

Intangible Assets	Estimated Useful Lives (Years)
Software	5
License	10
Website	5

BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015.

Continued.....

c) Capital Work in Progress & Capital Advances

Cost of Assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances.

d) Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

2.4 Investments

Investments are classified into current and non-current investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried at the lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Non-current investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss.

2.5 Inventories

(a) Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realisable value after providing for obsolescence, if any. The comparison of cost and net realisable value is made on an item-by item basis.

(b) In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, First-in-First-Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.

(d) Materials in transit are valued at cost-to-date.

2.6 Transactions in Foreign Currency:**a) Initial recognition:**

Transactions in foreign currencies entered into by the holding company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.

b) Measurement of foreign currency items at the Balance Sheet date:

Foreign currency monetary items of the holding company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

c) Forward exchange contracts:

The holding company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The holding company does not enter into any derivative instruments for trading or speculative purposes.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

2.7 Revenue Recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax/VAT and is net of returns & discounts. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognised separately as part of changes in inventories of finished goods, work in progress and stock in trade.

Export Incentives are recognised when the right to receive credit as per the terms of Incentives is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015.

Continued.....

2.8 Employee Benefits

a) Short Term Employees Benefit

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, short term compensated absences, ex-gratia, etc. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

b) Post Employment Benefit

Defined Contribution Plans :

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The holding company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme and Employees' State Insurance Corporation (ESIC) which are a defined contribution plan. The holding company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans :

The holding company's gratuity benefit scheme is a defined benefit plan. The holding company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of the holding company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance sheet date.

The holding company recognizes all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. The holding company recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

The holding company has funded its gratuity liability with Life Insurance Corporation of India (LIC) and Star Union Dai-ichi under the Group Gratuity Cash Accumulation Plan and SUD Life Group Gratuity Scheme respectively.

c) Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The holding company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

2.9 Borrowing Cost

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, upto the date when the assets are ready for their intended use. All other borrowing costs are expensed in the period they occur.

2.10 Provisions and Contingencies

A provision is recognised if, as a result of a past event, the holding company has a present obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.11 Taxes on Income

Income tax expenses comprise current and deferred taxes. Current tax is determined on income for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws and after considering credit for Minimum Alternate Tax (MAT) available under the said Act. MAT paid in accordance with the tax laws which gives future economic benefits in the form of adjustments to future tax liability, is considered as an asset if there is convincing evidence that the future economic benefit associated with it will flow to the holding company resulting in payment of normal income tax.

Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that there is a reasonable certainty that there will be sufficient future taxable income to realise the assets. Deferred tax asset pertaining to unabsorbed depreciation and carry forward of losses are recognised only to the extent there is a virtual certainty of its realisation.



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015.

Continued.....

2.12 Governments Grants/Subsidy

Government Grants is recognized when there is a reasonable assurance that the holding company will comply with the conditions attached to them and grants will be received.

Grant related to depreciable assets is shown as a deduction from the gross value of the asset concerned in arriving at its book value. The grant is thus recognised in the profit and loss statement over the useful life of a depreciable asset by way of a reduced depreciation charge.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

2.13 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders after deducting preference dividends and attributable taxes by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earning 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, if any.

2.14 Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

2.15 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
3 : SHARE CAPITAL		
<u>Authorised Share Capital</u>		
12,00,00,000 (P.Y. 12,00,00,000) Equity Shares of Rs.2/- each	240,000,000	240,000,000
2,50,00,000 (P.Y. 2,50,00,000) Preference Share of Rs. 10/- each	250,000,000	250,000,000
	490,000,000	490,000,000
<u>Issued, Subscribed & Paid up Share Capital</u>		
10,91,07,370 Equity Shares of Rs. 2/- each (P. Y. 10,91,07,370 Equity Shares of Rs. 2/- each)	218,214,740	218,214,740
2,50,00,000 (P.Y. 2,50,00,000) Pref. Shares of Rs. 10/- each	250,000,000	250,000,000
Total	468,214,740	468,214,740
3.1 Reconciliation of the number of Shares		
	As at 31st March, 2015	As at 31st March, 2014
	No. of Shares	No. of Shares
Equity Shares		
Opening balance	109,107,370	109,107,370
Issued during the Year	Nil	Nil
Closing balance	109,107,370	109,107,370
Preference Shares		
Opening balance	25,000,000	15,500,000
Issued during the Year	Nil	9,500,000
Closing balance	25,000,000	25,000,000



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

3.2 Rights, preferences and restrictions attached to shares

Equity shares

The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.

Preference shares

The Company has only one class of non-convertible, non-cumulative redeemable preference shares having a par value of Rs. 10/- per share. Each shareholder shall have a right to attend general meeting of the company and vote on resolutions directly affecting their interest. In the event of liquidation, the preference shareholders shall be entitled to a preferential right of return of the amount paid up on the shares, but shall not have any further right or claim over the surplus asset of the company. The holder of these shares shall be entitled to receive dividend at fixed rate i.e. @ 9% on paid up value of shares subject to declaration of dividend by the company but do not have right to participate in surplus profit.

3.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	% held	No. of Shares	% held
Equity Shares :				
Shri Suresh J. Patel	3,33,45,151	30.57	3,33,45,151	30.57
Shri Bhavin S. Patel	78,10,050	7.16	78,10,050	7.16
Shri Ramesh P. Patel	66,35,299	6.08	66,35,299	6.08
Preference shares :				
Mayur Dyechem Intermediates Ltd.	95,00,000	38.00	95,00,000	38.00
Shri Shaunak S. Parikh	30,00,000	12.00	30,00,000	12.00
H & H Exports (Guj.) Pvt. Ltd.	20,00,000	8.00	20,00,000	8.00
Shri Ashok G. Bansal	20,00,000	8.00	20,00,000	8.00
Shri Karna A. Surti	15,00,000	6.00	15,00,000	6.00



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
4 : RESERVES & SURPLUS		
Capital Reserves		
At the commencement and at the end of the year	76,121,441	76,121,441
Capital Redemption Reserve Fund		
At the commencement and at the end of the year	39,671,460	39,671,460
Securities Premium Account		
At the commencement and at the end of the year (Premium on issue of Equity Shares)	222,035,976	222,035,976
Investment Allowance Reserve - Utilised Account		
At the commencement of the year	Nil	477,527
Less : Transferred to General Reserve	Nil	477,527
At the end of the year	Nil	Nil
General Reserve		
At the commencement of the year	138,858,089	138,380,562
Add : Transferred from Investment Allowance Reserve - Utilised Account	Nil	477,527
At the end of the year	138,858,089	138,858,089
Surplus / (Deficit) in the Statement of Profit and Loss		
At the commencement of the year	(46,711,552)	(348,339,639)
Less : Additional Depreciation (net of tax of Rs. 5,70,042/-) pursuant to enactment of Schedule II of the Companies Act, 2013 (Refer Note 13.1)	(1,107,051)	Nil
Add / (Less) : Surplus / (deficit) during the year	917,824,295	301,628,087
At the end of the year	870,005,692	(46,711,552)
Total	1,346,692,658	429,975,414

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
5 : DEFERRED GRANT		
Grant From World Bank :	740,021	2,236,994
Less : Recognised for current year	Nil	(133,695)
Less : Additional recognition due to change in method of depreciation	Nil	(1,363,278)
Less : Transferred to Fixed Assets (Refer Note 35)	(740,021)	Nil
Total	Nil	740,021

BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
6 : LONG TERM BORROWINGS		
<u>Secured</u>		
Term loan from Banks	855,375,916	2,150,605,787
<u>Unsecured</u>		
Loan From Directors	Nil	50,000
Public Deposits	Nil	2,145,000
Trade Deposits	6,697,680	5,687,026
Total	862,073,596	2,158,487,813

Current Maturities of Long Term Borrowings

*779,514

*284,370,324

*Amount disclosed under other current liabilities (Refer Note 11)

6.1 Nature of Security and terms of repayment for Long Term secured borrowings

6.1.1 Term loan from banks balance outstanding amounting to Rs.1200.00 lacs (P.Y.:Rs.1455.00 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 252,253,254 GIDC, Vatva and Plot No. 804 of Padra Unit and Hyp. of entire P&M and other equipment acquired through the term loan and repayable in 40 quarterly installments starting from April 2012. Last installment is due in March, 2022. Rate of interest 12.75%. (P.Y.16.50%) p.a. at year end.

6.1.2 Term loan from banks balance outstanding amounting to Rs.3704.00 lacs (P.Y.:Rs.4491.10 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Vadodara and Hyp. of entire P&M and other equipment acquired through the term loan and repayable in 40 quarterly installments starting from April, 2012. Last installment is due in March, 2022. Rate of interest 12.75 % (P.Y. 15.50%) p.a. at year end.

6.1.3. Term loan from banks balance outstanding amounting to Rs.2300.00 lacs (P.Y.:Rs.4243.75 lacs) is secured by 1st charge on immovable properties of the company situated at Plot No. 804 & Block No. 800, 803/1, 797, 796, 795, 532, 555, 556, 560, 561/1 and 525, Village Dudhavada, Taluka Padra, Vadodara and Hyp. of entire P&M and other equipment acquired through the term loan and repayable in 40 quarterly installments starting from April, 2012. Last installment is due in March, 2022. Rate of interest 15.25%. (P.Y. 15.00 %) p.a. at year end.

6.1.4 Working Capital Term loan from banks balance outstanding amounting to Rs.NIL (P.Y.:Rs.374.42 lacs) is secured by 1st pari pasu charge on entire current assets of the company. Loan is fully paid in August 2014. Rate of interest 15.75% (P.Y. 15.75%) p.a.



BODAL CHEMICALS LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

6.1.5. Working Capital Term loan amounting to Rs.1349.50 lacs (P.Y.:Rs.2037.00 lacs) is secured by 1st pari pasu charge on entire current assets of the company and repayable in 120 monthly installments starting from April, 2012. Last installment is due in March, 2022. Rate of interest 12.75% (P.Y. 16.00%) p.a. at year end.

6.1.6 Working Capital Term loan from banks balance outstanding amounting to Rs.NIL (P.Y.:Rs.3488.00 lacs) is secured by 1st pari pasu charge on entire current assets of the company. loan is fully paid in July 2014. Rate of interest 10.25% (P.Y.: 10.25%) p.a.

6.1.7 Working Capital Term loan from banks balance outstanding amounting to Rs.NIL (P.Y.:Rs.5735.61 lacs) is secured by 1st pari pasu charge on entire current assets of the company. Loan is fully paid in July 2014. Rate of interest 10.25% (P.Y.: 10.25%) p.a.

6.1.8 Funded Interest Term loan from banks balance outstanding amounting to Rs.NIL (P.Y.:Rs.1000.47 lacs) is secured by 1st pari pasu charge on entire current assets of the company. Loan is fully paid in June 2014. Rate of interest 10.25% (P.Y.: 10.25%) p.a.

6.1.9 Funded Interest Term loan from banks balance outstanding amounting to Rs.NIL (P.Y.:Rs.1476.90 lacs) is secured by 1st pari pasu charge on entire current assets of the company. Loan is fully paid in June 2014. Rate of interest 10.25% (P.Y.: 10.25%) p.a.

6.1.10 Vehicle loan ,balance outstanding amounting to Rs.8.05 lacs (P.Y.:Rs.27.53 lacs) is secured by Hire Purchase agreement for Vehicles and repayable in monthly installments. Interest rate from 9% to 10%.

6.2 Term Loans are collaterally further secured by equitable mortgage on Immovable property and Hyp. Of P&M of the company. It is further secured by personal guarantees of the Chairman and Managing Director and Executive directors. It is further secured by pledge of equity shares of the company held by the promoters and promoter group(excluding 3 NRIs and 2 resident indians from promoter groups).

6.3 Installments falling due in respect of all the above Loans upto 31/03/2016 have been grouped under "Current maturities of long-term debt".



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
7 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Difference between book depreciation and tax depreciation	131,517,611	Nil
Employee benefits	192,179	Nil
Deferred Tax Assets		
Expenditure covered by section 43B of Income Tax Act, 1961	(9,112,712)	Nil
Total	122,597,078	Nil

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
8 : OTHER LONG-TERM LIABILITIES		
Other Long-Term Liabilities	792,000	Nil
Total	792,000	Nil

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
9 : SHORT TERM BORROWINGS		
Secured		
Working Capital Loans from Banks	1,224,914,479	1,273,708,307
Total	1,224,914,479	1,273,708,307

9.1 Working Capital Loans from Banks are secured by Hyp. Of Inventories, Book Debts and bills drawn under letter of credit and collaterally secured by equitable mortgage on Immovable property and Hyp. Of P&M of the company and personal guarantees of the Chairman and Managing Director and Executive directors. It is further secured by pledge of equity shares of the company held by the promoters and promoter group(excluding 3 NRIs and 2 resident indians from promoter groups).



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
10 : TRADE PAYABLES		
Trade Payables	1,124,914,662	1,121,624,507
Total	1,124,914,662	1,121,624,507

10.1 The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at year end together with interest paid payable under this Act have not been given.

10.2 Trade Payables include Rs. 93,307/- (P.Y. Nil) to related parties (refer note 37)

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
11 : OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt (Refer Note 6)	779,514	284,370,324
Advance Received from Customers	27,769,808	13,743,380
Unclaimed Dividends (Note 11.1)	1,568,041	2,043,784
Unclaimed Share Application Money (Note 11.1)	39,881	39,881
Creditors for Capital Goods	30,340,240	11,954,784
Other Current Liabilities	62,880,710	96,565,554
Statutory Liabilities (Note 11.2)	63,233,566	62,611,478
Total	186,611,760	471,329,185

11.1 There are no amounts due for payment to the Investor Education and Protection Fund Under Section 205C of the Companies Act, 1956 as at the year end. Section 125 of the Companies Act, 2013 which corresponds to Section 205C of the Companies Act, 1956 has not yet been enforced.

11.2 Statutory liabilities represent amounts payable towards VAT, CST, Excise duty and TDS etc.

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
12 : SHORT TERM PROVISIONS		
Provision for Employee Benefits (Refer Note 36)	5,240,496	2,323,279
Provision for Wealth Tax	298,763	173,312
Total	5,539,259	2,496,591



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

13 : FIXED ASSETS

	GROSS BLOCK			DEPRECIATION / AMORTISATION							NET BLOCK	
Description	As At	Addition	Deduction	As At	As At	Addition	Retained	Deduction	Addl. Dep. On account of change in method	As At	As At	As At
	01.04.2014			31.03.2015	01.04.2014		Earnings			31.03.2015	31.03.2015	31.03.2014
TANGIBLE ASSETS :												
Land	94,571,217	16,063,233	Nil	110,634,450	Nil	Nil	Nil	Nil	Nil	Nil	110,634,450	94,571,217
Factory Building	767,355,626	4,211,002	Nil	771,566,628	293,252,335	45,374,441	Nil	Nil	Nil	338,626,776	432,939,852	474,103,291
Office Building	15,556,924	8,646,970	Nil	24,203,894	4,281,844	609,093	Nil	Nil	Nil	4,890,937	19,312,957	11,275,080
Plant & Machinery	2,495,210,441	375,578,626	1,394,141	2,869,394,926	1,441,987,064	155,704,445	Nil	445,074	Nil	1,597,246,435	1,272,148,491	1,053,223,377
Furniture & Fixture	43,079,184	2,567,815	Nil	45,646,999	26,959,272	5,921,020	Nil	Nil	Nil	32,880,292	12,766,707	16,119,912
Office Equipment	20,373,392	7,712,003	Nil	28,085,395	13,369,769	4,256,916	1,668,533	Nil	Nil	19,295,218	8,790,177	7,003,623
Vehicles	47,813,956	20,446,012	2,761,376	65,498,592	29,785,696	8,246,798	8,560	2,284,089	Nil	35,756,965	29,741,627	18,028,260
TOTAL (A)	3,483,960,740	435,225,661	4,155,517	3,915,030,884	1,809,635,980	220,112,713	1,677,093	2,729,163	Nil	2,028,696,623	1,886,334,261	1,674,324,760
INTANGIBLE ASSETS :												
Good will	104,680,098	Nil	Nil	104,680,098	104,680,098	Nil	Nil	Nil	Nil	104,680,098	Nil	Nil
Computer Software	4,097,876	519,613	Nil	4,617,489	1,855,291	741,069	Nil	Nil	Nil	2,596,360	2,021,129	2,242,585
licence	10,172,500	4,520,000	Nil	14,692,500	4,015,756	1,607,113	Nil	Nil	Nil	5,622,869	9,069,631	6,156,744
Trade Mark	91,062	Nil	Nil	91,062	46,723	26,125	Nil	Nil	Nil	72,848	18,214	44,339
Website	92,050	Nil	Nil	92,050	55,647	18,410	Nil	Nil	Nil	74,057	17,993	36,403
TOTAL (B)	119,133,586	5,039,613	Nil	124,173,199	110,653,515	2,392,717	Nil	Nil	Nil	113,046,232	11,126,967	8,480,071
TOTAL (A+B)	3,603,094,326	440,265,274	4,155,517	4,039,204,083	1,920,289,495	222,505,430	1,677,093	2,729,163	Nil	2,141,742,855	1,897,461,228	1,682,804,831
PREVIOUS YEAR	3,587,823,726	27,856,332	12,585,732	3,603,094,326	936,851,857	252,559,759	Nil	6,480,263	737,358,142	1,920,289,495	1,682,804,831	2,650,971,869
Capital Work in Progress											33,166,037	85,227,058
TOTAL FIXED ASSETS											1,930,627,265	1,768,031,889

13.1 Depreciation on tangible fixed assets of the company is provided using Written Down Value Method on pro-rata basis at rates and in manner specified in Schedule II of the Companies Act, 2013 except based on technical analysis carried out by the management, remaining useful life in respect of certain plant & machineries situated at Unit-II, Unit-III & Unit-V is considered as 5 years. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax of Rs. 5.70 lacs, in the opening balance of Profit and Loss Account amounting to 11.07 lacs.

13.2 From 1st April, 2014, new Companies Act, 2013 has come into force and as per the Schedule II of the Companies Act, 2013; company has revised the useful life of company's fixed assets for providing depreciation on it. Accordingly, carrying amount as on 1st April, 2014 has been depreciated over the remaining revised useful life of the fixed assets. Due to this change the depreciation for the year ended 31st March, 2015 is lower and profit before tax is higher to the extent of Rs. 99.01 lacs.

BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March,2015	As at 31st March,2014
14 : NON - CURRENT INVESTMENTS		
LONG TERM INVESTMENTS		
TRADE INVESTMENTS		
<u>Quoted</u>		
100 (P.Y. 100) Equity Shares of Beta Nepthol Ltd. of Rs. 10/- Each Fully Paid Up	3,465	3,465
1,00,000 (P.Y. Nil) Equity Shares of Bhageria Dye Chem Ltd. of Rs. 10/- Each Fully Paid Up	14,934,424	Nil
Nil (P.Y. 50,000) Equity Shares of Dynamic Industries Ltd. of Rs. 10/- Each Fully Paid Up	Nil	5,204,770
	14,937,889	5,208,235
Less : Provision for diminution in Investments	3,465	4,763,235
Total	14,934,424	445,000
<u>Unquoted</u>		
250 (P.Y.250) Equity Shares of Green Environment Ser. Co-op.Soc. Ltd. of Rs. 100/- each Fully Paid Up	25,000	25,000
112,350 (P.Y. 112,350) Equity Shares of Bharuch Enviro Infrastructure Ltd of Rs. 10/-each Fully Paid Up	1,123,500	1,123,500
100 (P.Y.100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of Rs. 10/- Each Fully Paid Up	1,000	1,000
10 (P.Y.10) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of Rs. 100/- Each Fully Paid Up	1,000	1,000
10,200 (P.Y.10,200) Equity Shares of Panoli Enviro Technology Ltd. of Rs. 10/- Each Fully Paid Up	102,000	102,000
3,542 (P.Y.3,542) Equity Shares of Makarpura Ind.Est. Co-op. Bank Ltd. of Rs. 25/- Each Fully Paid Up	88,550	88,550
TOTAL OF TRADE INVESTMENTS	1,341,050	1,341,050
OTHER NON CURRENT INVESTMENTS		
<u>Unquoted</u>		
<u>Investment in Associate Concern*</u>		
16,000 (P.Y. 40,100) Equity Shares of Sun Agrigenetics Pvt. Ltd of Rs. 10/- each fully paid up	1,536,095	3,849,838
Share Application Money - Sun Agrigenetics Pvt.Ltd	Nil	1,000,000
Total of Other Non-Current Investments	1,536,095	4,849,838
Total of Non-Current Investments	17,811,569	6,635,888
Aggregate of Quoted Investments:		
At Book value	14,934,424	445,000
At Market Price	13,060,000	1,035,500
Aggregate of Unquoted Investments:	2,877,145	6,190,888
Aggregate provision for diminution in value of investments	3,465	4,763,235

*Subsidiary Company sold 24,100 equity shares out of 40,100 equity shares as on 24/02/2015 previously held of its associate concern M/s.Sun Agrigenetics Pvt. Ltd.("SAPL").Accordingly SAPL ceases to be associate of the subsidiary.



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
15 : DEFERRED TAX ASSETS (NET)		
Deferred Tax Liabilities		
Difference between book depreciation and tax depreciation	Nil	(90,863,751)
Employee benefits		(755,878)
Deferred Tax Assets		
Unabsorbed Depreciation / losses carried forward	Nil	7,331,467
Employee benefits	Nil	Nil
Expenditure covered by section 43B of Income Tax Act, 1961	Nil	84,932,204
Total	Nil	644,042

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
16 : LONG TERM LOANS & ADVANCES (Unsecured and Considered Good)		
Capital Advances	38,231,354	71,813,183
Security Deposits	6,736,467	5,493,534
Loans and Advances to Employees	3,944,171	4,233,990
Balance With Statutory Authorities	18,758,438	19,288,711
Advance Income Tax (Net)	82,352,928	33,470,406
Others*	11,509,000	39,080,230
Total	161,532,358	173,380,054

* Others include Advance to others, Insurance Claim receivable and Loans and Advances given to Sun agrigenetics Pvt. Ltd. (Associate concern till 24/02/2015 and Fellow subsidiary till 07/03/2014 of Rs. 11,509,000 (P.Y. 10,509,000) (Refer Note-37)

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
17 : OTHER NON-CURRENT ASSETS (Unsecured and Considered Good)		
Term Deposits with maturity of more than twelve months	27,662	25,305
Margin Money Deposits with bank with maturity after twelve months from the reporting date*	4,612,384	7,466,772
Total	4,640,046	7,492,077
* Held as lien by bank against bank guarantees and letters of credit.		



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
18 : INVENTORIES		
(Valued at the lower of cost and net realisable value)		
Raw Materials	224,543,374	449,507,986
Raw Materials in Transit	60,662,375	45,357,756
Finished Goods	112,304,757	244,913,831
Finished Goods in Transit	16,406,869	18,675,791
Stock In Process	331,604,882	431,248,666
Packing Materials	7,117,244	3,583,686
Packing Materials in Transit	120,746	Nil
Stock of Fuel	11,151,751	7,214,455
Stores and Spares	15,652,827	20,790,747
Total	779,564,825	1,221,292,918

Amount (In Rs.)

PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
19 : TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the due date for payment		
Unsecured & Considered Good	119,830,290	166,407,136
Trade receivables outstanding for a period less than six months from the due date for payment		
Unsecured & Considered Good (Note 19.1)	1,852,211,337	2,096,905,915
Total	1,972,041,627	2,263,313,051
19.1 Trade Receivables include Rs. Nil (P.Y. Rs. 239,623,722) to related parties. (refer note 37)		



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)		
PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
20 : CASH AND BANK BALANCES		
Cash & Cash Equivalents		
Cash on hand	1,544,498	2,476,664
Balance with Banks in current accounts	10,472,664	7,236,319
	12,017,162	9,712,983
Other Bank Balances		
Margin Money Deposits with bank with maturity of more than three months but less than twelve months*	16,523,171	22,549,683
Unclaimed Dividend Accounts	1,568,041	2,043,784
Unclaimed Share Application Account	39,881	39,881
	18,131,093	24,633,348
Total	30,148,255	34,346,331
* Held as lien by bank against bank guarantees and letters of credit.		

Amount (In Rs.)		
PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
21 : SHORT TERM LOANS & ADVANCES		
(Unsecured & considered good)		
Advance to Suppliers of Goods (Note 21.1)	107,781,106	58,299,069
Advance to Suppliers of Expenses	10,454,029	7,325,900
Balance with Statutory Authorities	266,981,461	269,874,117
Loans and Advances to Employees	10,050,650	7,203,914
Others (Note 21.2)	18,634,890	18,672,330
Total	413,902,136	361,375,330
21.1 Advances to supplier of goods include Rs. 17,193,772 (P.Y. Nil) to related parties. (refer note 37)		
21.2 Others include Advance to others, Tour Advances, Gratuity Planned Assets (Net), Income Receivables and Prepaid Expenses .		

Amount (In Rs.)		
PARTICULARS	As at 31st March, 2015	As at 31st March, 2014
22 : OTHER CURRENT ASSETS		
Fair Value of Foreign Exchange Forward Contracts	1,983,757	30,457,676
Export Incentives Recivables	27,606,560	59,607,322
Other Receivables (Note 22.1)	2,491,834	Nil
Total	32,082,151	90,064,998
22.1 Other receivables include Licences on Hand (at cost) and other receivables		



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)

PARTICULARS	2014-15	2013-14
23 : REVENUE FROM OPERATIONS		
Sale of products	11,188,912,785	10,272,177,684
Less : Excise Duty	830,864,367	776,091,406
Sale of products (net)	10,358,048,418	9,496,086,278
Other Operating Income	95,073,792	99,075,276
Total	10,453,122,210	9,595,161,554

Amount (In Rs.)

PARTICULARS	2014-15	2013-14
24 : OTHER INCOME		
Interest Income		
On Deposits	5,211,341	5,825,828
On Others	3,976,964	6,691,195
Write-back of Provision of Dimunition	3,174,461	Nil
Profit on sales of Assets	444,549	Nil
Prior Period Items	2,602	1,734,030
Dividend Income - from Non-Current Investments	246,733	211,278
Grant Income recognised	Nil	133,695
Premium / Discount on Forward Contracts	33,208,548	22,490,823
Other Income	195,412	Nil
Total	46,460,610	37,086,849



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)

PARTICULARS	2014-15	2013-14
25 : COST OF MATERIALS CONSUMED		
Opening Stock	494,865,742	207,452,591
Add. Purchases during the year	5,869,248,556	6,503,230,286
	6,364,114,298	6,710,682,877
Less : Closing Stock	285,205,749	494,865,742
Total	6,078,908,549	6,215,817,135

Amount (In Rs.)

PARTICULARS	2014-15	2013-14
26 : PURCHASE OF STOCK IN TRADE		
Purchase of Stock in Trade	299,820,123	237,829,704
Total	299,820,123	237,829,704

Amount (In Rs.)

PARTICULARS	2014-15	2013-14
27 : CHANGES IN INVENTORIES		
Inventories at the end of the year		
Finished Goods	128,711,626	263,589,622
Stock In Process	331,604,882	431,248,666
Total (A)	460,316,508	694,838,288
Inventories at the beginning of the year		
Finished Goods	263,589,622	50,145,795
Stock In Process	431,248,666	316,794,698
Stock of Stock-In-Trade	Nil	375,531
Total (B)	694,838,288	367,316,024
Total (A) - (B)	234,521,780	(327,522,264)
Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of Finished Goods	34,095,721	(48,528,885)
Total	200,426,059	(278,993,379)



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)

PARTICULARS	2014-15	2013-14
28 : EMPLOYEE BENEFIT EXPENSES		
Salary, Wages & Bonus	551,561,177	351,292,500
Contribution to Provident & Other Funds (Refer Note 36)	18,372,334	12,488,808
Staff Welfare Expenses	20,012,848	16,585,683
Total	589,946,359	380,366,991

Amount (In Rs.)

PARTICULARS	2014-15	2013-14
29 : FINANCE COSTS		
Bank Interest	257,870,222	441,825,743
Other Interest Expenses	1,390,187	10,508,266
Other Borrowing Cost	13,493,048	16,725,546
Total	272,753,457	469,059,555

Amount (In Rs.)

PARTICULARS	2014-15	2013-14
30 : DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Tangible Assets	220,112,713	250,988,491
Amortisation of Intangible Assets	2,392,717	1,571,268
Total	222,505,430	252,559,759



BODAL CHEMICALS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Amount (In Rs.)

PARTICULARS	2014-15	2013-14
31 : OTHER EXPENSES		
Manufacturing Expenses		
Power & Fuel Consumption	519,086,810	444,219,840
Stores Consumption	73,493,502	64,054,082
Repairs to		
Machinery	200,564,947	150,690,111
Building	25,875,591	9,155,964
Pollution Control Expenses	73,876,897	48,325,854
Insurance Expenses	4,146,533	3,434,159
Other Manufacturing Expenses	51,299,129	37,928,678
Administrative & General Expenses		
Insurance Expenses	1,840,454	1,474,832
Rent & Tax	2,751,924	3,086,099
Legal & Professional Fees	19,076,062	18,709,832
Loss on Disposal of Assets	Nil	2,853,829
Loss on sales of Investment	1,338,629	Nil
Loss Due To Fire	Nil	84,672
Exchange Rate Difference (Net)	24,828,452	43,605,283
Other Administrative & General Expenses	71,335,054	64,922,136
Selling & Distribution Expenses		
Packing Material Consumption	66,377,648	84,522,853
Clearing & Forwarding Charges	47,471,515	54,511,952
Sales Commission	105,444,513	54,141,915
Outward Freight Expenses	57,518,867	38,877,020
Bad Debts Written off	64,433,448	2,328,581
Other Selling and Distribution expenses	32,199,993	25,390,934
Total	1,442,959,968	1,152,318,626

Amount (In Rs.)

PARTICULARS	2014-15	2013-14
32 : EXCEPTIONAL ITEMS		
Depreciation due to change of method	Nil	737,358,142
Total	Nil	737,358,142



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

33. Contingent Liabilities and Commitments (to the extent not provided for)

	As at 31 st March, 2015	Amount (Rs.) As at 31 st March, 2014
(a) Contingent Liabilities		
1) Disputed matters in appeals/contested in respectof:		
i. Income Tax	26,831,457/-	40,505,870/-
ii. Excise	19,344,502/-	18,375,029/-
iii. Service Tax	386,419/-	386,419/-
iv. Customs Department	1,170,696/-	1,170,696/-

Future cash outflows in respect of the above are determinable only on receipt of Judgments /decisions pending with various forums/authorities. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

2) Letter of Credit	66,919,410/-	81,257,670/-
3) Bank Guarantee	47,177,773/-	43,228,685/-

(b) Commitments

i. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances	8,284,881/-	68,350,520/-
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34. Derivative Instruments and Un-hedged Foreign Currency Exposure

The company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contract outstanding as at 31st March, 2015 are as under,

Category	Currency	Buy/sell	ForeignCurrency Value	Foreign Currency Value (In Rs.)
Forward Contract	USD	Sell	\$6,192,802	Rs.387,612,431

Details of un-hedged foreign currency exposure as on 31/03/2015

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	Amount (in Original Currency)	Amount (in Rs.)	Amount (in Original Currency)	Amount (in Rs.)
Payable				
USD	4,481,353	280,491,457	2,793,418	167,883,867
EURO	10,358	699,244	66,317	5,476,232
		281,190,701		173,360,099



BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	Amount (in Original Currency)	Amount (in Rs.)	Amount (in Original Currency)	Amount (in Rs.)
Receivable				
USD	Nil	Nil	752,385	45,218,194
EURO	32,800	2,214,341	Nil	Nil
		2,214,341		45,218,194

35. Grant from World Bank

Government grants related to depreciable fixed assets was treated as deferred income which was recognised in the statement of profit and loss over the useful life of the asset. During the year the Company has changed the method of recognizing the government grant. Grants related to specific fixed assets are presented in balance sheet by showing the opening balance of deferred grant as a deduction from the gross value of the assets concerned in arriving at their book value. Thus grant is recognised in the statement of profit and loss over the useful life of a depreciable asset by way of a reduced depreciation charge. This change results in more appropriate preparation and presentation of financial statements of the Company.

36. Employees' Benefits

Defined Benefit Plan

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India and Star Union Dai-ichi Life insurance company in the form of qualifying insurance policy.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the company's financial statements based on actuarial valuations being carried out as at 31st March 2015.

	As at 31 st March, 2015	Amount (Rs.) As at 31 st March, 2014
Change in present value of obligations		
Present value of obligations as at beginning of year	11658219	10434072
Interest cost	935259	834726
Current Service Cost	402355	2613327
Benefits Paid	(439987)	(431976)
Actuarial (gain)/Loss on obligations	5638648	(1791930)
Present value of obligations as at end of year	18194494	11658219
Change in the fair value of plan assets	As at 31 st March, 2015	As at 31 st March, 2014
Fair value of plan assets at beginning of year	15846394	10075144
Expected return on plan assets	1475424	1081892
Employers Contributions	6066237	5121334
Benefits paid	(439987)	(431976)
Actuarial (gain)/Loss on plan assets	Nil	Nil
Fair value of plan assets at the end of year	22948068	15846394

BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Net Gratuity Cost	As at 31 st March, 2015	As at 31 st March, 2014
Current Service cost	402355	2613327
Interest Cost	935259	834726
Expected return on plan assets	(1475424)	(1081892)
Net Actuarial (gain)/Loss recognised in the year	5638648	(1791930)
Net Gratuity Cost	5500838	574231

Actual Return on Plan Assets	As at 31 st March, 2015	As at 31 st March, 2014
Expected return on plan assets	1475424	1081892
Actuarial Gain/(Loss) on plan assets	Nil	Nil
Actual return on plan assets	1475424	1081892

Balance Sheet Reconciliation	As at 31 st March, 2015	As at 31 st March, 2014
Net Liability/(Asset), beginning of the year	(4188175)	358928
Gratuity Cost as above	5500838	574231
Employers Contribution	(6066237)	(5121334)
Amount recognised in the Balance Sheet-Current	(4753574)	(4188175)

Category of Assets	As at 31 st March, 2015	As at 31 st March, 2014
Insurer Managed Funds (100%)	22948068	15846394

Assumptions	As at 31 st March, 2015	As at 31 st March, 2014
Discount Rate	8%	8%
Salary Escalation	7%	7%

The estimated future salary increases take account of inflation, seniority, promotion and other retirement factors such as supply and demand in the employment markets.

Amount recognised in current year and previous four years

Particulars	As at 31 st March				
	2015	2014	2013	2012	2011
Defined Benefit Obligation	18,194,494	11,658,219	10,434,072	7,590,014	5,452,826
Fair Value of Plan Assets	22,948,068	15,846,394	10,075,144	9,125,156	8,548,468
(Surplus) / Deficit in the plan	(4,753,574)	(4,188,175)	358,928	(1,535,142)	(3,095,642)
Actuarial (gain) / loss on plan obligation	5,638,648	(1,791,930)	(224,297)	(525,505)	439,662
Actuarial (gain) / loss on plan assets	Nil	Nil	Nil	Nil	Nil
Discount Rate	8%	8%	8%	8%	8%
Salary Escalation	7%	7%	7%	7%	7%

BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

The expected contributions for Defined Benefit Plan for the next financial year will be in line with F.Y. 2014-15

b) Defined Contribution Plan

The company has recognized the following amount in statement of profit and loss which is included under contribution to funds.

Particulars	Amount in Rs.	
	2014-15	2013-14
Employer's contribution to Provident Fund	10,997,825	9,543,116
Employer's contribution to E.S.I.	1,691,308	2,078,619

37. Related Party Disclosure

a) Names of related parties and nature of relationship

I. Key Management Personnel (KMP)

1. Shri Suresh J. Patel	Chairman & Managing Director
2. Shri Bhavin S. Patel	Executive Director
3. Shri Ankit S. Patel	Executive Director
4. Shri Mayur B. Padhya	Chief Financial Officer
5. Shri Ashutosh B. Bhatt	Company Secretary

II. Enterprise under significant influence of key management personnel (Enterprise)

- (i) Shanti Inorgo Chem (Guj.) Pvt. Ltd.
- (ii) Siskaa Chemicals Ltd. (Associate concern till 01/04/2013)
- (iii) Rudraksh Caterers Pvt. Ltd.

III. Associates

- (i) Sun Agrigenetics Pvt. Ltd. (Associate Concern till 24/02/2015 & Fellow Subsidiary Company (FS) till 07/03/2014)

b) Transactions with related parties

Related party disclosure	Relationship	2014-2015	2013-2014
Remuneration			
Shri Suresh J. Patel	KMP	10,800,000	4,800,000
Shri Bhavin S. Patel	KMP	7,200,000	1,800,000
Shri Ankit S. Patel	KMP	7,200,000	1,800,000
Shri Mayur B. Padhya	KMP	2,360,707	1,358,880
Shri Ashutosh B. Bhatt	KMP	372,284	245,889
Loan Given			
Sun Agrigenetics Pvt. Ltd.	Associate* Concern	1,000,000	Nil
Loan Repaid			
Shri Suresh J. Patel	KMP	50,000	19,500
Purchases of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	8,670,908	5,665,126
Siskaa Chemicals Ltd.	Enterprise	N.A.	62,724,157

BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

Rent Expense			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	25,000	60,000
Cash Discount			
Siskaa Chemicals Ltd.	Enterprise	N.A.	852,760
A.G.M. Expenses			
Rudraksh Caterers Pvt. Ltd.	Enterprise	58,005	Nil
Business Development Expenses			
Rudraksh Caterers Pvt. Ltd.	Enterprise	273,911	Nil
Canteen Expenses			
Rudraksh Caterers Pvt. Ltd.	Enterprise	227,459	Nil
Commission Paid			
Siskaa Chemicals Ltd.	Enterprise	N.A.	49,874
Shri Suresh J. Patel	KMP	40,000,000	9,000,000
Shri Bhavin S. Patel	KMP	30,000,000	Nil
Shri Ankit S. Patel	KMP	30,000,000	Nil
Freight on sales			
Siskaa Chemicals Ltd.	Enterprise	N.A.	352,460
Business Support Service Income			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	120,000	Nil
Sales of Materials			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	6,600,683	1,283,221
Siskaa Chemicals Ltd.	Enterprise	N.A.	477,616,814
(c) Related Party Balances as at year end.			
Amounts Payable			
As Loan From Directors			
Shri Suresh J. Patel	KMP	Nil	50,000
As Trade Payables			
Rudraksh Caterers Pvt. Ltd.	Enterprise	93,307	Nil
Amounts Receivable			
As Advance Given To Supplier			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	17,193,772	Nil
As Trade Receivables			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	Nil	44,000,616
Siskaa Chemicals Ltd.	Enterprise	N.A.	195,623,106
As Loan To Associate			
Sun Agrigenetics Pvt. Ltd.	Associate* Concern	11,509,000	10,509,000
Investment/Application money in equity shares			
Sun Agrigenetics Pvt. Ltd.	Associate* Concern	1,536,095	4,849,838

BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

*During the year the subsidiary has sold 24,100 equity shares out of 40,100 equity shares previously held of its Associate concern M/s. Sun Agrigenetics Pvt. Ltd. ("SAPL"). Accordingly, SAPL ceased to be associate of the subsidiary.

Notes:-

- (i) Loan to associate concern has been given for business purposes and has been utilized for the same.
- (ii) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

38. Segment Reporting:

The Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per Accounting Standard 17. The Company is principally engaged in a single business segment viz., "Dyes, Dyes Intermediates and Basic Chemicals".

The geographical segment has been considered for disclosure as secondary segment.

Two secondary segments have been identified based on the geographical locations of customers i.e. domestic and export. Information about geographical segments are as below.

	2014-15			2013-14		
	Domestic Operations	External Operations	Total	Domestic Operations	External Operations	Total
Segment Revenue	6,361,578,081	4,091,544,129	10,453,122,210	6,246,658,218	3,348,503,336	9,595,161,554
Carrying Cost of Segment Assets	4,684,588,458	657,761,774	5,342,350,232	5,063,960,725	862,615,853	5,926,576,578
Capital Expenditure during the year	388,204,253	Nil	388,204,253	110,585,238	Nil	110,585,238

Amount (Rs.)

- a) Revenue from external operations comprises of income from sale of products, and other operating revenues.
- b) Carrying amount of segment assets comprises of non-current assets and current assets identified to the respective segments. However Segments assets in India also includes certain common assets used to generate revenue in both segments but not feasible of allocation.
- c) Capital expenditure during the year represents net additions to Tangible and Intangible assets and movement in Capital work in progress.

39. Earnings per Equity Share

Amount (Rs.)

	2014-15	2013-14
Net Profit /(Loss) after Tax as per statement of Profit and Loss	917,824,295	301,628,087
Weighted average number of Equity Shares	109,107,370	109,107,370
Basic and Diluted Earnings per Share	8.41	2.76
Nominal Value per Share	2	2

BODAL CHEMICALS LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Continued.....

40. Value of Imports on CIF Basis	2014-15 (in Rs.)	2013-14 (in Rs.)
Raw Materials	492,746,367	645,453,859
41. Earning in Foreign Currency	2014-15 (in Rs.)	2013-14 (in Rs.)
F.O.B. Value of Exports	4,039,050,888	3,265,764,259
42. Expenditure in Foreign Currency	2014-15 (in Rs.)	2013-14 (in Rs.)
Travelling	1,884,284	519,578
Commission	76,321,188	36,668,638
Business Development Expense	1,149,620	233,842
Export Damage Claim	25,777	325,148
Bank Charges	3,976,427	5,648,909
Interest Expense	11,066,076	10,909,298
Cash Discount	1,376,646	411,867

43. Previous year's figures have been rearranged and reclassified wherever necessary to correspond with the current year.

As Per Our Report of even date attached

For Mayank Shah & Associates

Chartered Accountants

Firm Registration No. 106109W

meechah

(M.S. Shah)
Partner

Membership No. 44093



For and on behalf of the Board

X *[Signature]*

(Suresh J. Patel)

Chairman & Managing Director
DIN:00007400

[Signature]

(Mayur B. Padhya)

Chief Financial Officer

[Signature]

(Bhavin S. Patel)

Executive Director
DIN:00030464

[Signature]

(Ashutosh B. Bhatt)

Company Secretary

Ahmedabad

May 30, 2015

Ahmedabad

May 30, 2015

DECLARATION

Our Company certifies that all relevant provisions of Chapter VIII read with Schedule XVIII of the SEBI Regulations have been complied with and no statement made in this Placement Document is contrary to the same and that all approvals and permissions required to carry on the business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

Signed by:

Suresh J. Patel Chairman and Managing Director

Date: October 13, 2017

Place: Ahmedabad

DECLARATION

We, the Directors of the Company, certify that:

- (i) the Company has complied with the provisions of the Companies Act 2013 and the rules made thereunder;
- (ii) the compliance with the Companies Act 2013 and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- (iii) the monies received under the offer shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

Suresh J. Patel
Chairman and Managing Director

I am authorized by the QIP committee, a committee of the Board of Directors of the Company, vide resolution dated August 24, 2017 to sign this form and declare that all the requirements of Companies Act 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed:

Suresh J. Patel
Chairman and Managing Director

Date: October 13, 2017

Place: Ahmedabad

BODAL CHEMICALS LIMITED

Registered and Corporate Office

Plot No. 123-124, Phase-I

G.I.D.C., Vatva

Ahmedabad 382 445

Website: www.bodal.com

CIN: L24110GJ1986PLC009003

Contact Person:

Ashutosh B. Bhatt, Company Secretary

Address of Compliance Officer:

Plot No. 123-124, Phase-I

G.I.D.C., Vatva

Ahmedabad 382 445

Tel: +91 (0) 79 2583 5437, +91 (0) 79 2583 4223

Fax: +91 (0) 79 2589 2988

E-mail: secretarial@bodal.com

BOOK RUNNING LEAD MANAGERS

SBI Capital Markets Limited

202, Maker Tower 'E', Cuffe Parade

Mumbai 400 005

Elara Capital (India) Private Limited

Indiabulls Finance Centre, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road (West),

Mumbai 400 013

STATUTORY AUDITORS OF OUR COMPANY

Deloitte Haskins & Sells LLP

19th Floor, Shapath-V, B/s. Crowne Plaza Hotel,

Opp. Karnavati Club,

S.G. Highway,

Ahmedabad 380 015

LEGAL ADVISER TO THE ISSUE

Cyril Amarchand Mangaldas

5th Floor, Peninsula Chambers

Peninsula Corporate Park

Ganpatrao Kadam Marg

Lower Parel

Mumbai 400 013