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NEOGEN CHEMICALS LIMITED

Our Company was incorporated as "Neogen Chemicals Private Limited" on March 7, 1989, at Thane, Maharashtra as a private limited company under the Companies Act, 1956 and received a certificate of incorporation from the Registrar of Companies, Mumbai, Maharashtra. Subsequently, pursuant to a special resolution passed by the shareholders of our Company on May 2, 1998, our Company was converted to a public limited company and the name of our Company was changed to "Neogen Chemicals Limited", and a fresh certificate of incorporation dated July 2, 1998 was issued to our Company by the Registrar of Companies, Mumbai, Maharashtra. For further details, please refer to the chapter 'History and Certain Corporate Matters' on page 175 of the Red Herring Prospectus dated April 11, 2019 ("RHP").

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

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

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

• QIB Category: Not more than 50%

• Retail Category: Not less than 35%

• Non-Institutional Investor Category: Not less than 15%

Price Band: ₹ 212 to ₹ 215 per Equity Share of face value of ₹ 10 each.

The Floor Price is 21.20 times the face value and the Cap Price is 21.50 times the face value of the Equity Shares.
Bids can be made for a minimum of 65 Equity Shares and in multiples of 65 Equity Shares thereafter.

ASBA[#]

(APPLICATION SUPPORTED BY
BLOCKED AMOUNT)

Simple, Safe, Smart way of Application!!!

[#] ASBA is a better way of applying to issues by simply blocking the fund in the bank account, For further details, check section on ASBA below.
Mandatory in public issue. No cheque will be accepted.



Now available in ASBA for retail individual investors

Investors have to apply through the ASBA process. "ASBA has to be availed by all the investors except anchor investors. UPI may be availed by Retail Individual Investors. For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Offer Procedure" beginning on page 462 of the RHP. The process is also available on the website of Association of Investment Bankers of India and Stock Exchanges and in the General Information Document. "ASBA bid-cum application forms can be downloaded from the websites of BSE Limited and National Stock Exchange of India Limited and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in. List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. HDFC Bank Limited has been appointed as Sponsor Bank for the Offer, in accordance with the SEBI Circular dated November 1, 2018.

Risk to Investors

- 1) Neogen Corporation has filed a commercial intellectual property suit against our Company which if determined against our Company may have an adverse effect on this Offer, our business and results of operations. Our Company is not in any manner associated with Neogen Corporation, a company registered in the USA.
- 2) This is the first public issue being handled by the BRLM. Further, the Co-BRLM has not handled any public issues during the last 3 financial years preceding the current financial year.
- 3) The average cost of acquisition of the Equity Shares for Haridas Thakarshi Kanani (Promoter Selling Shareholder) and Beena Haridas Kanani (Promoter Group Selling Shareholder) in the Offer is ₹ 1.14 and ₹ 1.67, respectively, and the offer price at the upper end of the price band is ₹ 215 per Equity Share
- 4) The Price/Earnings ratio based on the diluted EPS for Fiscal 2018 for the Issuer on a consolidated basis at the upper end of the price band is as high as 40.95, as compared to the average industry peer group ratio of 37.67.

BASIS FOR THE OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders in consultation with the BRLM and CBRLM on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is 21.20 times the face value at the lower end of the Price Band and 21.50 times the face value at the higher end of the Price Band. Investors should refer to the section 'Risk Factors' on page 19 and the chapters 'Our Business' and 'Financial Statements' and Management's Discussion and Analysis of Financial Condition and Results of operations on pages 154, 208 and 398, respectively of the RHP, to have an informed view before making an investment decision.

Qualitative Factors : 1. Experienced promoters with domain knowledge; 2. Large and diverse array of products; 3. Diversified and stable customer base; 4. Growth led by continuous investment in R&D; 5. Management expertise; 6. Specialised business model with high entry barriers; and 7. Established and stable relationship with suppliers. For further details, please refer to the chapter 'Our Business - Strengths' on page 155 of the RHP.

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

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

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

On a standalone basis:

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

* Not annualised

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

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

Notes:

1. EPS has been calculated in accordance with the Indian Accounting Standard 33 - 'Earning per share' notified under the Companies (Indian Accounting Standards) Rules, 2015. The above statement should be read with significant accounting policies and notes on Restated Financial Statements.
2. The Company does not have any dilutive potential Equity Shares. Consequently, the basic and diluted earnings per share of the company remain the same.
3. The face value of Equity Shares of the Company is ₹ 10 each.

2. Price/Earning (P/E) ratio in relation to Price Band of ₹ 212 to ₹ 215 per Equity Share:

Particulars	P/E at the lower end of Price Band (no. of times)	P/E at the higher end of Price band (no. of times)
Basic and diluted EPS - for the year ended March 31, 2018 on standalone basis	40.00	40.57
Basic and diluted EPS - for the year ended March 31, 2018 on a consolidated basis	40.38	40.95

Industry P/E ratio:

i. Highest: 58.86 ii. Lowest: 19.57 iii. Average: 37.67

Notes:

1. The highest and lowest industry P/E shown above is based on the peer set provided below under "Comparison with listed industry peers". The industry average has been calculated as the arithmetic average P/E of the peer set provided below. For further details refer to "Comparison with listed industry peers" in the chapter 'Basis for Offer Price' on page 115 of the RHP.
2. For industry P/E, P/E figures for the peers are computed based on the closing market price of equity shares on March 29, 2019, on www.bseindia.com, divided by the Basic EPS as on March 31, 2018 as disclosed in standalone audited financials submitted by the respective entity with the stock exchange for the Fiscal 2018.

3. Return on Net Worth (RoNW)*

As per Restated Standalone Financial Statements of our Company:

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

* Not Annualised

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

As per Restated Consolidated Financial Statements of our Company:

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

* Not annualised

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

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

To maintain pre-Offer basic and diluted EPS

Based on Restated Financial Statements of the Company

	Restated Standalone Financial Statement	Restated Consolidated Financial Statement
At Floor Price	9.46%	9.39%
At Cap Price	9.39%	9.32%
At Offer Price	[•]	[•]

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

a. As per Restated Standalone Financial Statements

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

* Not annualised

NAV per Equity Share	Restated Financial Information
At Floor Price	56.03
At Cap Price	56.45
At Offer Price	[•]

b. As per Restated Consolidated Financial Statements

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

* Not annualised

NAV per Equity Share	Restated Financial Information
At Floor Price	55.93
At Cap Price	56.35
At Offer Price	[•]

Note: Offer price per Equity Share will be determined on conclusion of the Book Building Process.

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

6. Comparison with Listed Industry Peers

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

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

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

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

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

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

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

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

FOR FURTHER DETAILS, SEE "BASIS FOR OFFER PRICE" BEGINNING ON PAGE 115 OF THE RHP.

BID/OFFER PROGRAMME

OPENS ON WEDNESDAY, APRIL 24, 2019⁽¹⁾ | CLOSES ON FRIDAY, APRIL 26, 2019

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

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

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

Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID and UPI ID (if applicable, in case of RBIs) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders'/Applicants' sole risk.

Contents of the Memorandum of Association of the Company as regards its objects: For information on the main objects of the Company, please see the section titled 'History and Certain Corporate Matters' on page 175 of the RHP and Clause III (A) 1 of the Memorandum of Association of the Company. The Memorandum of Association of the Company is a material document for inspection in relation to the Offer. For further details, please see the section titled 'Material Contracts and Documents for Inspection' on page

BOOK RUNNING LEAD MANAGER	CO-BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER
 INGA ADVISORS PRIVATE LIMITED 1229, Hubtown Solaris, N.S. Phadke Marg, Opp. Telli Galli, Andheri (E) - 400 069, Mumbai, Maharashtra, India Tel.: +91 22 2681 6003; Fax: +91 22 2681 6020 Email: neogen ipo@ingaadvisors.com Investor Grievance Email: investors@ingaadvisors.com Website: www.ingaadvisors.com; Contact Person Details: Kavita Shah UPI Registration No.: INM000012573	 BATVALA & KARANI SECURITIES INDIA PRIVATE LIMITED Ground Floor, City Ice Building, 298 Perin Nariman Street, Fort, Mumbai - 400001, India Tel.: +91 22 4031 7000; Fax: +91 22 2263 5020/30 Email: merchantbanking@bksec.com Investor Grievance Email: grievance.mbd@bksec.com Website: www.bksec.com Contact Person Details: Darshan Piyush Trivedi/ Sujet Gurav SEBI Registration No.: INM000010908	 LINK INTIME INDIA PRIVATE LIMITED C-101, 1 st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), 400 083, Mumbai, Maharashtra, India Tel.: +91 22 4918 6200; Fax: +91 22 4918 6195 E-mail: neogenchem.ipo@linkintime.co.in Investor Grievance E-mail: neogenchem.ipo@linkintime.co.in Website: www.linkintime.co.in, Contact Person: Shanti Gopalakrishnan SEBI Registration No.: INR000004058	Lalit Ashok Karne 1002, 10 th Floor, Dev Corpora Building, Opp. Cadbury Junction, Off Pokhran Road No 2, Khopat, Thane West – 400 601, Maharashtra, India Tel: +91 22 2549 7300; Fax: +91 22 2549 7399 Email: investor@neogenchem.com Investors can contact the Company Secretary and Compliance Officer, the Lead Managers or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-credit of Allotment Advice, non-credit of Allotted Offered Shares in the respective beneficiary account, refund orders, unblocking of funds and nonreceipt of funds by electronic mode.

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the "Risk Factors" beginning on page 19 of the RHP, contained therein before applying in the Offer. Full copy of the RHP is/will be available on websites of the SEBI at www.sebi.gov.in, BRLM, i.e. Inga Advisors Private Limited at www.ingaadvisors.com and the CBRLM, i.e. Bativala & Karani Securities India Private Limited at www.bksec.com and on the websites of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively.

AVAILABILITY OF BID CUM APPLICATION FORMS: Bid cum Application Forms can be obtained from the Registered Office of **NEOGEN CHEMICALS LIMITED**, Tel.: +91 22 2549 7300; **Fax:** +91 22 2549 7399; **BRLM : Inga Advisors Private Limited**, Tel.: +91 22 2681 6003; **Fax:** +91 22 2681 6020; **CBRLM: Bativala & Karani Securities India Private Limited**, Tel.: +91 22 4031 7000; **Fax:** +91 22 2263 5020/30; **Syndicate Members :** Bativala & Karani Securities India Private Limited, Tel.: 022 4031 7000; Hem Securities Limited, Tel.: 022 30863700/62735500, at the select locations of the Sub-syndicate Members (as given below), SCSBs, Registered Brokers, RTAs and CDPs participating in the Offer. ASBA Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

Sub-Syndicate Members: Centrum Broking Limited; Eureka Stock & Share Broking Services Ltd; Greshma Shares & Stocks Limited; ICICI Securities Limited; Keynote Capital Limited; KJMC Financial Services Ltd; Kotak Securities Ltd.; LKP Securities Limited; Matalia Stock Broking Private Limited; Motilal Oswal Financial Services Limited; Prabhudas Lilladher Pvt.Ltd; Pravin Rajlath Share And Stock Brokers Limited and Sharekhan Limited

Escrow Collection Bank, Public Offer Bank, Refund Bank and Sponsor Bank : HDFC Bank Limited

UPI: Retail Individual Bidders can also bid through UPI mechanism.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

Place: Thane

Date: April 16, 2019

NEOGEN CHEMICALS LIMITED is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offering of its equity shares and has registered the RHP dated April 11, 2019 with the RoC. The RHP is/will be available on the website of SEBI at www.sebi.gov.in, website of stock exchanges i.e. BSE at www.bseindia.com and NSE at www.nseindia.com, respectively, and is/will be available on the website of the of the BRLM, i.e. Inga Advisors Private Limited at www.ingaadvisors.com and CBRLM i.e. Bativala & Karani Securities India Private Limited at www.bksec.com, respectively. Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, please see "Risk Factors" beginning on page 19 of the RHP. Potential investors should not rely on the DRHP for making any investment decision.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable U.S. state securities laws. The Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdictions where such offers and sales are made. There will be no public offering in the United States.

For NEOGEN CHEMICALS LIMITED

On behalf of the Board of Directors

Sd/-

Company Secretary and Compliance Officer