

**THIS IS A DISCLOSURE DOCUMENT PREPARED IN CONNECTION WITH THE PROPOSED SCHEME OF AMALGAMATION BETWEEN EXCEL CROP CARE LIMITED (“ECC”) AND SUMITOMO CHEMICAL INDIA LIMITED (THE “COMPANY” OR “SCIL”) AND THEIR RESPECTIVE SHAREHOLDERS (“SCHEME”). THE SCHEME IS ALSO AVAILABLE ON THE WEBSITES OF THE COMPANY, BSE LIMITED (“BSE”) AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE” AND TOGETHER WITH BSE, THE “STOCK EXCHANGES”) WHERE THE EQUITY SHARES OF EXCEL CROP CARE LIMITED ARE LISTED.**

**THIS DISCLOSURE DOCUMENT CONTAINS 6 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

**NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS DISCLOSURE DOCUMENT.**

This disclosure document has been prepared in connection with the Scheme pursuant to Securities and Exchange Board of India (“SEBI”) Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“SEBI Circular”) and Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This disclosure document dated February 13, 2019 should be read together with the Scheme and the notice to the shareholders of Excel Crop Care Limited in connection with the Scheme.

### SUMITOMO CHEMICAL INDIA LIMITED

<b>Registered Office</b>	Building No. 1, Ground Floor, Shant Manor Co-Op Housing Society Limited, Chakravarti Ashok ‘X’ Road, Kandivali (East), Mumbai – 400101, Maharashtra, India	
<b>Corporate Office</b>	Moti Mahal, 6 <sup>th</sup> Floor, 195, Jamshedji Tata Road, Churchgate Mumbai – 400020, Maharashtra, India	
<b>Contact Person</b>	Ms. Rasika Kulkarni / Mr. Sushil Marfatia	<b>Email:</b> investorgrievances@sumichem.co.in
<b>Telephone:</b> 022-22892610	<b>Website:</b> <a href="http://www.sumitomochem-india.co.in">www.sumitomochem-india.co.in</a>	<b>CIN:</b> U24110MH2000PLC124224

#### NAME OF THE PROMOTER OF THE COMPANY

Sumitomo Chemical Company, Limited

#### SCHEME DETAILS AND PROCEDURE

##### Salient features of the proposed Scheme:

- (i) The proposed Scheme provides for amalgamation of ECC, the Transferor Company with SCIL, the Transferee Company.
- (ii) The Scheme shall be effective from April 1, 2018 or such other date as may be approved by National Company Law Tribunal (‘NCLT’) and / or the Regulatory Authorities (“the Appointed Date”).
- (iii) All the assets and liabilities of ECC shall vest into the SCIL with effect from the Appointed Date as per the Scheme.
- (iv) The consideration for the proposed merger will be discharged by SCIL by issuing its equity shares to each shareholder (except itself) of ECC as follows:

***“51 (Fifty one) equity shares of face value of Rs.10 (Rupees ten only) each of SCIL, credited as fully paid-up, for every 2 (Two) fully paid-up equity shares of face value of Rs.5 (Rupees five only) each held in ECC as on the record date.”***

Upon the Scheme becoming effective, the equity shares held in ECC by SCIL (either held in its own name or held by through its nominee(s)), shall stand cancelled in their entirety. Accordingly, no equity shares of SCIL would be issued in respect of such equity shares held by SCIL in ECC.

- (v) Upon the Scheme coming into effect, ECC shall be dissolved without being wound-up.

#### NAME OF THE STATUTORY AUDITOR

B S R & Associates LLP, Chartered Accountants

## PROMOTER OF THE COMPANY

### Sumitomo Chemical Company, Limited (“SCC”)

SCC was incorporated under the applicable laws of Japan on June 1, 1925. The head office of SCC is situated at 27-1, Shinkawa, 2-chome, Chuo-ku, Tokyo, Japan.

SCC is a professionally managed company and its operations are overseen by its board of directors. The equity shares of SCC are listed on the Tokyo Stock Exchange

SCC primarily operates in five sectors, namely, (i) Petrochemicals & Plastics; (ii) Energy & Functional Materials; (iii) IT-related Chemicals; (iv) Health and Crop Sciences and (v) Pharmaceuticals. For additional information, visit the SCC’s website at [www.sumitomo-chem.co.jp/english](http://www.sumitomo-chem.co.jp/english)

The total outstanding equity shares of SCIL are 27,45,88,095, of which SCC along with its nominees holds 274,588,093 equity shares, equivalent to 99.99% of the paid-up share capital of SCIL as on the date of this document. The balance 2 equity shares of SCIL are held by SC Environmental Science Company Limited (“SES”), Japan, which is a wholly owned subsidiary of SCC and forms part of the promoter group of SCIL.

## BUSINESS MODEL/BUSINESS OVERVIEW AND STRATEGY

### Overview:

SCIL is primarily engaged in manufacturing and selling of crop protection formulations and technical grade pesticides. It operates two manufacturing plants located at Vapi (Gujarat) and Tarapur (Maharashtra) – Vapi plant has formulation and packaging capabilities whereas Tarapur plant manufactures the Company’s active ingredients.

The business of the Company is divided into three segments i.e Industrial Chemicals, Agro Chemicals and Public Health Chemicals.

- (i) Industrial Chemicals business – Engaged in manufacturing and trading of various insecticides and the products are sold to industrial customers.
- (ii) Agro Chemical business – Engaged in trading and manufacturing of various pesticides and the products are sold to retail customers.
- (iii) Public Health Chemicals business – Engaged in manufacturing and trading of larvicides and largely caters to Government tenders.

### Strategy:

The Strategy of our Company includes (1) operational synergies and efficiencies at multiple levels (2) creating a highly complementary business on the product front (3) scale up distribution network across India and strengthen synergies in product marketing; and (4) reduction of product / operative risk as operations become more robust.

## BOARD OF DIRECTORS

Sr. No.	Name	Designation	Experience including current/past position held in other firms
1.	Mr. Keiichi Sakata	Non-Executive Director	Mr. Keiichi Sakata, aged 59 years, was appointed on the board of our Company on May 21, 2009. He has been associated with Sumitomo Chemical group for over 35 years and is currently working as Managing Executive Officer of SCC.
2.	Mr. Hideo Wada	Non-Executive Director	Mr. Hideo Wada, aged 56 years, was appointed on the board of our Company on January 10, 2011. He has been associated with Sumitomo Chemical group for over 30 years and is currently working as General Manger, Planning & Co-ordination Office, Health & Crop Sciences Sector in SCC.
3.	Mr. Hiroyoshi Mukai	Non-Executive Director	Mr. Hiroyoshi Mukai, aged 52 years, was appointed on the board of our Company on June 6, 2017. He has been associated with Sumitomo Chemical group for over 29 years. He is currently working as General Manager, Business Planning &

Sr. No.	Name	Designation	Experience including current/past position held in other firms
			Administration department, Agro Solutions Division – International in SCC.
4.	Mr. Akira Harada	Managing Director	Mr. Akira Harada, aged 63 years, was appointed on the board of our Company on April 1, 2015. He has been associated with the Sumitomo Chemical group for over 30 years. He is currently a Managing Director of Sumitomo Chemical India Limited, as expatriate of SCC.
5.	Mr. Prannath Khairati Arora	Whole Time Director	Mr. Prannath Khairati Arora, aged 51 years, was appointed on the board of our Company on April 25, 2013. He has over 20 years of work experience in Indian agro-chemical industry. Prior to joining SCIL, he has also worked with Monsanto India Limited and SinoChem India Company Private Limited.
6.	Mr. Sushil Champaklal Marfatia	Whole Time Director	Mr. Sushil Champaklal Marfatia, aged 67 years, was appointed on the board of our Company on October 7, 2016. He has over 22 years of work experience. Prior to joining SCIL, he was working with New Chemi Industries Limited which was later merged with SCIL.

### DETAILS OF THE SCHEME OF AMALGAMATION

The proposed Scheme provides for amalgamation of ECC with SCIL as per the provisions of sections 230-232 of the Companies Act, 2013 with effect from the Appointed Date.

Pursuant to the Scheme, the existing equity shareholding of SCIL in ECC will get cancelled and the other equity shareholders of ECC will receive 51 (fifty one) equity shares of SCIL for every 2 (two) equity shares held in ECC.

The amalgamation of ECC with the SCIL shall be subject to the approval/sanction of the Scheme by the NCLT having jurisdiction over ECC and SCIL, approvals of the Stock Exchanges, SEBI, the respective shareholders and any other stakeholders (if required) of the ECC and SCIL and such other regulatory authority, as may be necessary. Upon the Scheme coming into effect, ECC shall be dissolved without being wound-up.

#### **Rationale of the Scheme:**

- (i) Consolidation of businesses presently carried on by ECC and SCIL, which shall create greater operational synergies and efficiencies at multiple levels of business operations and will provide significant impetus to their growth;
- (ii) The merger will result in consolidation of major India operations under one platform which is expected to get undivided attention from the parent company and thereby leveraging capability of the merged entity which in turn will allow the merged entity to undertake future expansion strategies and to tap bigger opportunities;
- (iii) Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the Companies, thereby contributing to the future growth of the merged entity;
- (iv) Creation of value for shareholders of the Companies and other stakeholders, by way of creation of a large asset base, facilitating access to better financial resources, stronger consolidated revenue and profitability, diversification in product portfolio and thereby reducing business risks;
- (v) Consolidating the shareholding and thereby eliminating administrative duplications and consequently reducing the administrative costs of maintaining separate companies;
- (vi) ECC and SCIL operate businesses that complement each other and therefore, can be conveniently combined for mutual benefit of the shareholders of the Companies; and
- (vii) The Scheme shall be in the beneficial interest of all the stakeholders and the shareholders of both the Companies.

#### **Listing:**

- (i) SCIL shall, in accordance with the provisions of applicable Laws including in particular the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 ("LODR Regulations") and other circulars, notifications and rules issued by SEBI from time to time, after the sanction of the Scheme by the jurisdictional NCLT, take the appropriate/ necessary steps to get its equity shares listed on the Stock Exchange(s) where the shares of ECC are listed.

**PRE-SCHEME SHAREHOLDING PATTERN AS ON DECEMBER 31, 2018**

Sr. No.	Particulars	Pre-Scheme number of shares	% holding of Pre-Scheme
1	Promoter and Promoter Group	27,45,88,095	100
2	Public	-	-
	<b>Total</b>	27,45,88,095	100

**Note:** SCC along with its nominees holds 274,588,093 Equity Shares, equivalent to 99.99% of the Paid-up Share Capital of the SCIL. SCC is the beneficial owner of all the 274,588,093 equity shares. The balance 2 equity shares are held by SC Environmental Science Company Limited (“SES”), Japan, which is a wholly owned subsidiary of SCC and forms part of the promoter group of SCIL.

**STANDALONE AUDITED FINANCIALS**

**Amount in Rupees Crores (unless otherwise stated)**

Sr. No	Particulars	As at September 30, 2018 (Refer Note 1)	As at March 31, 2018 (Refer Note 1)	As at March 31, 2017 (Refer Note 2)	As at March 31, 2016 (Refer Note 2)
1	Total revenue from operations (net)	653.66	870.58	863.86	765.28
2	Net Profit/(loss) before tax and extraordinary items	102.77	104.77	106.36	107.05
3	Net Profit/(loss) after tax and extraordinary items (A)	82.54	67.48	63.74	64.62
4	Equity Share Capital (Face Value of ₹10 per share) (B)	274.59	274.59	274.59	232.99
5	Reserves and Surplus	986.19	816.67	458.16	63.06
6	Net Worth (C)	1,260.78	1,091.26	732.75	296.05
7	Basic Earnings per Share (₹)	3.01	2.60	2.46	2.77
8	Diluted Earnings per Share (₹)	3.01	2.60	2.46	2.77
9	Return on Net Worth (%) (A/C)	6.55%	6.18%	8.70%	21.83%
10	Net asset value per share (₹) [C/(B/10)]	45.92	39.74	26.69	12.71

**\*Note:**

- Figures as at September 30, 2018 and March 31, 2018 are as per Ind-AS;
- Audited Statutory Financial Statements of the Company for the year ended March 31, 2017 and March 31, 2016 was prepared in accordance with the accounting standards, notified under section 211(3C) of the Companies Act 2013, Companies Accounting Standards Rules, 2006 (as amended), and other relevant provisions of the Companies Act, 2013. However information presented above in relation to March 31, 2017 is based on comparative information as disclosed in the financial statements for the year ended March 31, 2018;
- SCIL does not have any subsidiaries. Accordingly, the requirement of consolidated financial statements is not applicable;

**INTERNAL RISK FACTORS**

- The Company operates its agrochemical business in a highly regulated sector. The legal and procedural requirements for seeking registration are fairly complex, stringent and time consuming, failure to obtain registrations for our formulations and active ingredients or inability to comply with the regulations which could result in withdrawal or cancellations of existing registrations, licenses or approvals and would adversely affect the business, results of operations, cash flows and financial condition.
- The business of the Company could be adversely affected by introduction of alternative crop protection measures such as biotechnology products, pest resistant seeds or genetically modified crops. The growth and acceptance of such alternative pest management and crop protection products and measures by consumers may have an adverse effect on the sales of formulations which may, in turn, affect the financial condition and results of operations of the Company.

3. The operations of the Company are subject to various central, state and local laws and regulations relating to the protection of the environment and occupational health and safety, including those governing the generation (production), handling, storage, use, management, transportation and disposal of, or exposure to, environmental pollutants or hazardous materials resulting from the manufacturing processes. Any inability to comply with these laws or regulations may result into various actions or monetary penalties against the Company which may affect the business and results of operation.
4. The agrochemical business of the Company is heavily dependent on rainfall, climatic conditions, soil conditions and it is seasonal business, which make the performance of the agricultural sector as a whole or the levels of production of a particular crop relatively unpredictable. Accordingly, if the agricultural industry in the regions in which Company operates is adversely affected by unfavorable climatic conditions, thereby affecting the crop conditions, it will affect the demand of the products in such region and will further result into reduction of our sales.
5. Improper budgeting of sales and productions could result in higher inventory, which could adversely affect the stock management, profitability and fund flow of the Company.
6. The Company operates in a highly competitive environment and face competition from both domestic and international competitors. Players in this market generally compete with each other on key attributes such as technical competence, quality of products and services, pricing and track record. Besides international producers, there are competitors in India having similar products as our Company. The Company competes against its competitors on quality, technical competence, distribution channels, logistics facilities, after sales service and customer relationship. There is no assurance that the Company will continue to compete successfully in future.

<b>SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTIONS</b>
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**A. Total number of outstanding litigations against the Company and amount involved**

NATURE OF LITIGATION	NO. OF OUTSTANDING MATTERS	AMOUNT INVOLVED (in ₹)
Criminal Matters	6	71,25,000
Civil Matters	28	92,80,701
Tax Matters		
Direct Tax	14	7,12,59,132
Indirect Tax	10	3,27,08,412

*# The above amounts are provided to the extent quantifiable and do not include any interest/ penalty amounts that may be required to be paid thereon.*

**B. Brief details of top 5 material outstanding litigations against or involving the Company and amount involved**

SR. NO.	PARTICULARS	LITIGATION FILED BY	CURRENT STATUS	AMOUNT INVOLVED (₹)
1.	For Assessment Year (“AY”) 2012-12, the Assistant Commissioner of Income Tax-1 (3)(1), Mumbai (“ACIT”) passed an Order dated February 22, 2017 read with the Order dated April 13, 2017 inter-alia computing the total income of the Company as ₹ 6,29,19,500/-. A notice of demand dated April 13, 2017 under Section 156 of the Income Tax Act-1961 (“IT Act”) raising the demand of ₹ 3,11,05,690/- on the Company. The Company filed an appeal before the Income Tax Appellate Tribunal (“ITAT”), Mumbai.	The Company	The matter is currently pending	3,11,05,690/-
2.	The Directorate Revenue Intelligence, New Delhi (“DRI”) has issued a show cause notice dated June 29, 2018 to the Company alleging that the Company had wrongly imported Gibberellic Acid without payment of Custom duty and inter-alia calling upon the Company to show cause as to why: (i) goods having a total assessable value of ₹ 22,05,21,941/- should not be confiscated; (ii) duty amounting to ₹ 2,06,32,033/- for the import of Gibberellic Acid should not be demanded and (iii) penalty should not be imposed.	Directorate Revenue Intelligence, New Delhi	The matter is currently pending	2,06,32,033/- plus penalty equal to the duty or interest so determined

SR. NO.	PARTICULARS	LITIGATION FILED BY	CURRENT STATUS	AMOUNT INVOLVED (₹)
3.	An Assessment Order dated December 28, 2018 was issued by the Office of the Assistant Commissioner of Income Tax Circle (13)(1), Mumbai (“Assessing Officer”) in the assessment proceedings for the AY 2016-17 where income of the Company was assessed at ₹ 1,15,96,23,360/-. Notices dated December 27, 2018 and December 28, 2018 were also issued inter alia calling upon the Company to show cause as to why penalty under Section 271(1)(c) of the IT Act should not be levied and further levying a penalty of ₹ 1,68,00,476/- on the Company, respectively. The Company filed an appeal dated January 23, 2019 against the Assessment Order before the ITAT, Mumbai.	The Company	The matter is currently pending	1,68,00,476/-
4.	The Deputy Commissioner of Income-tax 1(3), Mumbai (“DCIT”) passed an Assessment Order dated August 29, 2017 inter-alia stating that the Company had declared a NIL return of income for the AY 2013-14 and the matter was selected for scrutiny. Based on the adjustment for transfer pricing and depreciation, the total income of the Company was assessed at ₹ 24,81,09,030/-. A notice of demand inter-alia raising a demand for ₹ 1,61,59,160/- and notice calling upon the Company to show cause as to why penalty should not be imposed upon the Company in terms of the said Section 271 was issued to the Company. The Company filed an appeal dated October 30, 2017 against the Assessment Order before the ITAT, Mumbai.	The Company	The matter is currently pending	1,61,59,160/-
5.	Asha Bandgar, Arpita Bandgar, Apurva Bandgar, Aditya Bandgar, Vasant Bandgar and Shantabai Bandgar (“Applicants”) have filed M.A.C.P. No 173/2017 before the Motor Accident Claims Tribunal, Latur (“MACT”) against the driver, Company and Bajaj Allianz Insurance Co. Ltd (collectively known as “Respondents”) under Section 166 of Motor Vehicle Act, 1988 for Grant of Compensation as the Bolero belonging to the Company allegedly hit Shetiba Bandgar leading to his death. The Applicants claimed compensation of ₹70,75,000/-. Applicants filed a separate application against the Respondents under Section 140 of the Motor Vehicles Act, 1988 for grant of compensation in respect of no fault liability claiming an amount of ₹50,000 from the Respondents.	Asha Bandgar, Arpita Bandgar, Apurva Bandgar, Aditya Bandgar, Vasant Bandgar and Shantabai Bandgar	The matter is currently pending	71,25,000/-

C. Regulatory Action: Nil, There are no disciplinary actions taken by SEBI or stock exchanges against the Promoters in last 5 financial years (i.e., 1 April 2013 ending on 31 March 2018) including outstanding action.

D. Brief details of outstanding criminal proceedings against Promoters: Nil

**ANY OTHER IMPORTANT INFORMATION OF THE COMPANY: NIL**

**DECLARATION BY THE COMPANY**

We hereby declare that all relevant provisions of the Companies Act, 2013 and SEBI Circular have been complied with and no statement made in this disclosure document is contrary to the provisions of the Companies Act, 2013, SEBI Circular or rules made or guidelines or regulations issued thereunder, as the case may be We further certify that all statements in this document are true and correct.

**For Sumitomo Chemical India Limited**

Sd/-

**Name: Sushil Marfatia**

**Designation: Whole Time Director**

**Date: February 13, 2019**

**Place: Mumbai**