NEOGEN CHEMICALS LTD.

August 12, 2023

BSE Limited Department of Corporate Services, Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 **Scrip Code No: 542665**	National Stock Exchange of India Limited Listing Department, Exchange Plaza, C-1, Block G Bandra Kurla Complex, Bandra (E), Mumbai – 400051 **Company Symbol: NEOGEN**

Sub: Notice of Annual General Meeting and Submission of Annual Report for the financial year 2022-23 under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Book Closure and Cut-off Date Intimation.

Dear Sir/Madam,

Pursuant to Regulation 34, 42 and other relevant regulations of the Listing Regulations, we are submitting herewith the Annual Report of the Company for the financial year 2022-23 including the Notice of 34th Annual General Meeting (AGM). The 34th AGM of the Company is scheduled to be held on **Tuesday, September 5, 2023 at 5.00 p.m**. IST through video conferencing / other audio-visual means (VC/ OAVM) in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI). The Annual Report is being sent through electronic mode to all those members whose email id is registered with the Company/Company's Registrar and Transfer Agent - Link Intime India Private Limited ("**RTA**")/Depository Participant(s) ("**DP**") and dispatched/ sent by permitted mode(s) to the members whose email ids are not registered with Company/ DP/ RTA and it can also be accessed at the website of the Company at https://neogenchem.com/annual-reports-2/.

The details pertaining to (i) registering/updating KYC and other details (ii) Information on e-voting iii) Dividend and Taxation of Dividend and (iv) process to attend the 34th AGM through VC/OAVM has been set out in the Notes to the Notice of the 34th AGM.

The members are provided with the remote e-voting facility to cast their votes electronically on the resolutions mentioned in the Notice of 34th AGM, using the electronic voting platform provided by the RTA. The Company has fixed **Friday, August 25, 2023** as the "Cut-off Date" for the purpose of determining the members eligible to vote on the resolutions set out in the Notice of the 34th AGM or to attend the AGM.

The remote e-voting period commences on **Saturday, September 2, 2023 at 9:00 A.M** and ends on **Monday, September 4, 2023 at 5:00 P.M.** In addition, the facility to e-vote during the 34th AGM will be available to those members who were not able to vote through remote e-voting during the e-voting period. The e-voting during the 34th AGM will commence on **Tuesday, September 5, 2023 at 5.00 p.m.** and will end on completion of 30 minutes from the time of the conclusion of the 34th AGM. The Register of Members and the Share Transfer books of the

Company will remain closed from **Saturday, August 26, 2023 to Tuesday, September 5, 2023** (both days inclusive) for the purpose of the 34th AGM.

The above details are also being uploaded at the website of the Company at https://neogenchem.com/financial-performance/#all_tab|1 .

You are requested to kindly take the above information on your record.

Thanking you,
Yours faithfully,
For Neogen Chemicals Limited

UNNATI RAJESH KANANI
Digitally signed by UNNATI RAJESH KANANI
Date: 2023.08.12 18:35:10 +05'30'

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Unnati Kanani
Company Secretary & Compliance Officer
Membership No: ACS 35131
Encl: A/a

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NEOGEN
CHEMICALS LTD.

Exploring New Frontiers for Stronger Growth

Annual Report
FY 2022-23

The Year at Neogen Chemicals

41%
Increase in Total Revenue from Operations at **Rs. 686.2 Crore**

Rs. 482.6 Crore
Net Worth

29%
Increase in EBITDA at **Rs. 111.6 Crore**

12%
Increase in PAT at **Rs. 50.10 Crore**

244
Products developed by inhouse R&D

68:32
Organic Vs Inorganic

52:48
Domestic Vs Exports

33%
5-year Revenue CAGR

37%
5-year PAT CAGR

4
Manufacturing Sites and **2** R&D facilities

Exporting to **29** countries, with key export geographies in **United States, Europe, Japan** and **Middle East**

ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018
Manufacturing units certified for Quality Manufacturing, Processing and Environment, Health and Safety (EHS) Management Systems

Increased Organic Manufacturing Capacity from **407 m^3** to **463 m^3** of reactor capacity and Inorganic to **39m^3**

Well-equipped R&D team making up **10%** of the total workforce

To know more about us, please visit:
www.neogenchem.com

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Exploring New Frontiers For Stronger Growth

In a world of continual transformation, those equipped with resilience are able to transform change into an opportunity.

Despite the current times of global macro-challenges, geopolitical tensions, cost inflation and a fragile growth environment, we delivered growth and a rock-solid performance as one of India's leading manufacturers of bromine-based and lithium-based speciality chemicals. A historic development this year was our landmark revenue and performance, as we demonstrated growth that was not only exceptional and outstanding, but the best-ever in the history of Neogen Chemicals.

As we move ahead, there are multiple levers fuelling us on our long-term marathon to success. This encompasses the strengthening of our product portfolio and our expansion initiatives, and expanding our R&D prowess across high-potential chemistries to offer deep value to our customers. We have shaped up compact growth plans for our organic and inorganic chemicals business, and also for the upcoming and fast growing battery chemicals business. In our perseverance and endeavour to explore new growth frontiers, we continue to expand the product range and manufacture an extensive range of speciality chemicals, finding application across industries.

Determined to build a solid foundation for the future, and with three decades of experience in lithium chemistry to manufacture lithium-ion battery materials, we entered into an agreement with the world's oldest electrolyte producer, MU Iconic Solutions in Japan, acquiring the manufacturing technology licence for lithium electrolytes. In another iconic achievement, we acquired 100% stake in BuLi Chem. These landmark steps are set to significantly bolster our competitive position in the market and lay the roadmap for our further stable and sustainable future.

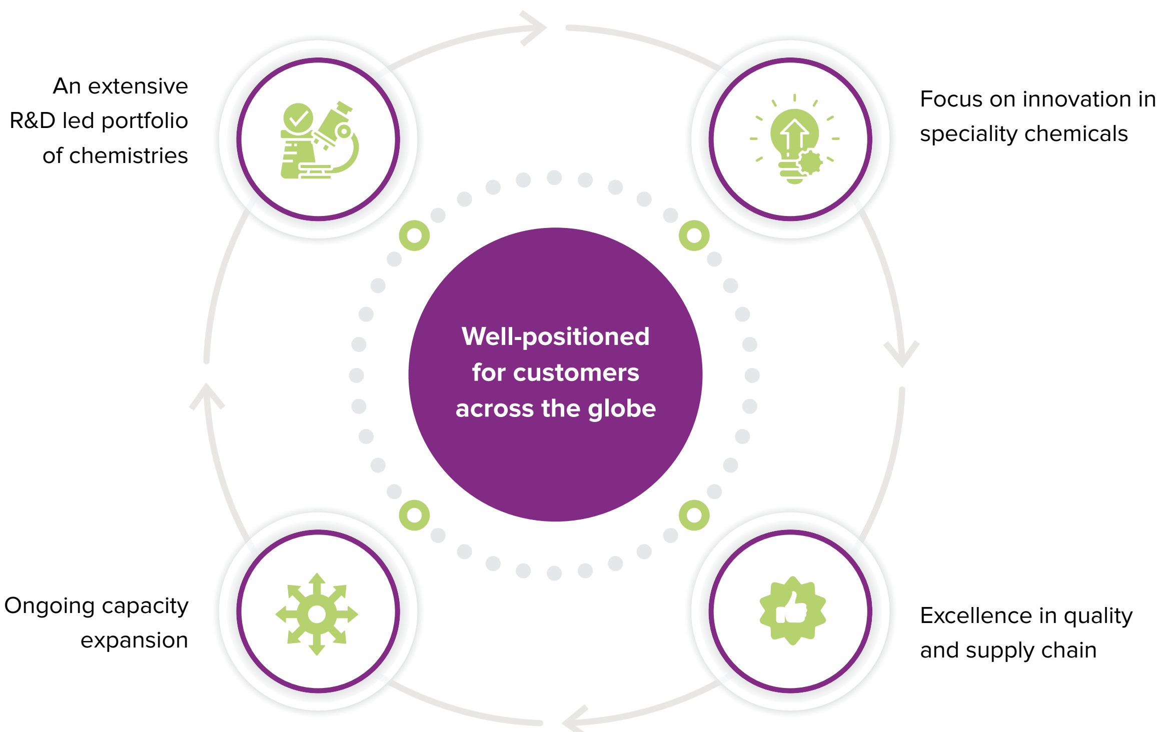
We are making smart investments today to reap their benefits tomorrow. With this, we remain well-positioned to march towards the next orbit of growth and demonstrate our manufacturing capabilities and expertise in complex chemistries. Through our forward-thinking approach, we are well-placed to deliver sustained value and sustainable growth and continue being recognised as a reliable, long-term and high-quality supply chain partner.

A Reliable and Trusted Supplier in the Indian Speciality Chemicals Industry

A Leading Manufacturer of Bromine and Lithium-based Speciality Chemicals

In operation since 1991, we manufacture speciality Bromine and Lithium-based chemical compounds, with a strong portfolio of organic and inorganic chemicals, led by technocrats and leaders in the Indian speciality chemicals space. Over the last decade, we have further leveraged our expertise to manufacture Advance Intermediates in Pharma / Agro / Flavours and Fragrance segment.

We are increasing our contribution to custom synthesis and contract manufacturing. With 30 years of strong industry experience, we have expanded our product portfolio from 20 products in 2001 to over 244 products by end of March 2023, with application across multiple industries.



Supporting India’s chemical industry

Our Value-Added Product Chain

With an experience of more than three decades, our manufacturing capabilities and with value-added products (advance intermediates and organolithium derivatives), we are moving up the value chain. We not only manufacture speciality chemicals, but also undertake custom synthesis and contract manufacturing to develop custom products through in-house process know-how and technical specifications.

Manufacturing Lithium Electrolytes

In yet another key achievement, we entered into an agreement with MU Ionic Solutions Corp (MUIS) to acquire a technology licence for manufacturing lithium electrolytes in India with 30,000 tonnes per annum capacity. This not only gives us a first-mover advantage, but it also establishes our reputation as a reliable and trusted supplier catering to India’s demand for electrolytes and also strengthen our portfolio in the lithium-ion battery value chain.

A Winning Value Proposition

An Esteemed Board
- An 8-member board with diverse technical and financial expertise
- Superior technical know-how and process chemistry

Outstanding R&D Capabilities
- A research-driven culture
- Excellent R&D capabilities supported by an expert 58-member team

An Innovative Product Portfolio
Increased number of products from 20 (in 2001) to 244 differentiated, high-quality, low-cost and innovative products

Strong Relationships with Customers
- A preferred and trusted supplier to leading domestic and international customers across 29 countries with over 30 years of supply, quality, reliability and track record
- Pharmaceutical, Engineering, Flavours and Fragrance and Agro-chemicals are the key customer segments addressed by our high-quality products, with further application into Battery Materials.

Specialised Business Model with High Entry Barriers
Established player (in both international and domestic market) operating in a niche sector with high entry barriers

Relationships with Suppliers
Maintaining long-standing relationship with suppliers and a well-managed supply chain

State-of-the-art Manufacturing
- Four state-of-the-art manufacturing facilities with 463m^3 of reactor capacity for manufacturing organic chemicals and 39m^3 of reactor capacity for manufacturing inorganic chemicals capacity
- Dedicated control and quality assurance to monitor the manufacturing processes

Key Business Segments

Organic Chemicals

Bromine Compounds

Organic compounds containing chlorine, fluorine, iodine-based combinations thereof and others including Grignard reagents.

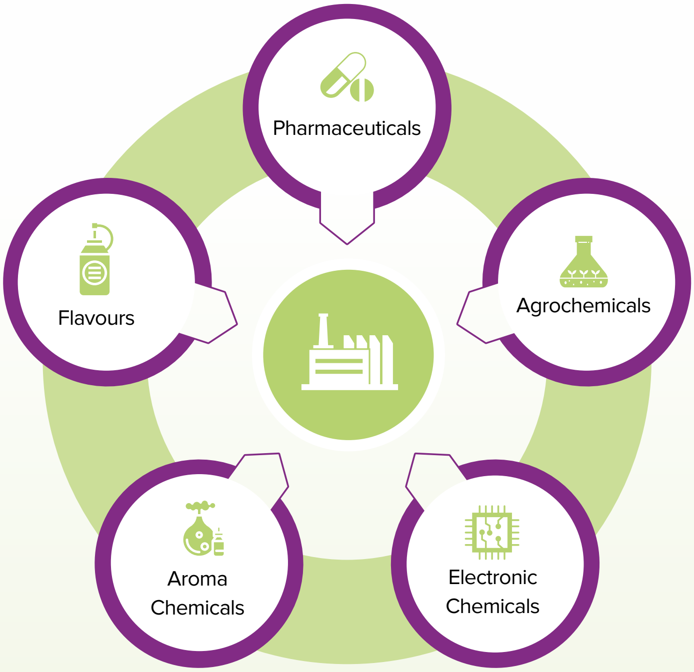
Advanced Intermediates

Combining bromination with other chemistries to create forward-integrated value-added products.

Custom Synthesis and Contract Manufacturing

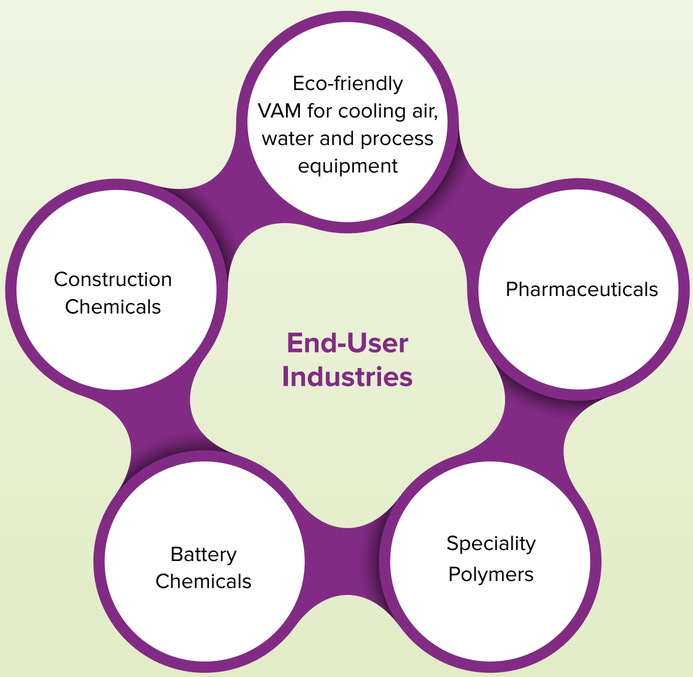
Products developed for specific customers. Process know-how and technical specifications are developed in-house.

End-User Industries



Inorganic Chemicals

This includes speciality inorganic, lithium-based chemical products which find applications across multiple industries.



Robust Manufacturing Proficiencies

Total Capacity

463 m^3

Organic Chemicals (Reactor Capacity)

39 m^3

Inorganic Chemicals (Reactor Capacity)

Manufacturing Plants: Capacities and Key Proficiencies

	Mahape at Navi Mumbai, Maharashtra	Karakhadi at Vadodara, Gujarat	Dahej SEZ Plant at Bharuch, Gujarat	Hyderabad, Andhra Pradesh
Year of Set-up	**1991**	**2017**	**2020**	**2023**
Installed Capacity				
Organic Chemicals (Reactor Capacity)	69 m^3	111 m^3	258 m^3	25 m^3
Inorganic Chemicals (Reactor Capacity)	9 m^3	-	30 m^3	
Key Certifications	ISO 9001:2015 from Bureau Veritas Certification Holding SAS	ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications from Bureau Veritas Certification Holding SAS	ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications from Bureau Veritas Certification Holding SAS. Also, GMP (Good Manufacturing Practices) certified by SGS India Pvt. Ltd.	ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications from Bureau Veritas Certification Holding SAS.

Research & Development Capabilities

We have a 58-member R&D team and our R&D centres are well-equipped to carry out reaction under a wide range of pressure and temperatures. The Company's quality control and quality assurance team monitors manufacturing processes at all stages – from the initial testing stage for incoming raw material to the final product prior to packing. We have a fully-equipped quality control lab with GCs, HPLC, UV Spectrophotometer, Karl Fischer Moisture Analysers, Polarimeter, Inductive Coupled Plasma and other required analytical instruments, which supports our quality control measures across operations.

Quality Control

We have a dedicated QC and QA team in place monitoring the entire manufacturing process at all stages right from the initial testing stage to the final product. We have implemented current good manufacturing practices prescribed by the USFDA as applicable for intermediates. Our world-class operational facilities include Zero Liquid Discharge, significantly reducing water usage.

> The Company's quality control and quality assurance team monitors manufacturing processes at all stages – from the initial testing stage for incoming raw material to the final product prior to packing.

Expansion Initiatives

Organic and Inorganic Chemicals

1. Expansion of speciality organic chemicals capacity by 60,000 litres (60 m^3)

Project Update:
31 m^3 commissioned by FY 22-23; 29 m^3 will be commissioned by March 2024

2. Expansion of inorganic chemicals capacity from 1,200 MT (15 m^3) to 2,400 MT (30 m^3) in existing Inorganic MPP

Project Update:
Capacity increased to 30 m^3 by FY 22-23

Battery Chemicals

1. New capacity of 400 MTA (93 m^3) for manufacturing speciality Lithium Salts and additives for Electrolytes

Project Update:
To be commissioned by Sept 2023

2. Plant for manufacturing 1,000 MT of Electrolyte at Dahej facility

Project Update:
To be commissioned by December 2023

Our Multi-locational Presence

Exporting to
29 countries

48%
export sales in FY 22-23

Map not to scale. For illustrative purposes only

Chairman's Message to Shareholders

We are the largest users of lithium carbonate in India and a manufacturer of speciality lithium-based derivatives. We entered the electrolyte market and announced a facility for making electrolytes and electrolyte salts.

"Perseverance is not a long race; it is many short races one after the other."

-Walter Elliot

Dear Shareholders,

With our state-of-the-art manufacturing facilities and excellent R&D capabilities, we are proud to have customers from multiple industries including pharmaceuticals, engineering, battery chemicals and agrochemicals. Today, we are exporting to 29 countries with our key export geographies in United States, Europe, Japan and Middle East.

The year gone by was indeed a challenging one from macroeconomic perspective. The headwinds in the global environment impacted almost every industry. Despite the challenging macroeconomic environment, we demonstrated resilience and continued to gain market share by virtue of our industry experience and a dedicated workforce.

Our FY 22-23 performance

The challenging operating scenario was aggravated by continued volatility in input costs, disruption of global supply chains given the Russia-Ukraine conflict and variations in forex rates. Despite these challenges, we delivered a solid performance. Our Revenue and Profit After Tax were the highest ever in the history of Neogen Chemicals. The performance was further propelled by positive demand environment, the onset of several expansion initiatives and an augmented product portfolio. This is clearly a testament to our commitment and perseverance towards building a solid foundation for the future.

Ambitious growth plans

The year was momentous as we charted ambitious growth plans for our existing Organic and Inorganic Chemicals as well as the Battery Chemicals business – both of which will be commissioned during the financial year FY 23-24, and we continue to be on track. We also received the Board's approval for the expansion of Electrolyte capacity to 5,000 MT and Speciality Electrolyte Salt capacity, which is likely to be operational by June 2024. We have also undertaken a Rs. 450-crore Greenfield capex of electrolyte and speciality electrolyte salts at a new site for dedicated battery materials. Our Battery Chemicals business will commence in a separate entity – Neogen Ionics, a wholly-owned subsidiary of Neogen Chemicals.

Towards strengthening growth

Acquiring BuLi Chemicals India Private Limited ("BuLi Chem")

During the past year, we acquired 100% stake in BuLi Chem to strengthen our product offerings. This acquisition will allow Neogen to offer organolithium compounds which are offered by very few companies in the world, which are used for Lithiation chemistry in mostly pharmaceutical, agrochemical and electronic industries. BuLi Chemicals owns the technology to manufacture N Butyl Lithium and other organolithium products using lithium metal, which are key reagents for lithiation reaction used in manufacturing of several complex pharmaceutical and agrochemical intermediates. The backward integration into N Butyl Lithium also enhances Neogen's ability to win Custom Synthesis and Manufacturing project using Lithiation chemistry.

BuLi Chem houses the Indian operations of Livent USA Corp, a global leader in speciality lithium technology. It has managed to develop one of the few facilities outside of China for this chemistry, with a strong track record in safety and sustainability. We are happy to welcome the employees of BuLi Chem with their deep experience in handling Organo Lithium Chemistry to the Neogen family.

Signing agreement with MUIS

In another significant development, we signed a landmark agreement with MU Ionic Solutions Corporation, Japan. MU Ionic Solutions (MUIS) is a JV between Mitsubishi Chemical Corporation (MCC) and UBE Corporation and is a group company of The Mitsubishi Chemical Group, a Japanese conglomerate. The group is one of the global leaders in electrolytes used in lithium-ion batteries with a strong track record of 30 years and has 5 electrolyte manufacturing plants located in Japan, USA, UK and China.

As per the agreement, Neogen has obtained the licence from MUIS for proprietary and confidential manufacturing technology for making electrolyte solutions at its manufacturing facility in India with a planned maximum installed capacity of up to 30,000 MT per annum. These electrolytes will be targeted by Neogen to meet the growing demand of lithium-ion cell manufacturers in India. The agreement will allow Neogen to ensure that the manufacturing plant meets stringent global standards for quality, reliability, safety and efficiency for electrolytes production. It will also help Neogen to greatly reduce approval times with Lithium-Ion Battery makers.

Neogen is a proud recipient of this first-ever licence issued by MUIS for electrolyte manufacturing technology anywhere in the globe. It also provides Neogen with the first-mover advantage and establishes our reputation as a reliable and trusted supplier in the industry.

We are the largest users of lithium carbonate in India and a manufacturer of speciality lithium-based derivatives. With our early entry into making of electrolytes and electrolyte salts, we hope to manage the initial demand for electrolytes and electrolyte salts in India. In the international market where the demand for electrolyte salts is projected to be 20 times higher than that in India by 2030. Neogen is eyeing a revenue of Rs. 1,000-1,200 crore from the battery chemicals segment by 2027 which would be even prior to the licence agreement.

Strengthening our R&D

At Neogen, we believe R&D is critical for sustained growth and we continue to deploy resources to further strengthen our R&D infrastructure to take advantage of upcoming opportunities. Our product portfolio has grown from 20 products in 2001 to 244 products currently. With our continued investments in R&D across several high-potential chemistries, we are able to offer more value to our customers.

Bolstering our position

These developments will significantly bolster our competitive position in the market and lay the roadmap for our future growth. I am confident that with our expanding manufacturing capabilities and our expertise in several complex chemistries, we will continue our journey on a profitable path and keep delivering sustained value for our stakeholders.

The trust and confidence bestowed by you, our valued shareholders, has always been a source of great strength to us in the Company. I would like to thank all our key stakeholders for their continued support and faith in the Company. Moving forward, we will continue our commitment to achieve sustainable growth by building a resilient business and ensuring inclusive growth for all our stakeholders.

We look forward to your continued valuable support in the future as well.

Yours Sincerely,

Haridas Kanani
Chairman and Managing Director

From the Managing Director's Desk

EBITDA at Rs. 112 crore was higher by 29% on account of a positive mix change in the business, in spite of several headwinds and pressures on input prices, utility costs and adverse forex movements.

Dear Shareholders,

We are happy to share with you our Annual Report for FY 22-23. We take pride in being among India's leading manufacturers of bromine-based and lithium-based speciality chemicals, with three decades of expertise in lithium salts.

Our increasing contribution of high-margin CSM business to revenue, entry into the new-age electrolyte manufacturing business, capacity-led expansion growth opportunity, constant focus on R&D and our strong balance sheet is our key market differentiator in the industry.

FY 22-23 was a landmark year for Neogen Chemicals. The challenging operating scenario was aggravated by continued volatility in input costs, disruption of global supply chains given the Russia-Ukraine conflict and adverse movement in foreign exchange rates. Despite a difficult operating environment, we stayed nimble and navigated through these pressures to deliver solid performance. We thank all our employees who demonstrated resilience and supported us in this endeavour.

Not only did we report a solid financial performance, we also relentlessly worked towards executing several critical opportunities to lay a strong foundation for our ambitious growth plans. We reported the highest-ever Revenue and Profit After Tax in the history of Neogen Chemicals, propelled by positive demand environment, the onset of several expansion initiatives and an augmented product portfolio.

Performance Review

The Company achieved its highest-ever revenues, driven by higher contributions from expanded capacity, a consistent demand situation and a positive shift in the business mix towards value-added products. Revenues grew 41% at Rs. 686 crore owing to incremental contribution from expanded capacities, positive demand trajectory and a favourable product mix. Profit After Tax was Rs. 50 crore which was higher by 12%.

EBITDA at Rs. 112 crore was higher by 29% on account of a positive mix change in the business, in spite of several headwinds and pressures on input prices, utility costs and adverse forex movements. We were able to pass on the significant increase in prices of lithium raw materials to the customer, protecting the absolute EBITDA.

Our performance was steered by incremental contributions from expanded activities and demand for strong lithium derivatives, favourable product mix change towards value-added products as well as lithium prices. High finance costs and depreciation can be attributed to our ongoing expansion initiatives and adding of new capacities in organic and inorganic through brownfield expansion.

Earnings Per Share was Rs. 20.03 per share, compared to Rs. 18.70 per share in the earlier fiscal year. During the year, the Board declared a Final Dividend of Rs. 3.00 per equity share for the year under review, compared to Rs. 2.75 per equity share in the earlier fiscal year.

Talking about the performance of our Business Segments, we reported 28% increase in Revenue of Organic Chemicals which was largely volume-driven, while Revenue of Inorganic Chemicals grew 80%. A large part of which was on account of significant increase in prices of lithium raw materials and the balance was from contributions by new customers that we added during the year.

Our Expansion Initiatives

Acquisition of BuLi Chemicals

In a crucial development, we acquired 100% stake in BuLi Chemicals India, which owns the technology to manufacture n-Butyllithium and other organolithium products using lithium metal.

Pursuant to this acquisition, BuLi Chemicals became a wholly-owned subsidiary of Neogen. The acquisition is expected to significantly boost our portfolio by offering a lithiation reaction to existing and to new pharma and agrochemical customers. In addition to this, we will further strengthen and be able to scale up the advanced intermediate and CSM manufacturing business.

Agreement with MUIS

To foray into the electrolyte market, we entered into an agreement with Japan-based MU Iconic Solutions Corporation to acquire a manufacturing technology licence to make electrolytes for lithium-ion batteries for vehicles in India. The electrolytes will be targeted to meet the growing demand of lithium-ion cell manufacturers and energy storage appliances in the country.

We are indeed excited to have collaborated with one of the global leaders of electrolytes to steer our growth initiatives around the lithium-ion battery chemical opportunity. We have become the first Indian company to have a proven global technology to manufacture electrolytes at scale for lithium-ion batteries. Our objective is to take care of the initial demand in India as well as that in the international market, where the demand for electrolyte salt is expected to be 20 times higher than that in India by 2030.

This will bolster our growth initiatives in the battery chemicals space and will ensure our electrolyte plant meets the stringent global standards for quality, reliability, safety and efficiency, while helping greatly in reducing the approval time for lithium-ion battery makers. With this foray into the electrolyte market, given our agreement with Japan-based MU Iconic Solutions Corporation, we are eyeing a revenue of Rs. 1,000-1,200 crore from the battery chemical segment by FY 26-27, depending on lithium prices.

Both these developments are a testament of our commitment and perseverance to build a solid foundation for the future. I believe these developments will significantly strengthen our competitive position in the market as we expand our R&D prowess across several chemistries to offer deep value to our customers.

Our performance was steered by incremental contributions from expanded activities and demand for strong lithium derivatives, favourable product mix change towards value-added products as well as lithium prices.

Moving ahead, we remain positive on the long-term structural growth of the Indian chemicals sector on the back of the China+1 strategy, focus on reducing chemical imports, R&D capabilities, and its leading and strong position with favourable government policies.

Strengthening R&D competencies

Our planned efforts to increase contribution of advanced intermediates and custom synthesis and manufacturing is on the right track, and we are witnessing higher contribution from value-added products. In line with this, we are strengthening our R&D competencies. In FY 22-23, we added 82 new customers, which contributed 7% to our revenue within India and globally, taking our total customer tally to almost 1,550 customers. Currently, we have 244 products in our portfolio and we are additionally working on 25 new products in our R&D.

Poised on industry growth

Moving ahead, we remain positive on the long-term structural growth of the Indian chemicals sector on the back of the China+1 strategy, focus on reducing chemical imports, R&D capabilities, and its leading and strong position with favourable government policies. As global manufacturers seek to diversify their sourcing, given supply chain disruptions and uncertainty in China, India provides strong alternatives with scale, technology, raw materials and supportive government policies.

India's chemicals sector is positioned well to benefit from the change and capture a sizeable share of the market. Chemical manufacturers in India are poised to emerge as a reliable alternative and even primary suppliers to some global firms. While the sector will benefit from the shift, speciality chemical manufacturers will gain the most due to higher entry barriers and India's growing potential for value-added niche products.

Future Outlook

We are well prepared to take advantage of the growing opportunities in speciality chemicals, as India's speciality chemicals market sets itself on the growth path for the next five years, and with a rising need for speciality chemicals in the end-use domestic markets. As we add speciality chemicals to our portfolio and continually update our product mix, we remain well positioned to capture this growth and become a leading speciality chemicals player in India, delivering sustainable stakeholder growth.

Let me conclude by saying that we are prepared to embark on the next phase of expansion, showcasing our proficiency in multiple intricate chemistries and manufacturing capabilities at a larger scale. The demand situation remains favourable and our goal is to sustain this profitable path of growth.

I would like to thank all our key stakeholders for their continued support and faith in the Company. I would like to especially appreciate all our employees for their extended efforts post-lockdown, as we re-started our plants and resumed operations.

Moving forward, we will continue our commitment to achieve sustainable growth by building a resilient business and ensuring inclusive growth for all our stakeholders.

With Regards,

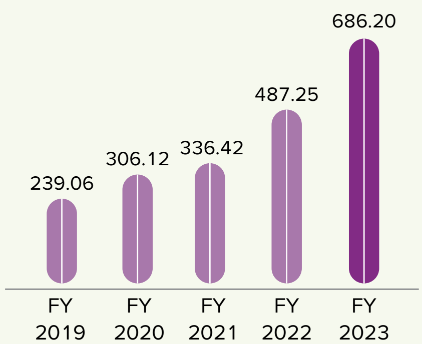
Dr. Harin Kanani
Managing Director

A Solid and Strong Performance

Profit and Loss Indicators

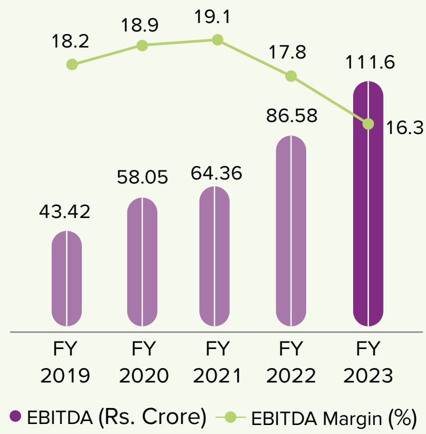
Revenue from Operations (Rs. Crore)

CAGR: 33%



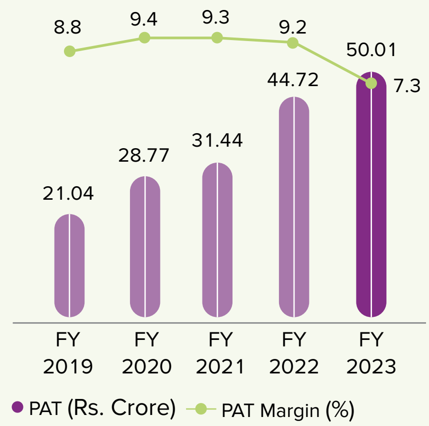
EBITDA and EBITDA Margin

CAGR: 31%



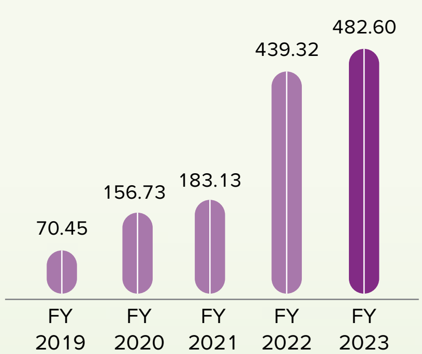
PAT and PAT Margin

CAGR: 37%

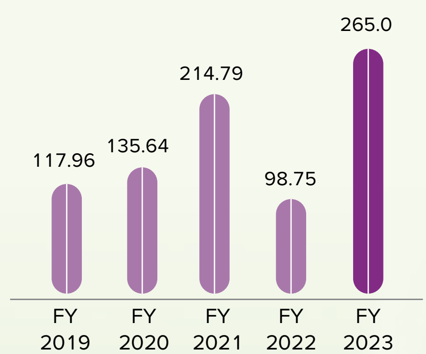


Balance Sheet Indicators

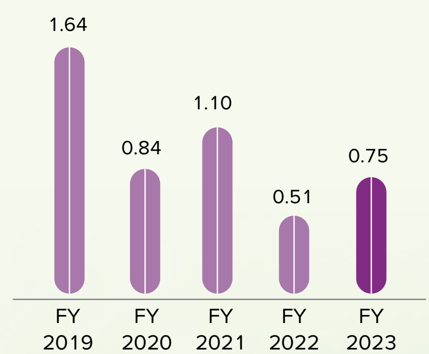
Net Worth (Rs. Crore)



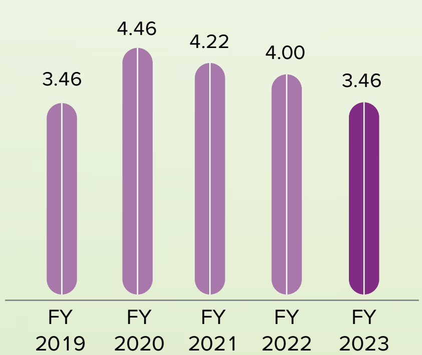
Net Debt (Rs. Crore)



Debt Equity Ratio (No. of Times)



Interest Coverage Ratio



Bringing Smiles to Communities

We believe the society is an integral part of our existence. We cannot grow unless the society around us also grows. Our objective, therefore, is to contribute our mite towards socio-economic development of the society around us. We believe in helping our integral stakeholders become self-reliant and build a better tomorrow for themselves.

Reaching out to the under-served communities is part of our DNA. We also ensure environmental sustainability through maintaining ecological balance, conservation and by preserving the quality of soil, air and water. Our CSR programmes are directed towards these very objectives. Our areas of focus are centred around Environment Sustainability, Education, Health Care and Sanitation, Rural Development and Disaster Management, and Management of Natural Resources.

Rs. **96.04** Lakh

Total CSR Amount Spent in FY 22-23

During the year under review, we took the following initiatives:

ENVIRONMENT

- During FY 22-23, Neogen has collaborated with Tapi Rachnatmak Trust and its affiliate, for execution of vermicompost beds projects and Gobar Gas Project at Majathan Village of Gujarat, providing seeds & fertilisers to 10 farmers which helped them to improve their yield and income. Neogen also collaborated with SoCleen to impart awareness on environment preservation and protection. Under Vermicompost, we facilitated preparation of fertilisers from cow dung, helping farmers generate additional income of almost Rs. 1 lakh and provide a clean environment. We encouraged use of cow dung in gobar gas plant, and also supported small businesses to eradicate poverty, with the help of Tapi Rachnatmak Trust.

- Various projects of providing seeds and fertilisers to farmers has over the years assisted more than 300 farmers in increasing yields with over 700 acres of land. The Company has contributed towards vermiculture and has provided 20 vermicompost beds to around 4 villages, which has benefited small scale farmers to increase their yield.

10,000

people benefitted with potable water

Borewell project at Majatan village

WATER RESOURCE MANAGEMENT

- In partnership with Karakhadi Gram Panchayat, we laid a pipeline for potable water from Sondha Village to Karakhadi Village benefiting 10,000 people.

- We installed an RO plant with 2 KL/Hour capacity at Majathan Village to provide drinking water free of cost to 2,000 residents of the village, enabling people to avoid getting drinking water from a private bore 2 kms away.

- We also laid a potable water pipeline for supply of drinking water to villagers at Dapoli benefitting around 1,000 villagers.

- In partnership with Vimukt Foundation, we undertook lake excavation as a part of the water management programme at BanasKantha district to store rainwater for the daily use of all the nearby village people.

- Over the years, Neogen has contributed towards construction of over 56 borewells/tubewells after conducting surveys and identifying villages facing water scarcity, which has benefited over 194 farmers till date in and around 17 villages and 4 talukas in Tapi District, Panchamal Region and other tribal villages in Gujarat.

RO plant installation at Majatan village

EDUCATION

- Further in FY 22-23, Neogen has majorly contributed to the Indian Planetary Society for promotion of Astronomy and Development of Astronomy related Expertise for our nation and for imparting of practical training to freshers and experienced candidates having knowledge and background in Astronomy, conduct various progressive research in Astronomy, as well as sponsoring professors' salaries and telescope replacement, at the establishment located at Kutchh, Gujarat The research activity will be supervised by Dr. J.J. Rawal.

- During FY 22-23, Neogen in collaboration with Helping Hands for Humanity contributed towards the development of a school for children in a tribal village at Aarey near Mumbai, and has also contributed towards development of multi-volume books on contemporary Indian poets across India, which ultimately led to providing education to students and preserving a broader perspective of Indian Literature.

- Furthermore, Neogen also contributed towards the payment of school fees of 15 students at Dyan Vikas Sanstha at Koparkhairne Navi Mumbai to ensure continuity of education of students. Neogen has also contributed towards imparting emergency preparedness training programme at Lakhigam Village of Gujarat, which resulted in over 100 Students of Primary & Secondary school being trained to handle any emergency and rescue operation.

- Neogen has also contributed towards providing library shelves, benches for sitting, e-learning kits, library, sports equipment's and handwash station for students at Zilla Parishad School at Palli and Kiravali Village in Bhiwandi, Thane benefiting over 50 students .

HEALTH AND SANITATION

- We also provided a fully-equipped ambulance van to the village panchayat of Karakhadi Village to help local population for free of cost transfer of medical emergency patients to a nearby hospital. It is projected to have around 5,000-10,000 villagers as beneficiaries for this project.

- Furthermore, Neogen has contributed towards construction of clean toilets for over 40-45 students at Zilla Parishad School at Palli and Kiravali Village in Bhiwandi, Thane and has also contributed towards treatment of thalassaemia patient.

- During FY 22-23, we had contributed towards "Project Poshan" benefiting approx. 69 undernourished Children between 2 – 6 years of age group to fight malnutrition by providing medical care and nutrition support to undernourished children through home-based interventions and creating an enabling environment for children to grow, conducting sessions on health and hygiene and setting up Kitchen Gardens in villages.

Donation of ambulance van in Karakhadi village

RURAL DEVELOPMENT AND WEALTH GENERATION

Under the able supervision of Vimukt Foundation, we contributed towards construction of 20 houses for Nomad Settlement at Charvada village, Morbi District of Gujarat, thereby providing accommodation and fulfilling the basic necessities of 20 families of Gadaliya Luhar Community.

During FY 22-23, we in close co-ordination with Tapi Rachnatmak Trust and Vimukt Foundation, have supported small businesses with over 33 beneficiaries, in order to ensure that they can start their livelihood and fulfil their legitimate needs and thereby eradicating poverty. Ensured availability of interest-free loans to extremely marginalised communities to help them generate income by starting a small business.

Board of Directors

Haridas Kanani
(B. Tech (Chem) M.I.I.Ch.E.
Chairman and Managing Director

Haridas Kanani holds a Bachelor's degree in chemical engineering from the Indian Institute of Technology (IIT), Bombay. He set up one of India's first bromine plants using indigenous technology at Gujarat. He subsequently set up Chem Ocean Consultant which provided consultancy, technology and engineering technologies to set up Bromine plants for other companies. He later established Neogen Chemicals in 1989 and has been on the Board since then. He previously worked with Excel Industries. He oversees the manufacturing, research and development and general operation and management of the Company's manufacturing units.

Dr. Harin Kanani
PhD
Managing Director

Dr. Harin Kanani holds a Bachelor's Degree in chemical engineering from IIT, Bombay and a Master's Degree and a doctorate in chemical engineering from the University of Maryland, where he has published four first author manuscripts in the field of chemical engineering. He has presented various talks and presentations at national and international conferences. He also participated in the Small and Medium Enterprises programme from IIM Ahmedabad. He joined Neogen Chemicals in 2008 and is on the Board since 2017. He also worked with companies such as Asian Paints India Ltd. and as a senior research scientist at Pioneer Hi-Bred International Inc. (DuPont subsidiary) in United States. He also heads various business divisions of the Company including research and development, business development, quality control, purchase, marketing and finance.

Shyamsundar Upadhyay
Whole Time Director

Shyamsundar Upadhyay holds a Master's degree in Science from Vikram University, Ujjain. He has over 41 years of work experience in the field of chemicals. He oversees maintenance, projects, logistics, administration, and engineering store in the Company. He has previously been associated with companies such as Savita Chemicals, Wimco, Gharda Chemicals, Clariant India, Tytan Organics Limited, Arch PharmaLabs Limited and Laxmi Organic Industries Limited.

Anurag Surana
Non-Executive Director

Anurag Surana holds a bachelor's degree in commerce with Honours for the University of Delhi. He has an experience of more than 20 years in contract manufacturing business. He is a well-known personality in the agrochemicals and speciality chemicals industry in Europe and Japan. He founded a consulting company specialising in consulting with companies in the chemical, agrochemical and fertiliser sector in India and overseas. He was earlier an Executive Director on the Board of PI Industries for 14 years.

Sanjay Mehta
Independent Director

Sanjay Mehta is an Independent Director in the Company. He is a post graduate and a fellow member of the Institute of Chartered Accountants of India, having distinction of qualifying the exams with rank in all India Merit List. He is also a Graduate member of the Institute of Cost and Works Accountants of India since 1974. He is a founding partner of the Chartered Accountancy firm M/s Akkad Mehta & Co. LLP. He has a professional experience of more than 45 years as a practicing Chartered Accountant having varied experience in Auditing, Corporate Advisory services in the field of taxation (both domestic and international), project finance and working capital appraisals, company law compliances, company secretarial matters, FEMA Regulations, Indirect Taxes, and Management Accounting & MIS etc. specialising in providing total solutions to foreign companies setting up Indian presence.

Hitesh Reshamwala
Independent Director

Hitesh Reshamwala is an Independent Director in the Company. He is practicing as a Chartered Accountant since 1990. He has completed a course on 'Independent Director's Studies' conducted by the Bombay Chartered Accountants Society and S.P. Jain Institute of Management and Research. He has over 3 decades of experience in finance, tax and statutory compliance related matters. His know-how is spread across diverse sectors and geographies such as manpower, logistics, chemicals and oil & gas. With tax and statutory compliance being his forte, he has brought an immense value to the Board and the Company at various levels of their growth cycles right from its inception till today.

Prof. Ranjan Kumar Malik
Independent Director

Prof. Ranjan Kumar Malik is an Independent Director in the Company. He has a Bachelor's degree in Science (Chemical Engineering) with a gold medal from the University of Kanpur. He also has a Master's degree in Chemical Engineering from the Indian Institute of Technology-Kanpur, and a Doctor of Philosophy (Ph.D.) degree from the University of Wisconsin-Madison, USA. He has been a Professor in the Department of Chemical Engineering, Indian Institute of Technology-Bombay at Mumbai for more than 30 years. He is currently an Adjunct Professor of Chemical Engineering with the Indian Institute of Technology-Bombay, Mumbai. He is also a life member of the Indian Institute of Chemical Engineers.

Avi Sabavala
Independent Director

Avi Sabavala is an Independent Director of the Company. She has a bachelor's degree in Science (Honours) and a master's degree in Arts (Social Work) from the University of Delhi. She also holds a bachelor's degree in Law from the Maharaja Sayajirao University, Baroda, and a diploma in Management from the Indira Gandhi National Open University. She is a well-known Corporate Trainer with wide experience in conducting various soft skill training programmes for industrial personnel at all levels. She has wide experience in Business and Industry. She was President of Baroda Management Association (BMA) for the year 2016-17. In the year 2016-17, BMA won the Best Local Management Association Award from parent body – All India Management Association. Presently, she is continuing to be on the Advisory Committee of Past Presidents. She has been past President of Vadodara Chamber of Commerce & Industry (VCCI) for 2 Terms i.e. 2010-12 & 2012-14. She is a Professional Life member of All India Management Association (AIMA) and currently member of the Governing Council of AIMA.

Corporate Information

Haridas Kanani
Chairman and Managing Director

Dr. Harin Kanani
Managing Director

Shyamsunder Upadhyay
Whole Time Director

Anurag Surana
Non-Executive and Non-Independent Director

Sanjay Mehta
Independent Director

Hitesh Reshamwala
Independent Director

Prof. Ranjan Kumar Malik
Independent Director

Avi Sabavala
Independent Director

KEY MANAGERIAL PERSONNEL

Ketan Vyas
Chief Financial Officer

Unnati Kanani
Company Secretary & Compliance Officer

FINANCIAL INSTITUTIONS AND BANKERS

State Bank of India
Citibank N.A.
HDFC Bank Limited
DBS Bank India Limited
Axis Bank Limited
Kotak Bank
Standard Chartered Bank

REGISTERED OFFICE

Neogen Chemicals Limited
Office No. 1002, 10th Floor,
Dev Corpora Bldg.
Opp. Cadbury Co.,
Pokhran Road No. 2,
Khopat, Thane - 400 601

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083

STATUTORY AUDITORS

JMT & Associates
Chartered Accountants

SECRETARIAL AUDITORS

DVD & Associates
Company Secretaries

Directors' Report

The Members,

Your Directors have pleasure in presenting their 34th (Thirty Fourth) Annual Report on the business and operations of the Company and the Audited Financial Statements for the Year ended March 31, 2023.

1. Financial Summary or Highlights/Performance of the Company (Standalone & Consolidated)

(Rs. in Crores)

Particulars	Standalone		Consolidated	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Revenue from Operations	686.18	487.25	686.18	487.25
Other Income	4.63	1.34	4.45	1.07
Total Income	**690.81**	**488.59**	**690.63**	**488.32**
Cost of materials consumed	485.26	343.77	485.26	343.77
Changes in inventories of finished goods, work-in progress and stock-in-trade	(96.75)	(68.80)	(96.75)	(68.80)
Employee benefits expense	46.82	31.50	46.82	31.50
Finance costs	28.94	19.08	28.94	19.08
Depreciation and Amortization Expense	16.20	11.69	16.20	11.69
Other Expenses	139.23	94.19	139.23	94.19
Total Expenses	**619.70**	**431.43**	**619.70**	**431.43**
Share of profit from Joint Venture	-	-	0.10	0.18
Profit Before Tax	**71.11**	**57.16**	**71.03**	**57.07**
Current Tax	12.76	9.87	12.76	9.87
Deferred Tax Liability	8.30	2.57	8.30	2.57
Profit After Tax	**50.05**	**44.72**	**49.97**	**44.63**
Other Comprehensive Income	0.28	(0.28)	0.28	(0.28)
Total Comprehensive Income for the year	**50.33**	**44.44**	**50.25**	**44.35**

2. Brief Description of the Company's Working during The Year/State of Company's Affair

The Company reported a standalone revenue of Rs. 690.81 crore and consolidated revenue of Rs. 690.63 crore (including other income) in FY 2021-22 as compared to Standalone revenue of Rs. 488.59 crore and consolidated revenue of Rs. 488.32 crore (including other income) in the previous year thereby registered a growth of 41% on standalone and consolidated basis over the previous year. The standalone and consolidated Profit before Tax (PBT) was Rs. 71.11 crore and Rs. 71.03 crore as compared to Rs. 57.16 crore and Rs. 57.07 crore respectively over the previous year. The standalone and consolidated Profit after Tax (PAT) stood at Rs. 50.05 crore and Rs. 49.97 crore as compared to Rs. 44.72 crore and Rs. 44.63 crore over the previous year. EBITDA grew by 29% to Rs. 111.6 crores from Rs. 86.6 crores.

The Company began FY23 on a positive note with strong all-round performance. Revenues grew by 75%, while EBITDA and PAT improved by 58% and 51% respectively. The performance momentum was steered by strong gains from the expanded capacity, and this came in spite of challenging operating environment marred by high input and utility costs, logistical disruption as well as extreme volatility in exchange rates during the Q1FY23. In the CSM/ advanced intermediate business, the Company started witnessing traction from other newer sectors which are non-agro and non-pharma and we endeavour to progressively increase the contribution at the Company level.

In the 1st half of the year the Company delivered a superior performance reflected by 50% growth in revenues, 35% improvement in EBITDA and 13% increase in PAT. The performance was fueled by continued positive demand outlook from key end user segments, further aided by gains from incremental capacity available over same period last year. All this was achieved in an environment that was premised on prolonged inflationary headwinds in key raw materials and other utilities.

Q3 FY23 performance was bolstered by 40% Y-o-Y gains in revenue with healthy profitability, where both EBITDA and PAT increased by 27% and 40% Y-o-Y respectively. The performance was consistent and witnessed accelerated built up in the business based on strong visibility and continued positive demand environment. All the strategic initiatives undertaken in Q3FY23 including new CAPEX announcements and forming a separate entity for battery chemicals business were steps in the right direction to gain early mover advantage, be future ready with capacities meeting demand and strengthening our technological expertise. All this will result in sustained value creation for our stakeholders.

The Company entailed several CAPEX initiatives this year to elevate it's performance trajectory in the existing business and to participate in the sunrise sector of lithium-ion battery chemicals. The construction progressed well as expected both in lithium-ion battery chemicals and existing business operations. Sizeable CAPEX plans were lined up in the second half of FY 2023, based on the progress in discussion for lithium-ion battery materials space.

The Company concluded the FY 2022-23 on a strong note despite challenging operating scenario aggravated by continued volatility in input costs, disruption of global supply chains due to Russia Ukraine conflict and variations in foreign exchange rates among others. Amid all these headwinds, the Company demonstrated solid financial performance in FY2023 steered by 41% growth in revenues and 29% expansion in EBITDA. More importantly, the Company reported Highest-Ever revenues and PAT in the Company's history propelled by positive demand environment, onset of several expansion initiatives and augmentation of the product portfolio. This is a testament of our commitment and perseverance towards building a solid foundation for the future.

FY2023 was a momentous year for Neogen Chemicals as we charted ambitious growth plans for both existing as well as Battery Chemicals business and saw a lot of these initiatives take concrete shape. On one hand, the Company entered into a share purchase agreement for acquiring **100% stake in BuLi Chemicals India Private Limited from Livent USA** to strengthen our product offerings while on the other hand, we signed a landmark **agreement with MUIS**, Japan to acquire manufacturing technology license for electrolytes in India. Both these events will significantly bolster our competitive position in the market and lay the roadmap for the future. We have markedly expanded our R&D prowess across several high-potential chemistries to offer deep value to our customers. Initiatives under Battery Chemicals business progressed well, and we are on track to achieve several milestones as per our internal forecasts.

Further during the year under review, the company has promoted and incorporated a Wholly Owned Subsidiary of the Company on March 29, 2023, named "**Neogen Ionics Limited" ("NIL**"), to carry out the Battery Chemicals Business addressing the growth opportunities in Energy Storage such as Lithium- Ion Battery material space and other future energy storage chemistries. The main objects of NIL is to manufacture Lithium-Ion battery materials with an initial plan of manufacturing electrolytes and Lithium salts needed for electrolytes.

Our expansion plans are ambitious, but modular in nature. Our intent is to cement our leadership position in the existing business, while garnering substantial market share in the high potential Lithium-ion battery chemicals space. With this, we believe we have built a solid foundation for Neogen Chemicals to independently grow and self-sustain both its existing as well as battery chemicals businesses. We are optimistic that these advancements will enable Neogen to achieve quantum leap in its earnings and demonstrate its manufacturing excellence to the stakeholders across the globe.

The roadmap appears equally encouraging and we are ready to march to the next leg of growth that will demonstrate our manufacturing capabilities at scale as well as expertise in several complex chemistries. The demand landscape remains promising and the Company will channelise its experience to deliver sustained performance in the years to come. The industry is supportive, and the demand scenario continues to be favourable. Our objective is to continue on this profitable growth journey and deliver sustained value for our stakeholders.

3. Change in the Nature of Business:

There was no change in the nature of business or the business line of the Company.

4. Dividend:

For the financial year 2022-23, based on the performance of the company, the board of the Company is pleased to recommend a final dividend of Rs. 3 per equity share. If the dividend as recommended by the Board is approved at the 34th Annual General Meeting the total outflow towards Dividend on equity share would be Rs.7.48 crores.

The Board had recommended a final Dividend of Rs. 2.75 per equity share for the financial year 2021-22, which was approved by the shareholders at its 33rd Annual General Meeting held on September 28, 2022 amounting to Rs.6.86 crores.

The Dividend Distribution Policy ("Policy") of the Company formulated in accordance with the terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), which endeavors for fairness, consistency and sustainability while distributing profits to the shareholders is made available at the website of the Company at https://neogenchem.com/wp-content/uploads/P-Dividend-Distribution-Policy.pdf

5. Reserves

Your Company has not transferred any amount to General Reserves during the financial year under review.

6. Share Capital

The paid up share capital of the Company is as given hereunder:

Particulars	Opening Balance as on April 1, 2022	Closing Balance as on March 31, 2023
Equity shares:		
- Number of shares	2,49,39,316*	2,49,39,316
- Amount	24,93,93,160	24,93,93,160

The Board of Directors at its meeting held on 8th December, 2021, inter alia approved the issue and offer of 16,04,710 equity shares on preferential basis for cash consideration subject to the approval of shareholders of the Company. Subsequently the shareholders of the Company at its Extra Ordinary General meeting held on 31st December, 2021 had approved issue, offer and allotment of 16,04,710 shares of face value of Rs. 10 each on preferential basis at an issue price of Rs. 1,402.12 per Equity Share (including a premium of Rs. 1,392.12 per Equity Share) aggregating up to Rs. 225 crores to the identified investors. The allotment of the said equity shares of the Company on a preferential basis was done on 6th January, 2022. The Equity shares were listed at BSE Limited and National Stock Exchange of India Limited.

Utilization of Proceeds raised through Issue of Equity Shares on Preferential basis

The proceeds raised through the issue and allotment of shares on 6th January, 2022 were utilized towards the objects it was raised for and there was no deviation or variation in the utilisation of funds raised through issue of Equity Shares on preferential basis. The proceeds of Rs. 225 crores raised through issue and allotment of equity shares on preferential basis, was utilised as on March 31, 2023 and the statement in this respect was placed before the Audit Committee of the Company for review and after such review the same was submitted to the Stock Exchange and the same is also available at the website of the Company at https://neogenchem.com/wp-content/uploads/Reg-32-SE.pdf .

Buy Back of Securities/ Sweat Equity/ Bonus Shares/ Issue of Shares with Differential Rights

During the year under review the Company has not bought back any of its securities, nor has it issued any Sweat Equity or Bonus Shares or Equity Shares with Differential Rights.

7. Board of Directors and Key Managerial Personnel:

The directors of the Company as on March 31, 2023 are:

Sr. No	Particular	Designation
1.	Haridas Kanani	Chairman and Managing Director
2.	Dr. Harin Kanani	Managing Director
3.	Sanjay Mehta	Independent Director
4.	Hitesh Reshamwala	Independent Director
5.	Shyamsunder Upadhyay	Whole Time Director
6.	Anurag Surana	Non-Executive and Non-Independent Director
7.	Prof. Ranjan Kumar Malik	Independent Director
8.	Avi Sabavala	Independent Woman Director

Retirement by rotation:

As per the provisions of Section 152 of the Companies Act, 2013, not less than two-third of the total number of Directors, other than Independent Directors shall be liable to retire by rotation. One-third of these Directors are required to retire every year and if eligible, these Directors qualify for reappointment. Accordingly, at the 34th AGM, Mr. Anurag Surana (DIN: 00006665), Non-Executive and Non-Independent Director, shall retire by rotation and being eligible, offers himself for re-appointment.

A detailed profile of Mr. Anurag Surana (DIN: 00006665), Non-Executive and Non-Independent Director along with additional information required under Regulation 36(3) of Listing Regulations and Secretarial Standard on General Meetings is provided separately by way of Annexure to the Notice of the 34th AGM.

Change in Designation:

During the year under review, Dr. Harin Kanani (DIN: 05136947), Managing Director of the Company was re-appointed as a Managing Director of the Company, liable to retire by rotation, for a further term of 5 years starting from July 22, 2022 till July 21, 2027 as per the provisions of Section 203 of the Companies Act, 2013 ("the Act"), read with other relevant provisions and rules made thereunder and Regulation 30 of the Listing Regulations.

Re- appointment:

Based on recommendation being received from the nomination and remuneration committee of the Company and after taking into account the performance evaluation of Mr. Haridas Kanani, Chairman and Managing Director of the Company during his term of five years and considering the knowledge, acumen, expertise, experience and the substantial contribution he brings to the Board, the Board has at its meeting held on August 5, 2023, approved the re- appointment of Mr. Haridas Kanani as a Chairman and Managing Director of the Company for a further term of 5 years starting from August 11, 2023 to August 10, 2028, not liable to retire by rotation, subject to the approval of the shareholders at the 34th AGM of the Company and on such terms and conditions including remuneration as set out in the agreement, the abstract of which is given in explanatory statement annexed to the Notice of the 34th AGM. This proposal forms part of the agenda of the Notice of 34th AGM of the Company.

Pursuant to provisions of Section 149(10) of the Companies Act, 2013 and based on recommendation being received from the nomination and remuneration committee of the Company and after taking into account the performance evaluation carried by the Board before recommending his reappointment to the shareholders and independence of Prof. Ranjan Kumar Malik, Independent Director of the Company during his first term of five years ending on October 5, 2023 and considering the knowledge, acumen, expertise, experience, independence and substantial contribution he brings to the Board, the Board has at its meeting held on August 5, 2023, approved the re- appointment of Prof. Ranjan Kumar Malik as an Independent Director of the Company for a second term of 5 consecutive years starting from October 6, 2023 to to October 5, 2028, not liable to retire by rotation, subject to the approval of the shareholders at the 34th AGM of the Company and on such terms and conditions as set out in the agreement. This proposal forms part of the agenda of the Notice of 34th AGM of the Company.

Pursuant to provisions of Section 149(10) of the Companies Act, 2013 and based on recommendation being received from the nomination and remuneration committee of the Company and after taking into account the performance evaluation carried by the Board before recommending her reappointment to the shareholders and independence of Mrs. Avi Sabavala, Independent Director of the Company during her first term of five years ending on October 5, 2023 and considering the knowledge, acumen, expertise, experience, independence and substantial contribution she brings to the Board, the Board has at its meeting held on August 5, 2023, approved the re- appointment of Mrs. Avi Sabavala as an Independent Director of the Company for a second term of 5 consecutive years starting from October 6, 2023 to to October 5, 2028, not liable to retire by rotation, subject to the approval of the shareholders at the 34th AGM of the Company and on such terms and conditions as set out in the agreement. This proposal forms part of the agenda of the Notice of 34th AGM of the Company.

Declaration by Directors:

The Independent Directors of the Company have separately submitted a declaration of independence, as required, pursuant to the provisions of Section 149(7) of the Act, stating that they meet the criteria of independence, as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulation and are not disqualified from continuing as Independent Directors of your Company. Further, all the Independent Directors of your Company have confirmed their registration / renewal of registration, on Independent Directors' Databank. Further there has been no change in the circumstances which may affect their status as Independent Director during the year.

Your Company has in place a Code of Conduct for the Board of Directors, Key Managerial Personnel and Senior management personnel, which reflects the legal and ethical values to which your Company is strongly committed. Also pursuant to the requirements of Regulation 26(3) of the Listing Regulations, all members of the Board of Directors, Key Managerial Personnel and Senior Management Personnel have affirmed compliance with the code of conduct for Board of Directors, Key Managerial Personnel and senior management Personnel for the financial year ended March 31, 2023. The said code is available on the website of the Company at https://neogenchem.com/wp-content/uploads/E-code-of-Ethics-Directors-KMP.pdf .

Annual Evaluation by the Board:

The Nomination and Remuneration Committee has defined the evaluation criteria for the Board, its Committees and Directors. The functioning of the Board was evaluated by the Nomination and Remuneration Committee on various aspects, including, degree of fulfilment of key responsibilities, Board Structure, composition, establishment and delegation of responsibilities to various committees, effectiveness of Board processes, Board and Management Relations, Board Strategy and Risk Management, Stakeholder value and responsibility, information and functioning.

The Board of Directors formally assess their own performance based on parameters which, inter-alia, include performance of the Board on deciding long term strategies, rating the composition and mix of Board members, discharging of governance and fiduciary duties, handling critical and dissenting suggestions, etc. The parameters for performance evaluation of the Directors include contributions made at the Board meeting, attendance, instances of sharing best and next practices, domain knowledge, vision, strategy, engagement with senior management etc.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding Directors being evaluated. Independent Directors were evaluated based on parameters, such as qualifications, experience, knowledge and competence.

The performance evaluation of Chairman, Executive and Non-Executive Directors were carried out by the Independent Directors who also reviewed the performance of the Board as a whole in their meeting held on March 11, 2023.

Familiarization Programmes for Independent Directors:

Pursuant to provisions of Regulation 25 of the Listing Regulations, the Company has formulated a programmes for familiarizing the Independent Directors, with regard to their roles, rights, responsibilities under the act and regulations, nature of the industry in which company operates, current business model of the Company, etc., through various initiatives. The details of aforementioned programmes are available on the Company's website at https://neogenchem.com/corporate-governance/#familarization-programme/ .

8. Particulars of Employees:

The information required under Section 197 (12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as "**Annex 1**" to this report. The Statement containing particulars of employees as required under Section 197 of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request. In terms of Section 136 of the Act, the Annual Report and accounts are being sent to the members and others entitled thereto, excluding the information on employee's particulars which will be available for inspection on request being sent by the member during business hours on all working days excluding Sunday and national holidays up to the date of 34th AGM. Any member interested in obtaining a copy thereof, may write to the Company Secretary at investor@neogenchem.com .

9. Committees & Meetings:

The Company has duly constituted the following mandatory Committees in terms of the provisions of the Act, read with relevant rules framed thereunder & Listing Regulations:

a) Audit Committee

b) Stakeholders Relationship Committee

c) Nomination and Remuneration Committee

d) Corporate Social Responsibility Committee

e) Risk Management Committee

The composition of all such Committees, brief terms of reference, number of meetings held during the year under review, and other details have been provided in the Corporate Governance Report which forms part of this Annual Report. All the recommendations made by the Committees were accepted by the Board.

Board Meetings:
The Board of Directors met 7 (Seven) times, that is, on May 14, 2022, July 18, 2022, August 6, 2022, November 5, 2022, February 11, 2023, March 4, 2023 and March 11, 2023 during the financial year under review. The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Act.

Audit Committee Meetings:
The Audit Committee met 6 (Six) times during the year, that is, on May 14, 2022, July 18, 2022, August 6, 2022, November 5, 2022, February 11, 2023 and March 4, 2023.

Stakeholders Relationship Committee Meetings:
The Stakeholders' Relationship Committee met once during the year on November 5, 2022.

Nomination and Remuneration Committee Meetings:
The Nomination and Remuneration Committee met twice during the year, that is, on May 14, 2022 and July 18, 2022.

CSR Committee Meeting:
The CSR committee met twice during the year on July 18, 2022 and February 11, 2023.

Risk Management Committee:
The Board of Directors ("Directors") of your Company have constituted Risk Management Committee in accordance with the recent amendments in Regulation 21 of the Listing Regulations, at its meetings held on May 29, 2021. The details pursuant to the requirement of Regulation 21 and Schedule V (C) Para 5A of the Listing Regulations pertaining to role, terms of reference and constitution of the Risk Management Committee of the Company have been provided in the Corporate Governance Report which forms part of this Annual Report.

The Risk Management committee met twice during the year on May 14, 2022 and November 5, 2022.

The Committee details and the Risk Assessment and Management Plan are made available on the website of your Company at https://neogenchem.com/corporate-governance/ and https://neogenchem.com/wp-content/uploads/I-Risk-Assessment-and-Mgt-Plan.pdf respectively.

Independent Directors meeting:
Independent Directors met once during the year under review on March 11, 2023.

10. Details of Subsidiary/Joint Ventures/ Associate Companies:

The Company does not have any associate company or a holding company.

Further during the year under review, the company has promoted and incorporated a Wholly Owned Subsidiary of the Company on March 29, 2023, named "**Neogen Ionics Limited" ("NIL**"), to to carry out the Battery Chemicals Business addressing the growth opportunities in Energy Storage such as Lithium- Ion Battery material space and other future energy storage chemistries. The main objects of NIL is to manufacture

Lithium-Ion battery materials with an initial plan of manufacturing electrolytes and Lithium salts needed for electrolytes.

The Company has entered into a Joint Venture with Dhara Fine Chem Industries. Neogen holds 90% of the capital contribution in a partnership firm. Dhara Fine Chem Industries is engaged in the business of manufacturing, sale and trading of Organic and Inorganic chemicals and other related activities. Consolidated Financial Statements of the Company have been prepared in accordance with relevant Accounting Standards issued by the Institute of Chartered Accountants of India and section 129 (3) of the Act forming part of this report. In accordance with Section 136 of the Act, the Audited Financial Statements, including Consolidated Financial Statements and related information are available on the Company's website at https://neogenchem.com/annual-reports-2/. Pursuant to the first proviso to Section 129(3) of the Act and Rule 5 and Rule 8(1) of the Companies (Accounts) Rules, 2014, the salient features of financial statements, performance and financial position of the Joint Venture is given in Form AOC-1 as set out in **Annex 3** to this Report.

11. Auditors:

Statutory Auditors

Pursuant to the provisions of Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the provisions of the Act. In line with the requirements of the Act, JMT & Associates, Chartered Accountants (Firm Registration No. 104167W), was appointed as the statutory auditors of the Company to hold office for a further period of five consecutive years from the conclusion of the 30th AGM of the Company held on September 20, 2019 till the conclusion of the 35th AGM.

The requirement for the annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018.

JMT & Associates, have confirmed that the appointment was within the limit specified under Section 141(3) (g) of the Act and they are not disqualified to be reappointed as a Statutory Auditors in terms of provisions of Section 139 and 141 of the Act and the Companies (Audit and Auditors) Rules, 2015. As required under Regulation 33(1) (d) of Listing Regulations, JMT & Associates, have confirmed that they hold a valid certificate issued by Peer Review Board of the Institute of Chartered Accountants of India.

Statutory Auditors report

The Statutory Auditors Report does not contain any modified opinion, qualifications, reservations or adverse remarks for the year under review and the observations and comments given in the report of the Statutory Auditors read together with Notes to Accounts are self-explanatory and hence do not call for any further explanation or comments under Section 134 (f) (i) of the Act.

Secretarial Auditors:

DVD and Associates, Practising Company Secretaries (FCS No. 6099 CP No. 6515), were appointed as the Secretarial Auditor of the Company for FY 2022-23 and the Secretarial Audit Report for the financial year ended March 31, 2023 from DVD and Associates is annexed herewith as **Annex - 2** to this Report. The Secretarial Auditors' Report for the financial year ended March 31, 2023 does not contain any qualification, reservation or adverse remark.

Pursuant to the provisions of Section 204 of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, as amended from time to time and Regulation 24A of Listing Regulations, the Company has appointed DVD and Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company to undertake the Secretarial Audit for the FY 2023-24. The Company has received their written consent and confirmation that the appointment will be in accordance with the applicable provisions of the Act and rules framed thereunder.

Cost Auditors:

The Company is required to maintain cost records as per Section 148(1) of the Act and the rules framed thereunder, and accordingly, the Company has made and maintained such cost accounts and records.

Kishore Bhatia & Associates, Cost Accountants, (Firm Registration No. 00294), were appointed as Cost Auditor of the Company for Financial Year 2022-2023 as per the provisions of the Act. The Cost Auditors' Report for the financial year ended March 31, 2023 does not contain any qualification, reservation or adverse remark.

In terms of Section 148 of the Act read with the rules framed thereunder, the Board of the Company on recommendation being received from the Audit committee, has appointed Kishore Bhatia & Associates, Cost Accountants, (Firm Registration No. 00294) as Cost Auditor of the Company, to conduct audit of the Cost records of the Company for the financial year ending on March 31, 2024 at a remuneration of

Rs. 3,30,000 subject to ratification of remuneration by the shareholders at the 34th AGM by passing a resolution as set out in Item No. 7 of the Notice of 34th AGM.

Kishore Bhatia & Associates have confirmed that they are free from disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act and that the appointment meets the requirements of Section 141(3) (g) of the Act. They have further confirmed their independent status and an arm's length relationship with the Company.

Reporting of Frauds:

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees, to the Audit Committee under Section 143(12) of the Act details of which needs to be mentioned in this Report.

12. Management Discussion and Analysis Report:

The Management Discussion and Analysis Report is presented in a separate section forming part of this Annual Report.

13. Business Responsibility and Sustainability Report:

The Business Responsibility and Sustainability Report as stipulated under Regulation 34(2)(f) of Listing Regulations is presented in a separate section forming part of the Annual Report.

14. Risk Management Policy:

Risks are an integral part of a business operation. Neogen has developed and implemented a robust Risk Management Policy that monitors, identifies and suggest risk mitigation measures. The Company has developed and implemented the Risk Assessment and Management Policy and the same is reviewed periodically by the Board of Directors. The Board has constituted Risk Management Committee which would be reviewing this policy henceforth on periodic intervals. The Committee details and the Risk Assessment and Management Plan are made available on the website of your Company at https://neogenchem.com/corporate-governance/ and https://neogenchem.com/wp-content/uploads/I-Risk-Assessment-and-Mgt-Plan.pdf respectively. The Salient features of the Risk Assessment and Management Plan ("the policy") are:

- Lay down a framework for identification, measurement, evaluation, mitigation & reporting of various risks.
- Risk management allows Neogen to minimize losses and capitalize on opportunities.
- Understanding risk and Neogen's appetite for risk will be key considerations in Neogen's decision making.
- Evolve the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects, which the business and operations of the Company are exposed to.

15. Vigil Mechanism/Whistle-Blower Policy:

The Company has adopted a 'Whistle-Blower Policy' for its Directors and Employees to report genuine concerns and to provide adequate safeguards against victimization of persons who may use such mechanism. The Mechanism is designed for enabling all the stakeholders to communicate their concerns about illegal or unethical practices, fraud or violation of Company's Code of Conduct if any, freely. No personnel of the Company have been denied access to the Chairperson of the Audit Committee. During the year under review, no complaints were received under the Whistle Blower Policy.

The functioning process of this mechanism has been elaborated in the Corporate Governance Report forming a part of this Annual Report. The said policy can be accessed on the company's website at https://neogenchem.com/wp-content/uploads/L-Whistle-blower.pdf.

16. Policy on Directors' Appointment and Remuneration:

The Company has adopted a Nomination and Remuneration policy, the policy for appointment and remuneration of Directors, key managerial personnel and senior management officials including the criteria for determining qualifications, positive attributes, independence of a director and other matters as per the requirements of section 178 (3) of the Act read with relevant rules made thereunder and Listing Regulations and to develop and recommend the Board a set of Corporate Governance Guidelines. The Policy is available on the Company's website at https://neogenchem.com/wp-content/uploads/A-Nomination-and-Remuneration-Policy.pdf . The Company affirms that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board and separate its functions of governance and management.

As on March 31, 2023, the Board had eight members, three of whom are executive directors, one is a non-executive and non-independent member and four are independent directors including one independent woman director.

17. Extract of Annual Return:

Pursuant to the requirement of section 92(3) of the Act and rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of annual return can be accessed on our website at https://neogenchem.com/financial-performance/#all_tabl1

18. Material Changes and Commitments, if any, Affecting the Financial Position of the Company which Have Occurred Between the end of the Financial Year of the Company to which the Financial Statements Relate and the Date of the Report:

No material changes and commitments have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report which may affect the financial position of the Company or its status as a "Going Concern".

19. Significant Events that Occurred Between the end of the Financial Year of the Company to which the Financial Statements Relate and the Date of the Report.

After the end of financial year, Neogen Chemicals Limited (Neogen) and Livent Corporation (Livent) had jointly entered into a definitive agreement on March 4, 2023, for Neogen to acquire 100% stake in BuLi Chemicals India Pvt. Ltd (**BuLi Chem**) from Livent. The transaction was completed on May 3, 2023, pursuant to which BuLi Chem became a Wholly Owned Subsidiary (WOS) of NCL.

BuLi Chem owns the technology to manufacture N Butyl Lithium and other organolithium products using lithium metal, which are key reagents for lithiation reaction used in manufacturing of several complex pharmaceutical and agrochemical intermediates. BuLi Chem manufactures and supplies N Butyl Lithium to several leading pharma and agrochemical companies in India and across the world and is built one of the very few commercial facilities outside of China for this chemistry.

Neogen is one of India's leading manufacturers of bromine, lithium-based specialty chemicals and advanced intermediates produced using multiple chemistries. This acquisition shall boost Neogen's portfolio by offering organolithium derivatives to existing pharma and agrochemical industries and further enhance its advanced intermediates & CSM manufacturing business. More importantly, Neogen is expected to significantly gain from BuLi Chem's established & proven technology expertise for handling lithium metal & organolithium derivatives. Overall, it will unlock deep synergies by complementing the current portfolio.

BuLi Chem, houses the Indian operations of Livent USA Corp – one of the global leaders in speciality lithium technology. Neogen is happy to welcome the employees of BuLi Chem who have deep experience of more than a decade in handling Organo Lithium Chemistry to the Neogen family. They have managed to develop one of the few facilities outside of China for this chemistry with strong track record in safety and sustainability.

Furthermore, Neogen Chemicals Limited (Neogen), had entered into an agreement on April 10, 2023 with MU Ionic Solutions Corporation, Japan. MU Ionic Solutions (MUIS) is a JV between Mitsubishi Chemical Corporation (MCC) and UBE Corporation and is a group company of The Mitsubishi Chemical Group (the group) a Japanese conglomerate. The group is one of the global leaders in electrolytes used in lithium-ion batteries with a strong track record of 30 years and has 5 electrolyte manufacturing plants located in Japan, USA, UK and China.

As per the terms of the agreement, Neogen has obtained the license from MUIS for proprietary and confidential manufacturing technology for making electrolyte solutions at its manufacturing facility in India with a planned max installed capacity of upto 30,000 MT per annum. These electrolytes will be targeted by Neogen to meet the growing demand of lithium-ion cell manufacturers in India.

The agreement will allow Neogen to ensure that the manufacturing plant meets stringent global standards for quality, reliability, safety and efficiency for electrolytes production. It will also help Neogen to greatly reduce approval times with Lithium-Ion Battery makers. Neogen is honoured to be a recipient of this first-ever license issued by MUIS the part of MCC of electrolyte manufacturing technology anywhere in the globe.

20. Details of Significant and Material orders Passed by the Regulators or Courts or Tribunals Impacting the Going Concern Status and the Company's Operations In Future:

During the year under review there has been no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

During the year under review, the Company signed and executed a Settlement Agreement ("Agreement") with Neogen Corporation to amicably settle the ongoing dispute relating to the trademark 'Neogen'.

As a part of settlement, the parties have agreed to co-exist without confusion with respect to the use of their respective "Neogen" marks, and subject to the terms of the Agreement. The disclosure in this regard is available at https://neogenchem.com/wp-content/uploads/Intimation-of-execution-of-Settlement-Agreement.pdf

21. Details in Respect of Adequacy of internal Financial Controls with Reference to the Financial Statements

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company. This internal financial control system at company's head office and all its plants are being checked by the Internal Auditors on a quarterly basis and is certified by the Statutory Auditors in its report. The Internal Auditor reports directly to the Audit Committee. The adequacy, effectiveness and implementation of the internal financial control system is also monitored by the Audit Committee on a quarterly basis and the recommendations, if any by the committee is placed before the Board of Directors of the Company for their review and comments and the recommendation from the Board are duly implemented in a timely manner. The system helps in improving operational and financial efficiency of the Company, safeguarding of assets and prevention and detection of frauds, if any, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures and ensuring compliance with the policies of the Company.

22. Deposits

The Company has not accepted any deposit as per the provisions of Section 73/76 of the Act read with the Companies (Acceptance of Deposit Rules), 2014.

23. Particulars of Loans, Guarantees or investments under section 186

The Company has not provided any guarantee or security for any loan nor has made any investments during the Financial Year under review. The Company has granted inter-corporate deposits (ICDs) of Rs. 60 crore during the year under review pursuant to section 186 of the Companies Act, 2013. In terms of Section 134 of the Companies Act, 2013, the particulars of loans, guarantees and investments made by the Company under Section 186 of the Companies Act, 2013 are detailed in Notes to the standalone financial statements.

The Company holds investment in its Joint Venture Firm Dhara Fine Chem Industries (Partnership firm in which the Company holds 90% share). The said investments made in Joint Venture being exempted in terms of first provisions to section 186 (3) of the Act, the provisions of section 186 to that extent are not applicable to the Company. Particulars of loans/ ICDs given and investment made by the Company is provided in the Financial Statements which may be read in conjunction with this report.

24. The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof

During the year, there has been no one-time settlement of Loan and therefore this point is not applicable.

25. Particulars of Contracts or Arrangements with Related Parties:

The Board of Directors has adopted a policy on related party transactions. As per the Policy on related party transactions, all transactions with related parties were reviewed and approved by the Audit Committee. Omnibus approval was obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. A statement giving details of all related party transactions entered pursuant to omnibus approval so granted is placed before the Audit Committee on a quarterly basis for its review. The said policy is available on the Company's website https://neogenchem.com/wp-content/uploads/F-Policy-on-materiality-of-related-party-transaction.pdf .

The objective of the policy is to ensure proper approval, disclosure and reporting of transactions that are or may be executed by and between the Company and any of its related parties. The related party transactions are as mentioned in notes to accounts which set out the related party transactions disclosures pursuant to IND AS-24. All the transactions/contracts/arrangements, falling within the purview of provisions of section 188 of the Act, entered by the Company with related parties during the year under review are in ordinary course of business and an arm's length has been maintained in the transaction. The Company has not entered into any new material contract or arrangement with related parties during the year under review. Therefore, there is no requirement to report any transaction in form AOC-2 in terms of Section 188 and 134 of the Act, read with Rule 8 of the Companies (Accounts) Rule, 2014.

26. Obligation of the Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has adopted a policy for prevention of sexual harassment of women at workplace pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and it has also constituted an Internal Complaints Committee to redress the complaints relating to sexual harassment of its women employees at work place and implementation of the said Policy. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

During the year under review the Company has not received any such complaint of harassment.

27. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The disclosure of particulars with respect to Conservation of Energy, Technology Absorption, and Foreign Exchange Earnings and Outgo as required under Sub-section (3)(m) of Section 134 of the Act, read with Rule 8 (3) Companies (Accounts) Rules, 2014 is enclosed herewith as "**Annex 4**" to this Board's Report.

28. Corporate Social Responsibility (CSR)

In accordance with the requirements of the provisions of Section 135 of the Act, the Company has constituted CSR Committee. The Company has revised the CSR Policy pursuant to the Companies (Corporate Social Responsibility) Amendment Rules, 2021. The revised CSR policy is available on Company's website at https://neogenchem.com/wp-content/uploads/B-CSR.pdf

In compliance with the provisions of Section 135 of the Act, 2013, the Companies (Corporate Social Responsibility) Rules, 2014 and various notifications/circulars issued by the Ministry of Corporate Affairs, the Company has contributed an amount of Rs. 0.96 crores as against the statutory requirement of Rs.0.95 crores towards CSR activities directly and also through various organizations/trusts engaged in activities specified in Schedule VII of the Act. Your Company has contributed towards CSR activities in the areas of environmental sustainability, promoting education, providing water in village area, providing prosthetic arm, preventive healthcare to combat COVID- 19, rural development and women empowerment projects. The salient features of the CSR policy along with the Report on CSR activities are given in **Annex - 5** to this Directors' Report.

29. Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Act, shall state that—

a) Applicable accounting standards have been followed along with proper explanation relating to material departures, if any, in preparation of the annual accounts;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2023 and of the profit of the Company for that period;

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the annual accounts on a going concern basis;

e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

30. Transfer of Amounts to Investor Education and Protection Fund

The Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds or shares which were required to be transferred to Investor Education and Protection Fund (IEPF) during the year under review.

The Ministry of Corporate Affairs (MCA), Government of India, through its Circular No. 17/2012 dated 23rd July, 2012 has directed companies to upload on the company's website information regarding unpaid and unclaimed dividend. Pursuant to the said IEPF Rules, the Company has uploaded the details of unpaid and unclaimed dividend on its website at https://neogenchem.com/unclaimed-unpaid-dividend/.

31. Credit Rating

CRISIL Ratings Limited and ICRA Limited carried out an annual review of credit facilities availed by the Company. CRISIL has vide its letter dated September 15, 2022, given the rating for the Long-Term Banking Facilities as CRISIL A-/ Positive (reaffirmed) and of a Short-Term Banking Facilities as CRISIL A2+ (reaffirmed). ICRA has vide its letter dated December 19, 2022, given the rating for the Long-Term Banking Facilities as ICRA A/ Stable and of a Short Term Banking Facilities as ICRA A2+.

32. Corporate Governance Certificate, Secretarial Audit Report and Secretarial Compliance Certificate:

In compliance with Regulation 34 read with Schedule V(C) of Listing Regulations, a report on Corporate Governance and the certificate required under Schedule V (E) of Listing Regulations from our Statutory Auditors, forms part of the Corporate Governance Report.

An Annual Compliance Certificate and a Secretarial Audit Report for the FY 2022-23 from DVD and Associates, Practicing Company Secretary of the Company forms part of the Directors Report of the Company as **Annex 2 and Annex 6** respectively.

33. Compliance of Secretarial Standard of ICSI

In terms of Section 118(10) of the Act, the Company is complying with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government with respect to Meetings of Board of Directors and General Meetings.

34. Listing Agreement

In compliance with SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015, the Company has executed a Uniform Listing Agreement with BSE Limited and National Stock Exchange of India Limited, where the shares of the Company got listed on May 8, 2019. The Company has paid Annual Listing Fees to both the Stock Exchanges for Financial Year ending on March 31, 2024.

35. Prohibition of Insider Trading

In compliance with SEBI (Prohibition of Insider Trading) Regulation 2015, the Company has adopted a 'Code of Conduct for Prevention of Insider Trading" ("Code") in the organization. As per the Code, the Company has also adopted Policy on inquiry in case of leak or suspected leak of UPSI and Policy for Determination of Legitimate Purposes ("Policies").

The said Code and policies is available on the Company's website at https://neogenchem.com/wp-content/uploads/J-Code-of-Conduct-for-Prevention-of-Insider-Trading.pdf . The Code lays down guidelines for procedures to be followed and disclosures to be made by insiders while trading in the securities of the Company.

The 'Trading Window' remains closed from the end of every quarter till 48 hours after the declaration of financial results and the same is closed when Compliance Officer determines that Designated Persons can reasonably be expected to have possession of Unpublished Price Sensitive Information. Ms. Unnati Kanani, Company Secretary of the Company has been designated as the Compliance Officer to administer the Code of Conduct and other requirements under SEBI (Prohibition of Insider Trading) Regulations, 2015.

36. Acknowledgements

The Directors express their appreciation for the sincere co-operation and assistance of Central and State Government authorities, bankers, customers, suppliers, investors and business associates. The Directors also wish to place on record their deep sense of appreciation for the committed services rendered by each and every employee of Neogen Family. The Directors acknowledge with gratitude, the encouragement and support extended by the Company's valued stakeholders.

For and on behalf of the Board of Directors
Neogen Chemicals Limited

Mr. Haridas Kanani
Chairman and Managing Director
DIN: 00185487

Place: Thane
Date: August 5, 2023

ANNEX – 1

PURSUANT TO THE PROVISIONS OF SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Median Remuneration of the employees of the company for the financial year is Rs. 0.0422 crores

I) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year ending March 31, 2023:

Sr. No	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1.	Haridas Kanani	20.14
2.	Dr. Harin Kanani	19.55
3.	Sanjay Mehta	0.71
4.	Hitesh Reshamwala	0.71
5.	Shyamsunder Upadhyay	18.96
6.	Anurag Surana	Not Applicable
7.	Prof. Ranjan Kumar Malik	0.47
8.	Avi Sabavala	0.71

II) The percentage increase in remuneration of each Director, CFO, CS or Manager if any for the financial year ending March 31, 2023:

Sr. No	Name of the Director, CFO, CS or Manager	% Increase over last Financial Year
1.	Haridas Kanani	21%
2.	Dr. Harin Kanani	25%
3.	Sanjay Mehta	Not Applicable
4.	Hitesh Reshamwala	Not Applicable
5.	Shyamsunder Upadhyay	21%
6.	Anurag Surana	Not Applicable
7.	Prof. Ranjan Kumar Malik	Not Applicable
8.	Avi Kersi Sabavala	Not Applicable
9.	Ketan Vyas	15%
10.	Unnati Kanani	38%

III) The percentage increase/ (decrease) in the median remuneration of employees in the financial year ending March 31, 2023: 22.33%

IV) The number of permanent employees on the rolls of the Company as on March 31, 2023: 581

V) The average remuneration is commensurate with the size and performance of the Company.

VI) Comparison of the remuneration of the KMP against the performance of the Company:-

- It is commensurate with the turnover and profits of the Company and performance of the individual.

VII) The average % increase in the salaries of employees excluding Key Managerial Personnel was 16.95 % and the average % increase in Key Managerial Personnel's Remuneration was 21.44 % over the previous year. The increase in KMP remuneration was based on the recommendations of the Nomination & Remuneration Committee, to revise the remuneration as per Industry Benchmark.

VIII) There was an employee getting remuneration higher than that of the Chairman and Managing Director, details of which is as given hereunder:

Mr. Devendra Kumar Ray, aged 59 years, is a B.Tech Chemical Technology and was appointed as a President Operation with effect from September 30, 2022, has drawn a remuneration of Rs. 0.50 lakhs for a period of from the date of appointment till the end of financial year March 31, 2023. He has total 33 years & 06 months experience in companies like, GNFC (Bharuch), Hoechst India (Anklehwar), Searle India (Ankleshwar), Atul Limited (Ankleshwar), Cheminova India Ltd (Panoli, Gujarat), PI Industries (Panoli, Gujarat) & PI Industries (Udaipur, Rajasthan). He does not hold any equity share in the Company and is not related to any of the Director or Manager of the Company.

IX) Key parameters for any variable component of remuneration availed by the directors – N.A.

X) It is affirmed that the remuneration paid is as per the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Senior Managerial Personnel's of the Company.

Dr. Harin Kanani, Managing Director is a son of Haridas Kanani, Chairman and Managing Director of the Company. None of the other Directors/ Employees are related to each other or a relative of any director / Managing Director/ Manager of the Company.

For and on behalf of the Board of Directors
Neogen Chemicals Limited

Mr. Haridas Kanani
Chairman and Managing Director
DIN: 00185487

Place: Thane
Date: August 5, 2023

ANNEX – 2

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended 31st March 2023

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
NEOGEN CHEMICALS LIMITED
Office No, 1002 10th Floor Dev Corpora Bldg.
Opp. Cadbury Co Pokhran Road No.2
Khopat Thane 400601

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NEOGEN CHEMICALS** LIMITED(hereinafter called "**the Company**"), listed at BSE Limited and National Stock exchange of India Limited.

The Secretarial Audit was conducted for the year from 1st April 2022 to 31st March 2023 (**"Audit Period"**), in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances of the Company and expressing our opinion thereon. We have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act and the laws specifically listed herein.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and legal compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of the following list of laws and regulations as amended from time to time. The following are our comments on the same:

(i) **The Companies Act, 2013 (the Act) and the Rules made there under:** The Company has satisfactorily complied with the provisions of the Companies Act, 2013 and the Rules made there under and there are no discrepancies observed by us during the Audit Period under review.

(ii) **The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under:** The Company has satisfactorily complied with The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under during the Audit Period under review.

(iii) **The Depositories Act, 1996 and the Regulations and Bye-laws framed there under:**

The Company is a listed public company and 100% of the shares were in dematerialized form.Further the Company has complied with the provisions of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

(iv) The Company has satisfactorily complied with the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings and there are no discrepancies observed by us during the Audit Period under review.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

(d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014: **(Not applicable for the Audit Period under review)**

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: **(Not applicable for the Audit Period under review)**

(f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable for the Audit Period under review)**

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client:

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: **(Not applicable for the Audit Period under review)**

(i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015:

(j) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: **(Not applicable for the Audit Period under review)**

The Company is a listed Company and provisions of Regulations and Guidelines mentioned above and prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are duly complied by the Company.

(vi) Other applicable laws:

As per the confirmation received from the Management the following are the laws specifically applicable to the Company during the Audit Period under review:

i. Chemical Weapons Convention Act, 2000

ii. The Poison Act, 1919

iii. The Petroleum Act, 1934

(vii) The Company has a Compliance Management System and processes which is running effectively and efficiently for the Compliances of General Laws as specified by the directives issued by the Institute of Company Secretaries of India. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations.

During the Audit Period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above.

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Further during the Audit Period under review the Company has reappointed Dr. Harin Kanani as a Managing Director of the Company for a term of 5 years starting from July 22, 2022 and the same was approved by the Board of directors at its meeting held on July18, 2022.

Adequate notice is given to all the Directors to schedule the Board and its Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except those which were held with at a shorter notice with the consent of all the Directors and Secretarial Standards and a system exists for seeking and obtaining further information and clarifications on the agenda items prior to the meeting and for meaningful participation at the meeting.

Majority decisions are carried through, while the dissenting members' views are captured and recorded as part of the minutes.

The following major decisions, specific events / actions have occurred which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

a. During the year, the Company has incorporated its wholly owned subsidiary company- 'Neogen Ionics Limited' by subscribing along with the nominee subscribers 10,00,000 equity shares of Rs. 10 each i.e. 100% Equity shares to expand the business of the company and trade horizon.

b. the Board of Directors have passed a resolution approving the acquisition of 4,69,26,000 equity shares i.e.100% Equity shares of Buli Chemicals India Private Limited as a part of its business plan and strategy. Buli Chemicals India Private Limited is a wholly owned subsidiary of the Company after acquisition.

c. the Company has reappointed Dr. Harin Kanani as a Managing Director of the Company for a term of 5 years starting from July 22, 2022 and the same was approved by the Board of directors at its meeting held on July 18, 2022 and further approved by the shareholders at the Annual General Meeting held on September 28, 2022.

FOR DVD & ASSOCIATES
COMPANY SECRETARIES

DEVENDRA DESHPANDE
FCS No. 6099 CP No. 6515
PR. No. 1164/2021
UDIN: F006099E000540809

Date: 04.07.2023
Place: Pune

Note: This report is to be read with our letter of even date which is annexed as **'ANNEXURE A'** and forms an integral part of this report.

ANNEX A

To,
The Members
Neogen Chemicals Limited
Office No, 1002 10th Floor Dev Corpora
Bldg Opp. Cadbury Co Pokhran Raod No.2
Khopat Thane MH 400601 IN

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR DVD & ASSOCIATES
Company Secretaries

Devendra Deshpande

Date: 04.07.2023
Place: Pune

FCS No. 6099CP No. 6515
PR. No. 1164/2021

ANNEX 3

AOC- 1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part “A”: Subsidiaries

The Company has promoted and incorporated a Wholly Owned Subsidiary named Neogen Ionics Limited, details of which is given hereunder.

Sl. No	Particulars	Details
1.	Name of the subsidiary	Neogen Ionics Limited
2.	Date since when subsidiary was acquired	The wholly owned subsidiary was incorporated on March 29, 2023 and initial share capital is subscribed on April 15, 2023. In absence of any financial transactions before March 31, 2023, no accounts are prepared for the same upto March 31, 2023.
3.	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	Not Applicable
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
5.	Share capital	Rs. 1 crore (Share capital is subscribed on April 15, 2023)
6.	Reserves & surplus	-
7.	Total assets	-
8.	Total Liabilities	-
9.	Investments	-
10.	Turnover	-
11.	Profit before taxation	-
12.	Provision for taxation	-
13.	Profit after taxation	-
14.	Proposed Dividend	-
15.	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: **Neogen Ionics Limited**

2. Names of subsidiaries which have been liquidated or sold during the year. **Not Applicable**

NEOGEN®
CHEMICALS LTD.

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of ~~Associates~~/Joint Ventures	Dhara Fine Chem Industries
1. Latest audited Balance Sheet Date	March 31, 2023
2. Date on which Associate/ Joint Venture was associated or acquired.	June 1, 2016
3. Shares of ~~Associate~~/Joint Ventures held by the company on the year end	
No.	Not Applicable
Amount of Investment in ~~Associates~~/Joint Venture	Rs. 0.45 crores
Extend of Holding %	90%
4. Description of how there is significant influence	The Company owns 90 % of the share in Dhara Fine Chem Industries.
5. Reason why the ~~associate~~/joint venture is not consolidated	Not applicable. The financial statement of Joint venture is consolidated under Equity Method of accounting of Investments.
6. Networth attributable to Shareholding as per latest audited Balance Sheet	Rs. 0.93 crores
7. Profit / Loss for the year	Rs.0.10 crores
i. Considered in Consolidation	Rs. 0.09 crores
ii. Not Considered in Consolidation	Rs. 0.01 crores (attributable to the other partner)

1. Names of associates or joint ventures which are yet to commence operations: **Not applicable**

2. Names of associates or joint ventures which have been liquidated or sold during the year: **Not applicable**

For JMT & Associates
Chartered Accountants
Firms Registration No.104167W

For and on behalf of the Board of Directors
Neogen Chemicals Limited

Jayesh J Shah
Partner
Membership No. 039910

Haridas Kanani
Chairman and Managing Director
DIN: 00185487

Dr. Harin Kanani
Managing Director
DIN:05136947

Place: Thane
Date: August 5, 2023

Ketan Vyas
Chief Financial Officer

Unnati Kanani
Company Secretary

ANNEX 4

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to Section 134 (3) (m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	• Energy is conserved by installing energy efficient equipment's. • Installed Variable Frequency Drives (VFD) on large capacity Motors. • We have LEDs all over the plants and our air conditioning systems works without the use of compressor at Baroda Plant. • At Mahape Plant we have shifted from Light Diesel Oil (LDO) to PNG for generating steam. • The Company installed a Zero Liquid Discharge system at its Greenfield project at Dahej SEZ. • The Company is exploring opportunities in Lithium Ion Battery space and has taken development initiatives for electrolyte formulations, Electrolyte Lithium Salts and additives, Specialized Cathode Materials and CSM and advanced intermediates opportunities. Lithium-ion batteries contain relatively low levels of toxic heavy metals found in other types of batteries, this will help in less emission of gases with inherent safe chemistry. The Company can recycle / reuse / reprocess Lithium Base products to make same level of Fresh products quality. It will help in conservation of natural resources, promote green energy and reduce the use of crude. • Setting up a Solar Power plant at its Karakhadi, Vadodara unit, which can meet 30-50% of the total requirement of the plant.
(ii)	the steps taken by the company for utilizing alternate sources of energy	PNG is used in the boiler which is a clean fuel and gives a good efficiency with lower fuel to steam ratio. At Mahape Plant we have shifted from Light Diesel Oil (LDO) to PNG for generating steam
(iii)	the capital investment on energy conservation equipment's.	N.A.

(b) Technology absorption

(i)	the efforts made towards technology absorption	As we have in house R&D we continue to improve our processes.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	• Addition of new product. • Process improvements for existing products • Increase in Market Share • Increase in production capacity utilization • Improvement in Quality • Increase in productivity
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	N.A.
	(a) the details of technology imported	N.A
	(b) the year of import;	N.A
	(c) whether the technology been fully absorbed	N.A
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A
(iv)	the expenditure incurred on Research and Development	Rs. 0.96 crore is capital expenditure on R&D. Rs. 5.66 crore is revenue expenditure on R&D.

(c) Foreign Exchange Earnings and Outgo

The foreign exchange earning was Rs. 236.25 crores and outgo for the financial year were Rs. 313.11 crores for Import & Rs. 26.25 crores for expenditure in foreign currency.

For and on behalf of the Board of Directors
Neogen Chemicals Limited

Mr. Haridas Kanani
Chairman and Managing Director
DIN: 00185487

Place: Thane
Date: August 5, 2023

ANNEX 5

FORMAT FOR THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 ('the Act') & Rules made thereunder]

1. **Brief outline on CSR Policy of the Company.**

As a responsible Company, it has since its inception participated in Corporate Social Responsibility (CSR) activities which help in improving quality of life for the communities where it operates. Being a Specialty Chemical Manufacturing Company committed to clean and green technology, we have same approach while making CSR contribution with focus area being environment sustainability and improving and empowering the livelihood of surrounding rural communities by supporting towards their health and wellness, education, preservation of natural resources, rural development, sanitation and hygiene needs especially those that are marginalized.

The Company has revised the CSR Policy pursuant to the Companies (Corporate Social Responsibility) Amendment Rules, 2021. The revised CSR policy is available on Company's website at https://neogenchem.com/wp-content/uploads/B-CSR.pdf . The CSR policy provides the lists of CSR activities which the company will undertake in specified focus areas which are within the overall ambit of Schedule VII to the Companies Act, 2013 and ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.

In accordance with the requirements of the provisions of Section 135 of the Act, the Company has constituted a CSR Committee. The Committee decides/recommends to the Board from time to time on CSR activities to be undertaken, the geographical area covered, agencies or trusts or NGOs with which the projects/activities are to be undertaken, amount to be spent on various projects whether ongoing or fresh.

While deciding on the CSR activities, priority is given to the needs and requirements of communities or areas in the vicinity of the manufacturing facilities of the Company.

The Company undertakes its CSR activities through various projects/programmes in specified focus areas which are within the overall ambit of Schedule VII to the Companies Act, 2013 through external Implementing Agencies.

During the period under review, the Company has spent its CSR funds in diversified areas as follows:

a. Water Management Programmes in villages which includes contribution towards construction of Borewells and Tubewells, RO Plant and laying of pipelines;

b. Supporting wormiculture and providing wormicompost beds, providing seed and fertilisers to the farmers and supporting Gobar Gas Project thereby ensuring environmental sustainability and agriculture development and has also contributed towards creating awareness;

c. Promoting education amongst Children, providing them education kits, and providing them emergency preparedness training, contributed to Indian Planetary Society for providing Infrastructure for "Astronomical and Astrophysics Research Institute" at Kutch for imparting of practical training to freshers and experienced candidates having Knowledge and background in Astronomy and conduct various progressive researches in astronomy. Sponsoring Professors Salaries and telescope replacement;

d. promoting health care including preventive health care and sanitation, combating malnutrition and providing ambulance;

e. Supporting Women Empowerment Projects; and

f. Promoting Rural Development by supporting small businesses to support livelihood and construction of 20 houses for Nomad Settlement.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Haridas Kanani	Chairman and Managing Director	2	2
2	Avi Sabavala	Independent Director	2	1
3	Anurag Surana	Non-Executive and Non Independent Director	2	2

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**
   https://neogenchem.com/wp-content/uploads/B-CSR.pdf

   https://neogenchem.com/corporate-governance/

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**
   Impact Assessment is not applicable for FY 2022-23.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (Rs. in lakhs)	Amount required to be set- off for the financial year, if any (Rs. in lakhs)
1	2020-21	0.56	-
2	2021-22	1.10	-
3	2022-23	1.12	-
	TOTAL	**2.78**	**-**

6. **Average net profit of the company as per section 135(5).** Rs. 4746.02 lakhs

7. **(a) Two percent of average net profit of the company as per section 135(5)** Rs. 94.92 lakhs

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL

   (c) Amount required to be set off for the financial year, if any: NIL

   (d) Total CSR obligation for the financial year (7a+7b- 7c). Rs. 94.92 lakhs

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (Rs. in lakhs)	Amount Unspent (in Rs. lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs.96.04	Nil	N.A.	N.A.	N.A.	N.A.

   (b) Details of CSR amount spent against ongoing projects for the financial year:

(amount in lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementa tion - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
Not Applicable												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(Amount in Lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (Rs. In lakhs)	Mode of implementation Direct (Yes/No).	Mode of implementation Through implementing agency.	
				State.	District.			Name.	CSR Registration number.
1.	Contribution to Karakhadi Gram Panchayat for laying potable water pipeline from Sondha Village to Karakhadi Village	i, iv & x	Yes	Gujarat	Vadodara	2.44	Yes	N.A.	N.A.
2	Laying of pipeline for supply of drinking water to villagers at dapoli	i, iv & x	Yes	Maharashtra	Ratnagiri	3.26	Yes	N.A.	N.A.
3.	Water Management Programme-Lake Excavation	i, iv & x	Yes	Gujarat	Banaskantha	4.00	No	Vimukt Foundation	CSR00000570
4.	Construction of Borewell in Panchamahal Region of Gujarat	i, iv & x	Yes	Gujarat	Mahisagar	4.25	No	Bhasha Research and Publication Centre	CSR00006659
5.	RO PLANT	i	Yes	Gujarat	Majathan, Vadodara	4.14	Yes	N.A.	N.A.
6.	Providing Infrastructure for "Astronomical and Astrophysics Research Institute"	ii	Yes	Gujarat	Kutch, Bhuj	25.00	No	Indian Planetary Society	CSR00012204
7.	Providing Education and Vocational Training	ii	Yes	Maharashtra	Aarey, Mumbai	2.50	No	Helping Hands for Humanity	CSR00017729
8.	Supporting Literature	ii	Yes	Maharashtra	Mumbai	1.00	No	The Forbes Gujarati Sabha	CSR00055795
9.	Promoting Education by contributing towards School fees of Students	ii	Yes	Maharashtra	Navi Mumbai	0.75	Yes	N.A.	N.A.
10.	Emergency Preparedness Training to School Students	ii	Yes	Gujarat	Lakhigam, Bharuch	0.06	Yes	N.A.	N.A.
11.	Contribution to Zilla Paridhad School towards Educational and e-learning Kits, Library shelfs, Benches for sitting, Library, Sports equipment, Handwash station for students to Students	ii	Yes	Maharashtra	Palli and Kiravali village in Bhiwandi, Thane	3.00	No	Rotary Club of Thane Uptown Association	CSR00014711
12.	Providing Ambulance	i	Yes	Gujarat	Karakhadi, Vadodara	6.90	Yes	N.A.	N.A.
13.	Project Poshan	i	Yes	Maharashtra	Raigad	5.00	No	United Way of Mumbai	CSR00000762
14.	Contribution towards Treatment of Thalassemia	i		Maharashtra	Navi Mumbai	0.50	Yes	N.A.	N.A.

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (Rs. In lakhs)	Mode of implementation Direct (Yes/No).	Mode of implementation Through implementing agency.	
				State.	District.			Name.	CSR Registration number.
15	Construction of Toilets for Student	i and x	Yes	Maharashtra	Palli and Kiravali village in Bhiwandi, Thane	2.00	No	Rotary Club of Thane Uptown Association	CSR00014711
16	Rural Development and Women empowerment Programme- supporting Small businesses	iii and x	Yes	Gujarat	Tapi	1.50	No	Tapi Rachnatmak Trust	CSR00011073
17	Eradication of Poverty by way of supporting small businesses	x	Yes	Gujarat	Ahmedabad	5.00	No	Vimukt Foundation	CSR00000570
18	Construction of 20 houses for Nomad Settlement	x	Yes	Gujarat	Charadva Village, Morbi	22.00	No	Vimukt Foundation	CSR00000570
19	Agriculture Development by Providing wormicompost beds	iv	Yes	Gujarat	Vadodara	0.35	No	Tapi Rachnatmak Trust	CSR00011073
20	Gobar Gas Project	iv	Yes	Gujarat	Vadodara	0.37	No	Tapi Rachnatmak Trust	CSR00011073
21	Distribution of Seeds and Fertilisers	iv	Yes	Gujarat	Narmada	1.00	No	Tapi Rachnatmak Trust	CSR00011073
22	Reimbursement of Project Cost	iv	Yes	Gujarat	Tapi	0.26	No	Tapi Rachnatmak Trust	CSR00011073
23	Environment Awareness Programme	iv	Yes	Gujarat	Vadodara	0.10	No	Society For Clean Environment (SOCLEEN)	CSR00007585
24	Administrative Overheads	N.A.	Yes	Gujarat	Vadodara	0.65	N.A.	N.A.	N.A.
	TOTAL					**96.04**			

(d) Amount spent in Administrative Overheads: Rs. 0.65 lakhs

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 96.04 lakhs

(g) Excess amount for set off, if any: Rs. 1.12 lakhs

Sl. No	Particulars	Amount (Rs. In Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	94.92
(ii)	Total amount spent for the Financial Year	96.04
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.12
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	1.12

9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs. lakhs)	Amount spent in the Reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs. lakhs)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1.	2021-22	3.72	0.48	N.A.	N.A.	N.A.	3.72

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.lakhs).	Amount spent on the project in the reporting Financial Year (in Rs. lakhs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs. lakhs)	Status of the project - Completed /Ongoing.
1	Education	Sahashikshak Project	2021-22	14 months	4.20	3.72	4.20	Completed

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).
Not Applicable

a) **Date of creation or acquisition of the capital asset(s).** Not Applicable

(b) **Amount of CSR spent for creation or acquisition of capital asset.** Not Applicable

(c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.** Not Applicable

(d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).** Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable

For and on behalf of the CSR Committee

Haridas Kanani	Avi Sabavala	Anurag Surana
Chairman of the Committee	Member of the Committee	Member of the Committee
DIN: 00185487	DIN: 08246256	DIN: 00006665

Date: August 5, 2023

ANNEX 6

ANNUAL SECRETARIAL COMPLIANCE REPORT OF NEOGEN CHEMICALS LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023.

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by Neogen Chemicals Limited (hereinafter referred as '**the listed entity**'), having its Registered Office at 1002, Dev Corpora, Cadbury Junction, Eastern Express Highway, Thane (W) 400 601, India. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on March 31, 2023 ("**review period**") , complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We, **DVD & Associates ("PCS")**, have examined:

(a) all the documents and records made available to us and explanation provided by the listed entity. The company is listed at BSE Limited and National Stock Exchange of India Limited.

(b) the filings/ submissions made by the listed entity to the stock exchanges.

(c) website of the listed entity is updated as per the provisions of Listing Regulations,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2023 ("**Review Period**") in respect of compliance with the provisions of:

I. the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") and the Regulations, circulars, guidelines issued there under;

II. the Securities Contracts (Regulation) Act, 1956 ("**SCRA**"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("**SEBI**");

The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined:

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **[Not applicable during the review period]**

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **[Not applicable during the review period]**

(f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **[Not applicable during the review period]**

(g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable during the review period]**

(h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **[Not applicable during the review period]**

and circulars/ guidelines issued thereunder and based on the above examination, we hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under which are applicable to the Company, except in respect of matters specified below: -

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ (Regulations/ Remarks of the PCS	Management Response	Remarks
NA										

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ (Regulations/ Remarks of the PCS	Management Response	Remarks
NA										

We further affirm on the basis of the information received and examination of various documents as required by the circulars issued by Stock Exchanges from time to time as follows:

Sr. No.	Particulars	Compliance status (Yes/ No/NA)	Observations/ Remarks by PCS
1	**Secretarial Standards:** The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)	Yes	
2	**Adoption and timely updation of the Policies**		
	• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities	Yes	
	• All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI	Yes	
3	**Maintenance and disclosures on Website:**		
	• The Listed entity is maintaining a functional website	Yes	
	• Timely dissemination of the documents/ information under a separate section on the website	Yes	
	• Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website	Yes	

Sr. No.	Particulars	Compliance status (Yes/ No/NA)	Observations/ Remarks by PCS
4	Disqualification of Director: None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	
5	Details related to Subsidiaries of listed entities: (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	NA Yes	
6	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	
7	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	Yes	
8	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee	Yes NA	
9	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	
11	Actions taken by SEBI or Stock Exchange(s), if any: No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	Yes	
12	Additional Non-compliances, if any: No any additional non-compliance observed for all SEBI regulation/circular/ guidance note etc.	NA	

FOR DVD & ASSOCIATES
Company Secretaries

DEVENDRA DESHPANDE

Date: 04.07.2023
Place: Pune

FCS No. 6099CP No. 6515
PR. No. 1164/2021

Report on Corporate Governance

(Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015) ("Listing Regulations")

The Company's Shares were listed at BSE Limited and National Stock Exchange of India Limited with effect from May 8, 2019. This Report on Corporate Governance is prepared and presented on accounts of the belief and practices of the Management in good Corporate Governance. The Company believes in following and implementing fair, transparent and ethical governance practices which is essential for achieving long term goals and enhancing stakeholders Value.

1. Corporate Governance Philosophy:

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2023. The Company's philosophy is to achieve business excellence and optimize long term values & ethical business conduct for its stakeholders. The Company believes strongly that good corporate governance is intrinsic to the management of the Company affairs; it ensures fairness, transparency and integrity of the management. We value, practice and implement ethical and transparent business practices aimed at building trust amongst various stakeholders. We believe that the Corporate Governance is a key element in improving efficiency and growth as well as enhancing investor confidence.

The philosophy and practice of Corporate Governance can be summarized as:

- Reasonable and ethical decision making;
- Transparency in all business dealings and transactions;
- Timely and accurate disclosure of information;
- Integrity of reporting;
- The protection of rights and interest of all stakeholders;
- The Board, Employees and all concerned are fully committed to maximizing long-term value of the stakeholders of the Company.

The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations as applicable with regard to Corporate Governance.

2. Board of Directors:

The Members of the Board of Directors of the Company are eminent personalities from various fields who bring in a wide range of skills and experience to the Board and they are entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company.

A) Composition of Board of Directors:

The Company complies with the provisions of the Section 149 of the Companies Act, 2013 ("the Act") and Regulation 17 of the Listing Regulations with regards to the composition of the Board.

The Board of Directors of the Company comprises an optimum combination of Executive and Non-Executive Directors. The Board comprises of 8 (Eight) Directors as on March 31, 2023, of which 5 (Five) are Non-Executive Directors. The Board comprises 4 (Four) Independent Directors including 1 Woman Independent Director, that is, Directors, who apart from receiving sitting fees, do not have any other material pecuniary relationship or transactions with the Company, its promoters or its management, which may affect independence of judgment of the Directors. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Independent Directors bring external prospective and independence to decision making.

All the Independent Directors have confirmed to the Board that they meet the criteria for Independence in terms of definition of 'Independent Director' stipulated under Regulation 16 (1)(b) of the Listing Regulations and Section 149 of the Act. These confirmations have been evaluated and taken on record by the Board. None of Independent Directors hold office as an Independent Director in more than seven listed companies as stipulated under Listing Regulations. In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

All the Directors have made necessary disclosures regarding their directorship as required under Section 184 of the Act and the Committee positions held by them in other companies as stipulated under Regulation 26 of Listing Regulations. None of the Directors of the Company hold Directorships in more than 20 companies, including 10 public companies. Further, none of the Directors hold directorship in more than 7 listed entities as provided under Regulation 17(a) (1) of the Listing Regulations and none of the directors are serving as an independent director in more than 7 listed entities. Further the Chairman & Managing Director and the Managing Director of the Company are not serving as an Independent Director in any other listed entity as provided under Regulation 17(a) (2) of the Listing Regulations. In accordance with Regulation 26 of Listing Regulations, none of the directors are members in more than 10 committees excluding private limited companies, foreign companies and companies incorporated under Section 8 of the Act or acting as a chairperson of more than 5 committees (the committees being Audit Committee and Stakeholders Relationship Committee) across all the listed entities in which he/she is a director.

B) Profile of Directors: Detailed profile of the Directors is available on the Company's website at https://neogenchem.com/board-of-directors/

C) Core Skills/Expertise/Competencies of Board:

The Board of the Company comprises eminent personalities and leaders in their respective fields. These Members bring in the required skills, competence and expertise to the Board. These Directors are nominated based on well-defined selection criteria. The Nomination and Remuneration Committee ('NRC') considers, inter alia, key skills, qualifications, expertise and competencies, whilst recommending to the Board the candidature for appointment of Director. The Board of Directors have, based on the recommendations of the NRC, identified and annually reviewed the following core key skills/expertise/competencies of Directors as required in the context of business of the Company for its effective functioning which are currently possessed by the Board Members of the Company and mapped against each of the Directors:

Sr. No.	Skills & Expertise	Haridas Kanani	Dr. Harin Kanani	Shyamsunder Upadhyay	Anurag Surana	Sanjay Mehta	Hitesh Reshamwala	Prof. Ranjan Malik	Avi Sabavala
1	Leadership	✓	✓	✓	✓	✓	✓	✓	✓
2	Industry experience	✓	✓	✓	✓	✓	✓	✓	✓
3	Science and Technology	✓	✓	✓				✓	
4	IT & Digitalization	✓	✓		✓	✓	✓		
5	Strategy	✓	✓	✓	✓	✓	✓		
6	Finance and Governance	✓	✓	✓	✓	✓	✓	✓	✓
7	HR & Communication	✓	✓	✓	✓	✓	✓		✓
8	Safety & Sustainability	✓	✓	✓	✓	✓	✓	✓	✓
9	Multiple Geography Experience	✓	✓	✓	✓	✓	✓		

The Nomination and Remuneration Committee has laid down the following core skills/expertise/competencies for Board Membership:

I. Directors

- Must have relevant experience in Finance/ Law/ Management/Sales/ Marketing/ Administration /Research /Corporate Governance/Technical Operations or the other disciplines related to the Company's business.
- Should possess the highest personal and professional ethics, integrity and values.
- Must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.
- Must have behavioral competencies, such as, collaborative and ability to work as a team member, seeking and giving feedback to/ from individual directors, be challenging but supportive in the board room.
- Willingness and ability to devote adequate time and energy to fulfill board and committee responsibilities, strategic thinking, integrity with high ethical standards, trust, accountability and avoid situations leading to conflict to interest.
- Any person to be appointed as Director shall not possess the disqualifications contained in the Act, as amended from time to time.

II. Independent Directors

The Board comprises of 4 (Four) Independent Directors including one Woman Independent Director, that is, Directors, who apart from receiving sitting fees, do not have any other material pecuniary relationship or transactions with the Company, its promoters or its management, which may affect independence of judgment of the Directors. In the opinion of the Board, the Independent Directors fulfil the conditions of independence specified in the Act and the Listing Regulations and are independent of the management.

All Independent Directors of the Company have been appointed as per the provisions of the Act and the Listing Regulations.

As required by Regulation 46 of the Listing Regulations, the terms and conditions of their appointment are disclosed on the Company's website https://neogenchem.com/wp-content/uploads/Familiarisation-Programme-2-1.pdf. During the year under review, none of the Independent Directors of the Company resigned.

Pursuant to provisions of Section 149(10) of the Companies Act, 2013 and based on recommendation being received from the nomination and remuneration committee of the Company and after taking into account the performance evaluation carried by the Board before recommending his reappointment to the shareholders and independence of Prof. Ranjan Kumar Malik, Independent Director of the Company during his first term of five years ending on October 5, 2023 and considering the knowledge, acumen, expertise, experience, independence and substantial contribution he brings to the Board, the Board has at its meeting held on August 5, 2023, approved the re- appointment of Prof. Ranjan Kumar Malik as an Independent Director of the Company for a second term of 5 consecutive years starting from October 6, 2023 to to October 5, 2028, not liable to retire by rotation, subject to the approval of the shareholders at the 34th AGM of the Company and on such terms and conditions as set out in the agreement. This proposal forms part of the agenda of the Notice of 34th AGM of the Company.

Pursuant to provisions of Section 149(10) of the Companies Act, 2013 and based on recommendation being received from the nomination and remuneration committee of the Company and after taking into account the performance evaluation carried by the Board before recommending her reappointment to the shareholders and independence of Mrs. Avi Sabavala, Independent Director of the Company during her first term of five years ending on October 5, 2023 and considering the knowledge, acumen, expertise, experience, independence and substantial contribution she brings to the Board, the Board has at its meeting held on August 5, 2023, approved the re- appointment of Mrs. Avi Sabavala as an Independent Director of the Company for a second term of 5 consecutive years starting from October 6, 2023 to to October 5, 2028, not liable to retire by rotation, subject to the approval of the shareholders at the 34th AGM of the Company and on such terms and conditions as set out in the agreement. This proposal forms part of the agenda of the Notice of 34th AGM of the Company.

Declaration by Directors:

The Independent Directors of the Company have separately submitted a declaration of independence, as required, pursuant to the provisions of Section 149(7) of the Act, stating that they meet the criteria of independence, as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulation and are not disqualified from continuing as Independent Directors of your Company. Further, all the Independent Directors of your Company have confirmed their registration / renewal of registration, on Independent Directors' Databank. Further there has been no change in the circumstances which may affect their status as Independent Director during the year.

D) Performance Evaluation Criteria of Independent Directors:

Independent Directors are evaluated based on parameters such as qualification, experience, knowledge and competency, ability to function as a team, initiative, commitment, independence, independent view and judgement, understanding the environment in which the Company operates and contribution to strategic decision and raising valid concerns and management skills.

E) Board Procedure:

The Board meets at regular intervals to discuss and decide on the Company/business policy and strategy apart from other Board business. The Board Meetings (including Committee Meetings) of the Company are scheduled in advance to facilitate the Directors to plan their schedule and ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolution(s) by way of circulation, as permitted by law, which is noted in the subsequent Board Meeting.

Department heads communicate with the Company Secretary in advance with regard to matters requiring the approval of the Board to enable inclusion of the same in the agenda for the Board Meetings. The detailed agenda as approved by the Chairman together with the relevant attachments are circulated amongst the Directors in advance. Where it is not practicable to circulate any document in advance or if the agenda is of a confidential nature, the same is tabled at the meeting. In special and exceptional circumstances, consideration of additional or supplementary items is taken up with the approval of chair and majority of the Directors. Senior Management Personnel are invited to the Board/ Committee Meeting(s) to provide additional inputs for the items being discussed by the Board/Committees thereof as and when necessary. In addition to above, the Company, in compliance with Regulation 17(7) and Schedule II, Part A of the Listing Regulations, places before the Board all the required information from time to time. Video conferencing facility is provided to facilitate Directors who are unable to attend the Meeting in person. In compliance with the relaxations granted by the MCA due to the outbreak of Covid-19, the Company has also conducted few of its Board and Committee Meetings through video conferencing during the year.

At Board Meetings, the Managing Director, CFO, Executive Directors and Company Secretary apprises the Board on the overall performance of the Company, annual business plan and capital expenditure budgets, quarterly, half-yearly and annual financial results, compliance reports on all laws applicable to the Company, Environment, Health and Safety (EHS) performance and minutes of Meetings of Committees of the Board, to enable the Board to discharge its responsibilities effectively, to decide on the strategies and take informed decisions.

The draft Minutes of the proceedings of the Meetings of the Board/Committee(s) are circulated to all the Members of the Board or Committee for their perusal within the stipulated time prescribed by Secretarial Standard on Meeting of the Board of Directors. Comments, if any, received from the Directors are incorporated in the Minutes in consultation with the Chairman. The Minutes are approved by the Members of the Board/Committee(s) prior to the next Meeting. The signed Minutes are circulated to all the Members of the Board or the Committee with the stipulated time prescribed by Secretarial Standard on Meeting of the Board of Directors.

F) Attendance at Board Meetings, Last Annual General Meeting, relationship between Directors inter-se, No of Directorships and Committee Memberships/Chairmanships and Listed Entities where the person is a Director & Category of Directorship

The details of attendance of each Director at the Board Meetings held during the year and the last 33rd Annual General Meeting (33rd AGM) along with the Number of Companies and Committees where he/she is a Director/Member/ Chairperson and the relationship between the Directors inter-se, as on March 31, 2023 are:

Composition of the Board and Directorship held during the FY 2022-23 and meetings Attended:

Name of Director	Category	Attendance of meeting during the FY 2022-23		Number of Directorships and Committee Chairpersonships/ Memberships as on March 31, 2023 (Including position in the Company)			Name of other Listed entities in which person is a Director / Category of Directorship	Directors Shareholding In the Company
		Board	33rd AGM	No. of Directorship *	Committee$			
					Chairperson	Member		
Haridas Thakarshi Kanani	Promoter, Chairman & Managing Director	7	Yes	2(chairperson)	0	0	Nil	1,19,00,078
Dr. Harin Kanani	Promoter & Managing Director	7	Yes	2	0	2	Nil	20,00,000
Anurag Surana	Non-Executive & Non- Independent Director	7	Yes	3	0	1	1) Privi Specialty Chemicals Limited- Independent Director 2) Yasho Industries Limited- Independent Director	2,25,000
Sanjay Natwarlal Mehta	Non-Executive Independent Director	7	Yes	3	1	5	1) Span Divergent Ltd- Non Executive Non Independent Director 2) Meera Industries Ltd- Independent Director	2580#
Hitesh Bharatkumar Reshamwala	Non-Executive Independent Director	7	Yes	1	0	1	Nil	36
Shyamsunder Upadhyay	Whole Time Director	6	Yes	1	0	1	Nil	80
Prof. Ranjan Kumar Malik	Non-Executive Independent Director	6	Yes	1	1	1	Nil	0
Avi Kersi Sabavala	Non-Executive Independent Director	6	yes	2	0	1	1) Munjal Auto Industries Limited- Independent Director	0

* Number of Directorships held excludes Directorships in Private Limited Companies, Foreign Companies, Companies under Section 8 of the Companies Act, 2013, Government Bodies and Alternate Directorships and includes directorship of Neogen Chemicals Limited.

$ Membership/Chairmanship of only the Audit Committees and the Stakeholders' Relationship Committees of all Listed and Unlisted Public Companies including Neogen Chemicals Limited have been considered.

\# Excludes shares held jointly as second holder.

The 33rd AGM of the Company for the Financial Year 2021-22 was held on September 28, 2022 through video conferencing ('VC')/other audio visual means in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and SEBI. All the Directors of the Company were present at the 33rd AGM.

G) Board of Directors Meetings:

The Board of Directors met 7 (Seven) times, that is, on May 14, 2022, July 18, 2022, August 6, 2022, November 5, 2022, February 11, 2023, March 4, 2023 and March 11, 2023 during the financial year under review. The maximum gap between any two Board Meetings was not more than 120 days as required under Regulation 17 of Listing Regulations, Section 173 of the Act and Secretarial Standard on Meeting of the Board of Directors.

H) Directors' Inter-se Relationship:

Dr. Harin Kanani, Managing Director is a son of Haridas Kanani, Chairman and Managing Director of the Company. None of the other Directors are related to each other.

I) Meetings of Independent Directors:

During the year under review a separate meeting of Independent Directors was held on March 11, 2023 as required under the Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the Listing Regulations. All the Independent Directors had attended the meeting and it was chaired by Sanjay Mehta. At their meeting Independent Directors reviewed the performance of Chairperson, Non – Independent Directors and Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Familiarization Programme for Independent Directors

As per Section 149 read with Schedule IV, part III of the Act and pursuant to provisions of Regulation 25 of the Listing Regulations, the Company has formulated a programme for familiarizing the Independent Directors, their roles, rights, responsibilities under the act and regulations, nature of the industry in which the Company operates, current business model of the Company, etc. through various initiatives. The details of aforementioned programme are available on the Company's website at https://neogenchem.com/wp-content/uploads/Familiarisation-Programme-2-1.pdf

J) Details of Directors and/or KMP appointed during the year:

During the year under review, Dr. Harin Kanani (DIN: 05136947), Managing Director of the Company was re-appointed as a Managing Director of the Company, liable to retire by rotation, for a further term of 5 years starting from July 22, 2022 till July 21, 2027 as per the provisions of Section 203 of the Companies Act, 2013 ("the Act"), read with other relevant provisions and rules made thereunder and Regulation 30 of the Listing Regulations.

K) Code of Conduct:

The Company has adopted Code of Conduct for Directors, Key Managerial Personnel and Senior Management personnel, which reflects the legal and ethical values to which your Company is strongly committed. The same is available on the Company's website at https://neogenchem.com/wp-content/uploads/E-code-of-Ethics-Directors-KMP.pdf. Also pursuant to the requirements of Regulation 26(3) of the Listing Regulations, the Members of the Board, Key Managerial Personnel and Senior Management Personnel of the Company have submitted their affirmation on compliance with the code during the year ended March 31, 2023. A declaration to this effect duly signed by the Chairman & Managing Director forms part of this Report.

L) Whistle Blower Policy (Vigil Mechanism):

The Board of Directors of the Company are committed to maintain the highest standards of honesty, openness and accountability and recognize that each and every person in the Company has an important role to play in achieving the organizational goals. It is the policy of the Company to encourage employees, when they have reason to suspect violations of laws, rules, regulations, unethical conduct, questionable accounting/audit practices, reporting of fraudulent financial information to shareholders, the Government or the financial markets and/or serious misconduct otherwise, to report concerns to the Company's management. During the year under review, no complaints were received under the Whistle Blower Policy.

The "Whistle Blower" Policy adopted by the Company provides a ready mechanism for reporting violation of laws, rules, regulations or unethical conduct. The Confidentiality of the 'Whistle Blower' is maintained and he/she is not subjected to any victimization and/or harassment. The present Whistle blower Policy is in conformity with the Provisions of Section 177 of the Act and Regulation 22 of the Listing Regulations. Every employee of the Company has been provided access to the Audit Committee Chairman through email/ correspondence address. The details of the Policy are available on the Company's website at https://neogenchem.com/wp-content/uploads/L-Whistle-blower.pdf

3. Committees of the Board:

As required by the Act and Listing Regulations for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

The terms of reference of these Committees are determined by the Board and their relevance is reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings.

A. Audit Committee:

I. Brief description of terms of reference:

The terms of reference of this committee cover the matters specified for the audit committee under Regulation 18(3) read with Part C of Schedule II of Listing Regulations as well as in Section 177 of the "the Act". The audit committee was constituted to ensure prudent financial and accounting practices, fiscal discipline and transparency in financial reporting. The quarterly results are reviewed by the audit committee and recommended to the board for its adoption. The Chairman of the committee is an Independent Director having Knowledge in Finance, Accounts, GST and Taxation.

II. Audit Committee Meetings:

The Audit Committee met 6 (Six) times during the year, that is, on May 14, 2022, July 18, 2022, August 6, 2022, November 5, 2022, February 11, 2023 and March 4, 2023.

III. Composition and Attendance:

Sr. No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1	Sanjay Mehta	Non-Executive Independent Director	Chairman	6	6
2	Hitesh Reshamwala	Non-Executive Independent Director	Member	6	5
3	Dr. Harin Kanani	Executive Director	Member	6	6
4	Avi Sabavala	Non-Executive Independent Director	Member	6	5

The representatives of the Statutory Auditors, Secretarial Auditors, Internal Auditors and CFO of the Company were invitees to the Audit Committee Meetings who attended the meetings, whenever required.

The Company Secretary acts as the Secretary to the committee.

The previous 33rd AGM held on September 28, 2022 was attended by Sanjay Mehta, the Chairman of Audit Committee.

The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors and the Board of Directors and oversees the financial reporting process.

IV. Powers of audit committee:

The Audit Committee has an authority:

1. To investigate into any matter in relation to the items specified in terms of reference referred to it by the board;
2. To seek information from any employee;
3. To select and appoint professional advisors and obtain advice from external sources including for forensic or other investigations, if necessary;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary; and
5. To have full access to the information contained in the records of the Company;

6. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

The Audit Committee shall have all the powers as prescribed under the Act and Listing Regulations

V. Role, Responsibilities and Terms of Reference:

1. Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Reviewing and recommending for approval to the Board:

    I. Proposals on borrowings from banks;

    II. Business plan; and

    III. Corporate annual budget and revised estimates.

3. Recommending to the Board the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the internal auditor, cost auditor and statutory auditors and the fixation of audit fees and remuneration;

4. Approval of payment to statutory, internal and cost auditors for any other services rendered by them, as applicable;

5. Reviewing, with the management, the annual/ half-yearly/ quarterly financial statements and auditor's report thereon before submission to the board for approval with particular reference to:

    I. Matters required in the Director's responsibility statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Act;

    II. Changes, if any, in accounting policies and practices and reasons for the same;

    III. Major accounting entries involving estimates based on the exercise of judgment by management;

    IV. Significant adjustments made in the financial statements arising out of audit findings;

    V. Compliance with listing and other legal requirements relating to financial statements;

    VI. Disclosure of any related party transactions;

    VII. Modified opinion(s) in the draft audit report.

    VIII. Compliance with accounting standards;

    IX. Contingent liabilities; and

    X. Claims against the Company and their effect on the financial statements; the term "financial statement" shall have the meaning ascribed to such term under Section 2(40) of the Act.

6. Reviewing, with the management:

    I. the quarterly, half-yearly and annual financial statements and such other periodical statements before submission to the Board for approval;

    II. the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.); and

    III. the statement of funds utilized for purposes other than those stated in the issue document/ prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in the matter.

7. Reviewing and monitoring the auditor's independence and performance along-with the effectiveness of audit process;

8. Examination of the financial statement and the auditor's report thereon;

9. Approval or any subsequent modification of transactions of the company with related parties, provided that the audit committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

10. Laying down the criteria for granting omnibus approval in line with the Company's policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;

11. Scrutinizing:

    I. the need for omnibus approval and ensuring that such approval is in the interest of the Company; and

    II. Inter-corporate loans and investments.

12. Valuation of undertakings or assets of the company, wherever it is necessary;

13. Evaluation of internal financial controls and risk management systems;

14. Reviewing with the management- performance of statutory, cost and internal auditors and also the adequacy of the internal control systems;

15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

16. Discussion with internal auditors of any significant findings and follow up there on;

17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

18. Discussing with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

19. Scrutinizing the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

20. Formulating the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the internal auditor.

21. Approval of appointment of CFO (or the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

22. Reviewing the functioning of the whistle blower mechanism;

23. Making recommendations to the Board in relation to the establishment of a vigil mechanism;

24. Monitoring of a vigil mechanism for enabling adequate safeguards and protection of interest of the director(s) or employees or any other person who may avail the mechanism and to provide for direct access to the chairperson of the Audit Committee in exceptional cases where deemed necessary;

25. Discretion to invite the finance director or head of the finance functions, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee: Provided that occasionally the audit committee may meet without the presence of any executives of the listed entity; and

26. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee as per the Companies Act, 2013, Rules framed there under, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Listing Regulations and other applicable Rules and Regulations.

VI. The Audit Committee shall mandatorily review the following information:

1. Management's discussion and analysis of financial condition and results of operations;

2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

3. Details of all material transactions with related parties to be disclosed every quarter along with the compliance report on corporate governance;

4. On a quarterly basis, the details of related party transactions entered into by the Company pursuant to each omnibus approval given;

5. Whether the policy dealing with related party transactions is placed on the website of the Company;

6. Management letters / letters of internal control weaknesses issued by the statutory auditors;

7. Internal audit reports relating to internal control weaknesses;

8. The appointment, removal and terms of remuneration of the chief internal auditor;

9. Statement of deviations:

   i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; and

   ii. annual statement of funds utilized for purposes other than those stated in the issue document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations."

B. Nomination and Remuneration Committee (NRC Committee):

Pursuant to Section 178 of the Act and Regulation 19 of the Listing Regulations, the Board of Directors has duly constituted the NRC Committee.

I. NRC Committee Meetings:

The Nomination and Remuneration Committee met twice during the year, that is, on May 14, 2022 and July 18, 2022.

II. Composition and Attendance:

Sr. No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1	Hitesh Reshamwala	Non-Executive Independent Director	Chairman	2	1
2	Sanjay Mehta	Non-Executive Independent Director	Member	2	2
3	Anurag Surana	Non-Executive Non- Independent Director	Member	2	2

The Company Secretary acts as the Secretary to the committee.

The previous 33rd AGM held on 28th September, 2022 was attended by Hitesh Reshamwala, the Chairman of NRC Committee.

III. Terms of reference of the NRC Committee:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. Reviewing the terms and conditions of services including remuneration in respect of technical director and managing director and submitting their recommendations to the Board;

3. Formulation of criteria for evaluation of independent directors and the Board;

4. Devising a policy on Board diversity;

5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board, their appointment and removal and shall carry out evaluation of every director's performance;

6. Determination of extension or continuation of the term of appointment of the independent directors on the basis of the report of performance evaluation of independent directors.

7. Evaluating the current composition, organization and governance of the Board and its committees as well as determining future requirements and making recommendations to the Board for approval;

8. Determining on an annual basis, desired qualifications along with the expertise, characteristics and conduct searches for potential Board members with corresponding attributes. Thereafter, evaluation and proposal of nominees for election to the Board. In performing these tasks, the committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates;

9. Evaluation and recommendation of termination of membership of individual directors in accordance

with the Board's governance principles for cause or for other appropriate reasons;

10. Making recommendations to the Board in relation to the appointment, promotion and removal of the senior management personnel at such level(s);

11. Reviewing, amending, modifying and approving all other human resources related policies of our Company from time to time;

12. Reviewing and recommending to the Board, manpower plan/ budget and sanction of new senior management positions from time to time in the future;

13. Reviewing and recommending to the Board, matters relating to revision of compensation/ salary and long term wage settlements;

14. Determination of compensation levels payable to the senior management personnel and other staff (as deemed necessary) which shall be market-related, usually consisting of a fixed and variable component;

15. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

16. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

17. Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

18. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

    i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

    ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

19. Consideration and approval of employee stock option schemes and to administer and supervise the same;

20. Decision on matters such as quantum of and milestones for grant, eligibility of employees who shall be entitled to grant of options, vesting period and conditions thereof, termination policies etc.

21. Reviewing, with the management, all human resource related issues from time to time so as to maintain harmonious employer-employee relations;

22. Periodically reviewing and re-examining the terms of reference and making recommendations to our Board for any proposed changes;

23. Authorization to obtain advice, reports or opinions from internal or external counsel and expert advisors;

24. Ensuring proper induction programmes for new directors, key managerial personnel and senior management and reviewing its effectiveness along-with ensuring that on appointment, they receive a formal letter of appointment in accordance with guidelines provided under the Act;

25. Developing a succession plan for our Board and senior management and regularly reviewing the plan;

26. Consideration and determination of the nomination and remuneration policy based on performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate;

27. Ensuring that it proactively maintains a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company; and

28. Performing such other activities as may be delegated by the Board and / or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

IV. Nomination and Remuneration policy:

The Nomination and remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing industry practice. The Nomination and Remuneration Policy adopted by the Company is available at https://neogenchem.com/wp-content/uploads/A-Nomination-and-Remuneration-Policy.pdf

V. Performance evaluation criteria for Independent Directors:

The NRC Committee of the Board has laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence of Listing Regulations.

VI. Remuneration to Directors and Senior Management Employees

Details of remuneration / sitting fees paid during the FY 2022-23 and number of shares held as on March 31, 2023 by the directors of the Company are as follows:

Details of fix component and performance linked incentives along with performance criteria.

(Rs. in Crores)

Name of the Director	Salary (Amount in crore)	Contribution to Provident Fund	Pension	Other Perquisites	Ex-Gratia	Sitting Fees	Commission	Total(Amount in crore)	No. of Shares Held
Haridas Kanani	0.77	0.073	0	0	0.005	0	0	0.85	1,19,00,078
Dr. Harin Kanani	0.75	0.071	0	0	0.005	0	0*	0.83	20,00,000
Shyamsunder Upadhyay	0.73	0.069	0	0	0.005	0	0	0.80	80
Anurag Surana	0	0	0	0	0	0	0	0	2,25,000
Sanjay Mehta	0	0	0	0	0	0.03	0	0.03	2580#
Hitesh Reshamwala	0	0	0	0	0	0.03	0	0.03	36
Prof. Ranjan Kumar Malik	0	0	0	0	0	0.02	0	0.02	0
Avi Sabavala	0	0	0	0	0	0.02	0	0.02	0

excludes shares held jointly as second holder.

*Provision has been made for commission payable to Dr. Harin Kanani for FY 22-23 of Rs. 0.72 crore

VII. Remuneration to Managing Director:

At the time of appointment or re-appointment, the Managing Director and Whole Time Director shall be paid such remuneration as approved by the Board on recommendation received from the Nomination & Remuneration Committee of the Board and mutually agreed between the Company and the Managing Director and the Whole Time Director respectively within the overall limits prescribed under the Act and subject to approval of the Members of the Company in General Meeting, if required.

VIII. Remuneration to Non-Executive Directors:

The Non-Executive Directors are entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board and its Committee Meetings as may be approved by the Board of Directors within overall limits prescribed under "the Act" and the Companies (Managerial Remuneration) Rules, 2014. During the FY 2022-23 the Company paid sitting fees of Rs. 25,000/- per meeting to its Independent Directors for attending Board Meetings and Rs. 10,000/- for attending the Committee meetings, namely, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and the meetings of Independent Directors.

The Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company.

The Company has also adopted "Terms and Conditions for Appointment of Independent Directors and Familiarization Programme for Independent Director" Policy and "Criteria of Making Payments to Non-Executive Independent Directors" Policy and the same has been posted on Company's website at https://neogenchem.com/wp-content/uploads/Familiarisation-Programme-2-1.pdf and https://neogenchem.com/wp-content/uploads/K-Criteria-of-making-Payment-to-NED.pdf

IX. Remuneration to Senior Management Employees:

In determining the remuneration of senior management employees (i.e. KMPs and Executive Committee Members) the Nomination and Remuneration Committee shall consider the following:

- The relationship between remuneration and performance benchmark is clear.
- The fixed pay short and long-term performance objectives appropriate to the working of the Company and its goals.
- The components of remuneration include salaries, perquisites and retirement benefits
- The remuneration including annual increment and performance incentives is decided based on criticality of the roles and responsibilities, the company's performance vis-à-vis the annual budget achievement, industry benchmark and current compensation trends in the market.
- The Management carries out individual performance review based on the standard appraisal matters and after considering the appraisal score card and other factors mentioned herein above, recommends the annual increment to the Nomination & Remuneration Committee for its review and approval.

C. Stakeholders' Relationship Committee:

Pursuant to Section 178 of the Act and Regulation 20 of the Listing Regulations, the Board of Directors has duly constituted the Stakeholders' Relationship Committee.

i) Brief description of terms of reference:

The Committee reviews the performance of the Company's Registrar and Transfer Agent and also recommends the Board measures for overall improvement for better investor grievance redressal services.

ii) Composition and Attendance:

The Stakeholders' Relationship Committee met once during the year on November 5, 2022.

Sr. No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1	Prof. Ranjan Kumar Malik	Non-Executive Independent Director	Chairman	1	1
2	Dr. Harin Kanani	Executive Director	Member	1	1
3	Shyamsunder Upadhyay	Executive Director	Member	1	1

The Company Secretary acts as the Secretary to the committee. Company Secretary is the Compliance Officer as per Listing Regulations. The 33rd AGM held on September 28, 2022 was attended by Prof. Ranjan Kumar Malik, the Chairman of Stakeholders Relationship Committee

iii) Roles and Objectives:

o To look into complaints of shareholders and investors pertaining to transfer / transmission of shares, non-receipt of share certificates, non-receipt of dividends, non-receipt of annual reports, issue of duplicate share certificates and other miscellaneous complaints.

o The Committee is responsible for satisfactory Redressal of Investors' complaints.

o The Stakeholder Relationship Committee also has a role as defined under Regulation 20 (4) of Listing Regulations.

iv) Investors Complaints:

Status of Investor Complaints as on March 31, 2023 as reported under Regulation 13(3) of the Listing Regulations is as under:

Complaints pending as on April 1, 2022: Nil

Received during the year: Nil

Resolved during the year: Nil

Pending as on March 31, 2023: Nil

The Company has taken various investor-friendly activities like encouraging investors to register their email ids and arranging for e-Voting and virtual participation at the 33rd AGM held on September 28, 2022, communication to shareholders for updating their bank account details and other details for payment of dividend and tax deducted at source related activity and communication of half-yearly financial results to the shareholders via email.

v) Name, designation and address of Compliance Officer:
Ms. Unnati Kanani
Company Secretary and Compliance Officer
1002, 10th floor, Dev Corpora Building,
Cadbury Company, Pokhran Road no.2,
Thane (west), Mumbai 400601

D. Corporate Social Responsibility Committee:

Pursuant to the requirements of Section 135 of the Act and The Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of the Company has duly constituted the Corporate Social Responsibility (CSR) Committee.

The Company has revised the CSR Policy pursuant to the Companies (Corporate Social Responsibility) Amendment Rules, 2021. The revised CSR policy is available on Company's website at https://neogenchem.com/wp-content/uploads/B-CSR.pdf

The brief note on CSR Policy of the Company has also been disclosed in the Annexure 5 of Director's Report section of Annual Report.

I. CSR Committee Meeting:

The CSR committee met twice during the year on July 18, 2022 and February 11, 2023.

II. Composition and Attendance:

Sr. No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1	Haridas Kanani	Executive Director	Chairman	2	2
2	Avi Sabavala	Non-Executive Independent Director	Member	2	1
3	Anurag Surana	Non-Executive Non-Independent Director	Member	2	2

The Company Secretary acts as the Secretary to the committee.

III. Terms of reference of the Corporate Social Responsibility Committee:

1. Formulation and recommendation to the Board, a corporate social responsibility policy and subsequent amendments as required from time to time;

2. Ensuring that the corporate social responsibility policy shall include/ indicate the activities to be undertaken by the companies as specified in Schedule VII of the Act and the rules made there under, from time to time excluding the activities undertaken in pursuance of its normal course of business;

3. Monitoring the corporate social responsibility policy by instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programmes or activities undertaken by the Company from time to time;

4. Recommendation of the annual budget for the corporate social responsibility activities of our Company in compliance with the relevant statutory provisions;

5. Assistance to the Board to ensure that our Company spends towards the corporate social responsibility activities in every Fiscal, such percentage of average net profit/ amount as may be prescribed in the Companies Act, 2013 and/ or rules made thereunder;

6. Providing explanation to the Board if the Company fails to spend the prescribed amount within the financial year;

7. Providing updates to our Board at regular intervals of six months on the corporate social responsibility activities;

8. Regulation of its own proceedings subject to the terms of reference;

9. Reviewing and recommending the corporate social responsibility plan for the ensuing Fiscal to our Board;

10. Approval of any project that may come during the year and which is not covered in the corporate social responsibility plan up to such amount as may be prescribed by our Board from time to time; and

11. Performance of such other functions as the Corporate Social Responsibility Committee may deem appropriate after the approval of the Board, or as may be directed by the Board from time to time.

E. Risk Management Committee:

The Board of Directors ("Directors") of your Company have at its meetings held on May 29, 2021 constituted Risk Management Committee in accordance with the recent amendments in Regulation 21 of the Listing Regulations, which mandates top 1000 listed entities, determined on the basis of market capitalization as at the end of the immediate previous financial year, are required to constitute a Risk Management Committee (**'RMC Committee'**).

The RMC Committee composition details and the Risk Assessment and Management Plan are made available on the website of your Company at https://neogenchem.com/corporate-governance/ and https://neogenchem.com/wp-content/uploads/I-Risk-Assessment-and-Mgt-Plan.pdf respectively

I. RMC Committee Meeting:

The Risk Management committee met twice during the year on May 14, 2022 and November 5, 2022.

II. Composition and Attendance:

Sr. No.	Name	Category	Designation	No. of Meetings Held	No. of Meetings Attended
1	Haridas Kanani	Executive Director	Chairman	2	0
2	Dr. Harin Kanani	Executive Director	Member	2	2
3	Anurag Surana	Non-Executive Non-Independent Director	Member	2	2
4.	Hitesh Reshamwala	Non-Executive Independent Director	Member	2	1
5.	Ketan Vyas	Chief Financial Officer	Member	2	2

The Company Secretary acts as the Secretary to the committee.

III. Terms of reference of the RMC Committee

The terms of reference of RMC Committee inter alia includes:

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

(7) Assess whether current exposure to the risks it faces, including for cyber security, is acceptable and that there is an effective remediation of non-compliance on an ongoing basis

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary

The Company has a well-defined risk management framework in place. Further details on risk management are given in the Management Discussion and Analysis which forms part of this Annual Report.

4. General Body Meeting:

The details of Annual and Extra Ordinary General Meetings held during last three financial years are:

Date	General Meeting	Time	Location	Special Resolutions Passed with Super Majority
September 28, 2022	AGM	5.00 p.m.	through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')	• Not Applicable
December 31, 2021	EGM	4.00 p.m.	through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')	• Issuance of Equity Shares of the Company on Preferential Basis
September 28, 2021	AGM	5.00 p.m.	through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')	• Change in designation and appointment of Mr. Shyamsunder Upadhyay, as a Whole-Time Director of the company and to fix his remuneration
September 28, 2020	AGM	5.00 p.m.	through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')	• Increasing the borrowing powers under section 180(1) (c) of the Companies Act, 2013 upto Rs. 250 crores • Creation of security on the properties of the company, both present and future, in favour of lenders

All resolutions moved at the last AGM and EGM were passed by the requisite majority of Members. During the year under review, no resolution was put through by Postal Ballot.

5. Means of Communication:

a. Stock Exchange Intimations:

The Company was listed on BSE Limited and National Stock Exchange of India Limited on 8th May, 2019.

All submissions to the Stock Exchanges are made through the respective electronic filing systems. All unpublished price sensitive information, material events or information as detailed in Regulation 30 of the Listing Regulations are disseminated to the Stock Exchanges by filing them with the National Stock Exchange of India Limited ('NSE') through

NEAPS and with BSE Limited ('BSE') through BSE Listing Portal.

They are also displayed on the Company's website at https://neogenchem.com/investor-relations/

b. Financial Results:

The quarterly, half yearly and yearly financial results of the Company are filed with the NSE through NEAPS and with BSE through BSE Online Portal. The results are also published in Newspaper and are made available on the website of the Company at https://neogenchem.com/financial-performance/

c. Newspapers in which results are normally published:

The Company publishes its quarterly, half yearly and yearly results in one English daily newspaper (Financial Express) and one Marathi newspaper (Navshakti) within 48 hours of approval of results as per Listing Regulations.

d. Website

The results of the Company and various intimations and submissions made to stock exchanges, Comprehensive information about the Company, its business and operations and press releases are available on the website of the Company at https://neogenchem.com/investor-relations/ and also on the website of the Stock Exchanges were the shares of the Company are listed, that is, www.bseindia.com and www.nseindia.com.

The Company has designated investor@neogenchem.com exclusively for investor servicing.

e. Official News Release:

The Company publishes information/ update on its financial results and also displays official news/ press releases in the investor relations section of its website https://neogenchem.com/financial-performance/ and also on the website of the Stock Exchanges were the shares of the Company are listed, that is, www.bseindia.com and www.nseindia.com

f. Investor/ Analyst Meet and Presentations:

The Company holds analysts/ investors meet for analysts/ investors to discuss on the Company's Earnings, Financial Performance and future outlook. The intimation of the same, the earnings presentation of investors calls for discussion on quarterly, half yearly and yearly financials and the transcripts of the call with analysts for quarterly/half-yearly/annual results are available at the Company's website at https://neogenchem.com/financial-performance/ and also on the website of the Stock Exchanges were the shares of the Company are listed, i.e. www.bseindia.com and www.nseindia.com

g. Other communications to shareholders during the year:

(i) Letters and Reminders to Shareholders for unclaimed shares/dividends:

The Company sends an annual reminder to shareholders who have not claimed their dividends. In addition to the statutory requirement, a voluntary reminder for unclaimed shares and unpaid dividend is also sent to the shareholders as per records every year. The Company has uploaded the names of the Members and the details of the unclaimed dividend by the Members on its website at https://neogenchem.com/unclaimed-unpaid-dividend/.

(ii) Registration of email address for the limited purpose of receiving Annual Report and e-voting at the AGM:

The Company made arrangements with the help of its Registrar & Transfer Agent for registration of e-mail addresses of those Members whose email addresses were not registered and who wished to receive the Notice of AGM along with the Annual Report including e-Voting credentials electronically.

(iii) Updation of bank account and other details for dividend payment and TDS: The Company voluntarily sent a communication to all those shareholders whose email addresses were registered with the Company regarding tax on dividend requesting them to update their bank account details and other detailed process and the same was also published in the newspaper.

(iv) SEBI Complaints Redress System (SCORES): The investors' complaints are also being processed through the centralized web based complaints redressal system. The salient features of SCORES are availability of centralized data base of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the actions taken and current status of the complaints. The Board reviews the Investor Complaints at SCORES on a quarterly basis.

6. General Shareholder Information:

a) Annual General Meeting - Day, Date &Time are given below:

AGM - Day, Date & Time	Tuesday, September 5, 2023 at 5.00 pm
Venue	Pursuant to the General Circular numbers 10/2022 dated December 28, 2022, 02/2022 and 03/2022 dated May 5, 2022, 21/2021 dated December 14, 2021, 02/2021 dated January 13, 2021, 20/2020 dated May 5, 2020, 19/2021 dated December 8, 2021, 17/2020 dated April 13, 2020, 14/2020 dated April 8, 2020 issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/ HO/CFD/ PoD-2/P/CIR/2023/4 dated January 5, 2023, SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/CMD1/CIR/ P/ 2020/79 dated May 12, 2020 and circular no. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), the Company will be conducting its 34th AGM through VC / OAVM only and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this 34th AGM.

b) Financial Year: April 1 to March 31.

c) Book Closure/Record Date: Book Closure period shall be from Saturday, August 26, 2023 to Tuesday, September 5, 2023 (both days inclusive) for the purpose of AGM and dividend and the Record Date is Friday, August 25, 2023.

d) Dividend Payment date: within 30 days from the date of declaration.

e) Listing:

Name of the Exchange	Stock Code
BSE Limited	542665
National Stock Exchange of India Limited	NEOGEN

Annual Listing Fee has been paid to the BSE Limited (BSE) and National Stock Exchange of India Limited for the financial year 2023-24.

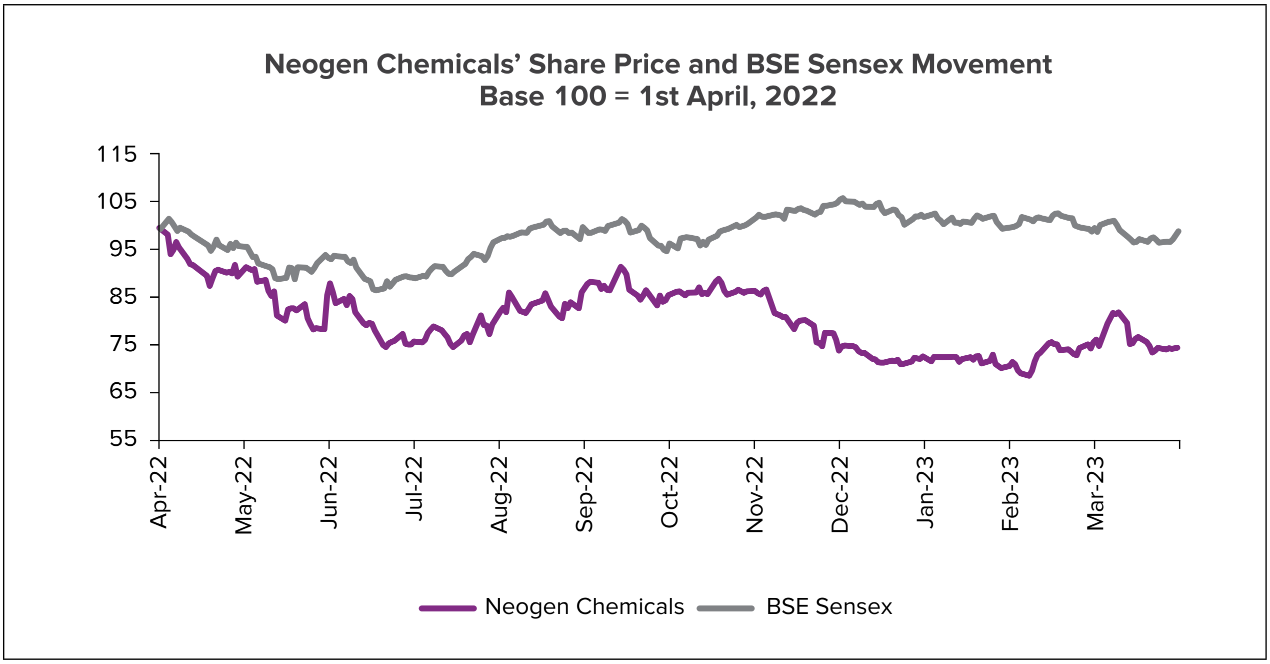
f) Market Price and Shares data

The Company got listed on 8th May, 2019 at BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The High, Low and number of equity shares traded during each month in the financial year 2022-23 on BSE and NSE is as under:

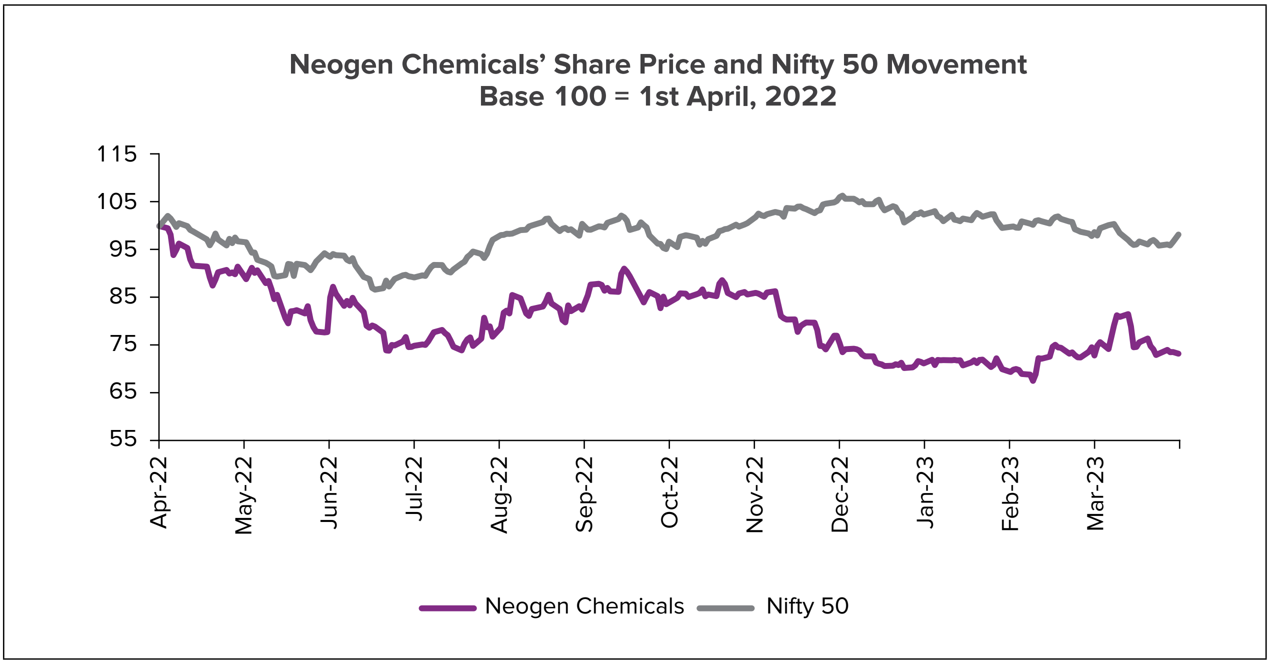
Month	BSE			NSE		
	High Price (Rs.)	Low Price (Rs.)	No. of Shares (in lacs)	High Price (Rs.)	Low Price (Rs.)	No. of Shares (in lacs)
Apr-22	1,792	1,502	1.12	1,795	1,500	8.61
May-22	1,647	1,331	1.85	1,645	1,330	11.23
Jun-22	1,555	1,269	0.46	1,558	1,270	3.48
Jul-22	1,433	1,280	0.56	1,435	1,280	8.18
Aug-22	1,504	1,356	0.64	1,510	1,200	4.25
Sep-22	1,619	1,412	0.57	1,619	1,416	4.95
Oct-22	1,581	1,452	0.82	1,580	1,451	4.98
Nov-22	1,540	1,262	1.79	1,534	1,262	7.82
Dec-22	1,315	1,201	0.57	1,318	1,202	5.25
Jan-23	1,265	1,177	0.19	1,266	1,190	5.00
Feb-23	1,325	1,128	0.36	1,360	1,140	4.29
Mar-23	1,460	1,254	0.47	1,464	1,253	6.02

(Source: Websites of BSE and NSE)

g) Performance of the share price of the Company (on BSE) in comparison to the BSE Sensex from 1st April, 2022 to 31st March, 2023 is given below:



Performance of the share price of the Company (on NSE) in comparison to the Nifty 50 from 1st April, 2022 to 31st March, 2023 is given below:



Note: Share price on daily closing basis

h) Registrar & Share Transfer Agents:

Subsequent to listing of shares of the company on BSE and NSE, the company has appointed Link Intime India Private Limited (Formally known as Intime Spectrum Registry Limited) as its Registrar and Share Transfer Agent ("RTA") to maintain the register of Shareholders/ Members of the Company and to carry out the share transfer work on behalf of the Company. The investors can reach out to our RTA by quoting their folio numbers/ DP ID and Client ID at the following addresses:

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai, Maharashtra -400083
Phone: 91- 22 49186000; Fax: +91 22 49186060
Website: www.linkintime.co.in
Email: rnt.helpdesk@linkintime.co.in

i) Share Transfer System:

In terms of requirements to amendments to Regulation 40 of Listing Regulations w.e.f. April 1, 2019, requests for effecting the transfer of listed securities were required to be processed only in dematerialized form with a Depository. As on March 31, 2023, all the equity shares of the Company were held in dematerialized form.

SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. Members can contact the Company or its RTA, for assistance in this regard.

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR- 4.

Pursuant to Regulation 40(9) of the Listing Regulations, the Company obtains yearly certificate from a practicing Company Secretary certifying that all transfers are completed within the statutory period. A copy of the certificates so received is submitted to both Stock Exchanges, where the shares of the Company are listed.

As of March 31, 2023, the Stakeholders' Relationship Committee consists of 3 (three) members as mentioned above in detail and the share transfer/ transmission/ Transposition requests are processed through our RTA.

During the financial year under review the company had received requests from its shareholders pertaining to delivery of hard copy of Annual Report, Transfer of Dividend declared for earlier years to their updated Bank account, which were processed within the prescribed timelines.

j) Shareholding Pattern as on March 31, 2023:

Category of shareholder	No. of Shares	% age of shareholding
A. Promoter & Promoter Group		
1) Indian		
Indian Individual	1,40,11,739	56.18
Indian Body Corporate		
2) Foreign		
Individuals (NRI/Foreign Individuals)	9,98 ,000	4.00
Total Promoter Holding (A)	**1,50,09,739**	**60.19**
B. Public Shareholding		
1) Directors and their relatives (excluding independent Directors and nominee Directors)	3,50,080	1.40
2) Mutual Funds	46,20,557	18.53
3) Foreign Portfolio Investors- Corporate I	9,76,497	3.92
4) Foreign Portfolio Investors- Corporate II	51,481	0.21
4) Alternative Investment Funds – III	3,69,944	1.48

Category of shareholder	No. of Shares	% age of shareholding
5) Non- institutions		
Individual share capital upto 1 Lakh	25,57,543	10.26
Individual share capital in excess of 1 Lakh	3,29,474	1.32
6) Any Other (Specify)		
a) Body Corporate	3,91,768	1.57
b) Non Resident Indians	1,50,567	0.60
c) Clearing Members	2,424	0.009
d) HUFs	1,04,503	0.42
e) Body Corporate LLP	24,546	0.098
f) Trusts	193	0.0008
Total Public Shareholding (B)	**99,29,577**	**39.81**
Total Shareholding = A + B	**2,49,39,316**	**100.00**

k) Distribution of Shareholding as on March 31, 2023

Shareholding of Shares	Number of Shareholders	% of Total Shareholders	Total Shares for the range	% of Issued Capital
1 to 500	51536	98.2293	1610740	6.4586
501 - 1000	469	0.8939	347642	1.394
1001 - 2000	212	0.4041	302085	1.2113
2001 - 3000	75	0.143	183315	0.735
3001 - 4000	33	0.0629	116390	0.4667
4001 - 5000	17	0.0324	79065	0.317
5001 - 10000	57	0.1086	408338	1.6373
10001 - 20000	18	0.0343	235566	0.9446
20001 - 30000	7	0.0133	175767	0.7048
30001 - 40000	7	0.0133	242678	0.9731
40001- 50000	4	0.0076	192360	0.7713
50001 - 100000	9	0.0172	649558	2.6046
100001 - above	21	0.04	20395812	81.7818
Total	**52465**	**100**	**24939316**	**100.0000**

l) Dematerialization of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the Company is INE136S01016 for dematerialization of shares. As on March 31, 2023, all the equity shares were held in dematerialized form.

m) Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company does not have any outstanding ADRs/GDRs/Warrants or any convertible instruments.

n) Commodity price risk or foreign exchange risk and hedging activities:

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 and Speculation purposes.

The entity has international transaction and is exposed to various risks including foreign exchange risk arising from foreign currency transaction (Exports & Imports). Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency.

The company as per its overall strategy uses forward contracts and swap to mitigate its risks associated with fluctuations in foreign currency and such contracts are not designated as hedge under Ind AS 109. A detailed note on the same is available in Note 40 of the Notes to Financial Statements

o) Plant locations as on the date of this Report:

1. Plot No. 43, Trans- Thane Creek Industrial Area, TTC MIDC, Village Mahape, Navi Mumbai- 400710, Maharashtra
2. Plot No. 526A, Off Padra Jambusar Road, Village Karakhadi, Tal. Padra, Dist- Vadodara- 391450, Gujarat
3. Plot no. Z/109, Dahej SEZ Village Lakhigam, Vagara Dist, Bharuch-392130, Gujarat.
4. Buli Chemicals India Private Limited, 17-D, Phase 1, IDA,Patancheru- 502319, Sangareddy District,Telangana State.

p) Address for Correspondence:

Company:
Ms. Unnati Kanani
Company Secretary
Office No, 1002 10th Floor Dev Corpora
Bldg Opp. Cadbury Co, Pokhran Road No.2
Khopat Thane 400601
Tel: +91 22 2549 7300 Fax: +91 22 25497399
Email: investor@neogenchem.com
Website: www.neogenchem.com
Address for Correspondence with Registrar and Share Transfer Agent:
Link Intime India Private Limited
C-101, 1st Floor, 247 Park, L.B.S Marg,
Vikroli (West), Mumbai, Maharashtra- 400083
Telephone No: +91 22 49186000
Fax No: +91 22 49186060
Website: www.linkintime.co.in
Email: rnt.helpdesk@linkintime.co.in

q) Unclaimed Dividend:

The Ministry of Corporate Affairs (MCA), Government of India, through its Circular No. 17/2012 dated 23rd July, 2012 has directed companies to upload on the company's website information regarding unpaid and unclaimed dividend. Pursuant to the said IEPF Rules, the Company has uploaded the details of unpaid and unclaimed dividend on its website at https://neogenchem.com/unclaimed-unpaid-dividend/.

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years and therefore transfer of unclaimed and unpaid dividend as well as transfer of shares to IEPF is not applicable for the financial year 2022-23

r) Management Discussion and Analysis:

The detailed Management Discussion and Analysis are given as a separate section in this Annual Report.

s) Reconciliation of Share Capital Audit:

The Reconciliation of Share Capital Audit was conducted by DVD & Associates on a quarterly basis and the report on the same was submitted on the website of the Stock Exchanges where the shares of the Company are listed, i.e., www.bseindia.com and www.nseindia.com.

t) Corporate Governance Certificate, Secretarial Audit Report and Secretarial Compliance Certificate:

In compliance with Regulation 34 read with Schedule V(C) of Listing Regulations, a report on Corporate Governance and the certificate required under Schedule V (E) of Listing Regulations from our Statutory Auditors, forms part of the Corporate Governance Report.

An Annual Compliance Certificate and a Secretarial Audit Report for the FY 2022-23 from DVD and Associates, Practicing Company Secretary of the Company forms part of the Directors Report of the Company as **Annexure 2** and **Annex 6** respectively.

u) Credit Ratings:

CRISIL Ratings Limited and ICRA Limited carried out an annual review of credit facilities availed by the Company. CRISIL has vide its letter dated September 15, 2022, given the rating for the Long-Term Banking Facilities as CRISIL A-/ Positive (reaffirmed) and of a Short-Term Banking Facilities as CRISIL A2+ (reaffirmed). ICRA has vide its letter dated December 19, 2022, given the rating for the Long-Term Banking Facilities as ICRA A/ Stable and of a Short Term Banking Facilities as ICRA A2+.

7. Other Disclosures:

a) Disclosure on materially significant related party transactions:

The Board of Directors has adopted a policy on related party transactions. As per the Policy on related party transactions, all transactions with related parties were reviewed and approved by the Audit Committee. Omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. A statement giving details of all related party transactions entered pursuant to omnibus approval so granted is placed before the Audit Committee on a quarterly basis for its review. The said policy is available on the Company's website https://neogenchem.com/wp-content/uploads/F-Policy-on-materiality-of-related-party-transaction.pdf.

The objective of the policy is to ensure proper approval, disclosure and reporting of transactions that are or may be executed by and between the Company and any of its related parties. The related party transactions are as mentioned in notes to accounts which set out the related party transactions disclosures pursuant to IND AS-24. All the transactions/contracts/arrangements, falling within the purview of provisions of section 188 of the Act, entered by the Company with related parties during the year under review are in ordinary course of business and an arm's length has been maintained in the transaction. The Company has not entered into any new material contract or arrangement with related parties during the year under review. Therefore, there is no requirement to report any transaction in form AOC-2 in terms of Section 188 and 134 of the Act, read with Rule 8 of the Companies (Accounts) Rule, 2014.

b) Details of Non-compliance by the listed entity:

There were no instances of non-compliance by the company or penalties, strictures imposed on the company by stock exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the reporting period of last three years.

c) Details of establishment of vigil mechanism/ whistle-blower policy and affirmation that no personnel have been denied access to the Audit Committee:

The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Company has whistle blower policy wherein the employees are encouraged to report violation of laws, rules and regulations. The confidentiality of such reporting is maintained and is not subject to any discriminatory practice. We affirm that no employee has been denied access to the Audit Committee. The said Whistle-Blower Policy has been hosted on the website of the Company, viz. https://neogenchem.com/wp-content/uploads/L-Whistle-blower.pdf. The Company has also constituted the Vigil Mechanism Committee who looks into the said matter.

d) Statement of Deviation / Variation in utilization of Funds as required under Regulation 32

The Board of Directors at its meeting held on 8th December, 2021, inter alia approved the issue and offer of 16,04,710 equity shares on preferential basis for cash consideration subject to the approval of shareholders of the Company. Subsequently the shareholders of the Company at its Extra Ordinary General meeting held on 31st December, 2021 had approved issue, offer and allotment of 16,04,710 shares of face value of Rs. 10 each on preferential basis at an issue price of Rs. 1,402.12 per Equity Share (including a premium of Rs. 1,392.12 per Equity Share) aggregating up to Rs. 225 crores to the identified investors. The allotment of the said equity shares of the Company on a preferential basis was done on 6th January, 2022. The Equity shares were listed at BSE Limited and National Stock Exchange of India Limited.

Utilization of Proceeds raised through Issue of Equity Shares on Preferential basis

The proceeds raised through the issue and allotment of shares on 6th January, 2022 were utilized towards the objects it was raised for and there was no deviation or variation in the utilisation of funds raised through issue of Equity Shares on preferential basis. The proceeds of Rs. 225 crores raised through issue and allotment of equity shares on preferential basis, was utilised as on March 31, 2023 and the statement in this respect was placed before the Audit Committee of the Company for review and after such review the same was submitted to the Stock Exchange and the same is also available at the website of the Company at https://neogenchem.com/wp-content/uploads/Reg-32-SE.pdf.

e) Mandatory and Non-Mandatory Requirements

The Company has complied with all the mandatory requirements of the Listing Regulations and the adoption of the discretionary requirements by the Company is reviewed by the Company from time to time. The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations are as under:

- As the Company's half-yearly and quarterly results are published in leading English and Hindi newspaper and are also uploaded on the website of the Company and exchanges where the shares of the Company are listed, viz., https://neogenchem.com/financial-performance/, www.bseindia.com and www.nseindia.com, the same are not being sent separately to the shareholders.
- There is no qualification in the Audit Report and the Company has submitted financials statements with unmodified opinion.
- The Internal Auditors of the Company are present at the Audit Committee Meeting and they report directly to the Audit Committee.

f) Total fees for all services paid by the Company, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: Rs. 26 lakhs (Including Taxation and other matter)

g) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has adopted a policy for prevention of sexual harassment of women at workplace pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and it has also constituted an Internal Complaints Committee to redress the complaints relating to sexual harassment of its women employees at work place and implementation of the said Policy. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

During the year under review the Company has not received any such complaint of harassment.

h) Compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of Listing regulations.

The Company has duly complied with the Corporate Governance requirements as specified in the above mentioned regulations.

i) Declaration regarding compliance with the Code of Ethics for board of directors, Key Managerial Personnel and other Members of Senior management.

The Company has adopted Code of Conduct for Directors, Key Managerial Personnel and Senior Management personnel, which reflects the legal and ethical values to which your Company is strongly committed. The same is available on the Company's website at https://neogenchem.com/wp-content/uploads/E-code-of-Ethics-Directors-KMP.pdf. Also pursuant to the requirements of Regulation 26(3) of the Listing Regulations, the Members of the Board, Key Managerial Personnel and Senior Management Personnel of the Company have submitted their affirmation on compliance with the code during the year ended March 31, 2023. A declaration to this effect duly signed by the Chairman & Managing Director forms part of this Report.

j) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

Not applicable

Declaration

Compliance with Code of Conduct

I, Mr. Haridas Kanani, Chairman and Managing Director of Neogen Chemicals Limited, hereby affirm and declare, to the best of my knowledge and belief and on behalf of the Board of Directors of the Company, Key Managerial Personnel's and Senior Management Personnel, that:

- The Board of Directors has laid down a Code of Conduct for all Board Members, Key Managerial Personnel's and Senior Management of the Company;
- The Code of Conduct has been posted on the website of the Company;
- The Code of Conduct has been complied with.

For **Neogen Chemicals Limited**

Mr. Haridas Kanani
Chairman and Managing Director
DIN: 00185487

Date: August 5, 2023
Place: Thane

k) Managing Director and Chief Financial Officer Certifications:

The Managing Director and CFO have issued a certificate pursuant to the provisions of Listing Regulations certifying that the financial statements do not contain any untrue statements and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed.

Certification by Managing Director (MD) and Chief Financial Officer (CFO)

[In terms of Regulation 17(8) of SEBI (Listing obligations and Disclosure Requirement) Regulations, 2015]

i. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and to the best of our knowledge and belief:

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

ii. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

iii. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and Audit Committee, deficiencies in the design and operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

iv. We have indicated to the Auditors and Audit Committee

   1. Significant changes, if any, in internal control over financial reporting during the year;

   2. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For **Neogen Chemicals Limited**

Dr. Harin Kanani
Managing Director
DIN: 05136947

Ketan Vyas
Chief Financial Officer (CFO)

Date: May 13, 2023
Place: Thane

Certificate

Pursuant to regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

The Members
Neogen Chemicals Limited
Office No, 1002 10th Floor Dev Corpora
Bldg. Opp. Cadbury Co Pokhran Road No .2
Khopat, Thane 400601

We have examined the relevant books, papers, minutes books, forms and returns filed, Notices received from the Directors during the last financial Year, and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives of (Neogen Chemicals Limited, CIN: L24200MH1989PLC050919) having its Registered office at Office No, 1002 10th Floor Dev Corpora Bldg. Opp. Cadbury Co Pokhran Road No. 2 Khopat, Thane 400601 for the purpose of issue of a Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 , as amended vide notification no SEBI/LAD/NRO/GN/2018/10 dated May 9, 2018 issued by SEBI.

In our opinion and to the best of our information and according to verifications as considered necessary and explanations furnished to us by the Company and its officers and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that none of the following Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Companies by SEBI, Ministry of Corporate Affairs (MCA), or any such other statutory authority for the Financial Year ending on March 31, 2023.

Sr. No.	DIN	Name of the Director	Designation	Date of Appointment
1	00185487	Haridas Thakarshi Kanani	Chairman and Managing Director	07/03/1989
2	05136947	Dr. Harin Haridas Kanani	Managing Director	15/07/2013
3	07274873	Shyamsunder Radheshyam Upadhyay	Whole Time Director	27/07/2015
4	00006665	Anurag Surana	Non-Executive Director	15/05/2017
5	00002817	Sanjay Natwarlal Mehta	Independent Director	25/09/2012
6	00367482	Hitesh Bharatkumar Reshamwala	Independent Director	15/09/2014
7	08221989	Prof. Ranjan Kumar Malik	Independent Director	06/10/2018
8	08246256	Avi Kersi Sabavala	Independent Woman Director	06/10/2018

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR **DVD & ASSOCIATES**
Company Secretaries

Devendra V. Deshpande
Proprietor
FCS 6099 CP 6515
PR NO: 1164/ 2021
UDIN: F006099E000540798

Place: Pune
Date: 04.07.2023

Auditors' Certificate on Corporate Governance

To,
The Members,
Neogen Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by Neogen Chemicals Limited (the Company) for the year ended on March 31, 2023, as stipulated under Regulation 15 (2) read with Schedule V Part E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR **JMT & Associates**
Chartered Accountants
FRN: 0104167W

Jayesh J Shah
Partner
Membership No.: 039910
UDIN: 23039910BGXVMP9100

Place: Mumbai
Date: August 5, 2023

Management Discussion and Analysis

Global Chemical Industry

The repercussions of the Ukraine-Russia conflict were high on the global chemical industry in 2022 with high fluctuations in energy prices, especially in western countries. Chemical manufacturers and producers responded to high inflation, increasing interest rates, and higher energy prices by reducing inventories and operating capacity. The year 2023 is expected to witness a slowdown in global chemical production. The global chemical market is expected to reach USD 5,079.3 billion in 2023 from USD 4,700.1 billion recorded in 2022, registering a CAGR of 8.1%. Disruptions of the past 18 months have also highlighted the importance of localising supply chains and finding the right balance between efficiency and resilience.

The American Chemistry Council has projected global production of chemicals to increase by 0.6% in 2023, with gains in Asia/Pacific, Africa & Middle East, and former Soviet Union nations off-setting declines in Europe, North America, and Latin America. The Former Soviet Union, Africa, and the Middle-East are expected to witness growth of 1.1%, 2.1%, and 3.2%, respectively, in 2023. The total chemical production is expected to decline in 2023 by 1.8%, 1.7%, and 4.2% in North America, Latin America, and Europe, respectively. However, in 2024, the global chemical production is expected to witness significant growth of 3.5%, with North America, Latin America, and Europe expected to grow 1.3%, 2.8%, and 2.9%, respectively; and the Former Soviet Union, Africa, and the Middle-East expected to grow 5.0%, 2.3%, and 4.7%, respectively.

Source:https://www.americanchemistry.com/chemistry-in-america/news-trends/blog-post/2023/acc-mid-year-situation-outlook-june-2023

Promising Indian Chemical Industry

India's chemical industry has been a global outperformer in terms of demand growth across its various sub-segments. The Indian chemical sector is further expected to be the world's next manufacturing hub for chemicals. India's chemical industry has been highly diverse covering more than 80,000 commercial products. Chemicals are broadly classified as bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers, and fertilisers. The total volume of major chemicals produced in India reached 6.5 million metric tonnes (MT) for the six months ended FY 22–23, as compared to 6.3 million MT produced during the same time period in the previous year. The total chemical production grew to 26,570 MT for the six-month period ending FY 22–23. Inorganic and organic chemical production increased to 529 MT and 904 MT, respectively in the same period. The growth was facilitated by rising domestic consumption, changing consumer preferences, and shifting supply chains. India has the potential to become the manufacturing and consumption engine for the global chemical industry, fuelled by rapid economic growth, a growing middle class, low capital costs, and lower operating costs. The industry, however, also faces many challenges, including restricted domestic feedstock availability, delayed regulatory approvals, and stiff Chinese competition.

Nevertheless, the interest of the world to de-leverage from China continues and Indian chemical industry is projected to grow by 11% to 12% between 2021 to 2027 and by 7% to 10% between 2028 to 2040, tripling its share in the global market by 2040, according to a report by McKinsey & Company (February 2023).

The total chemical and chemical product exports and imports (excluding pharmaceutical and fertiliser commodities) grew at a Compound Annual Growth Rate (CAGR) of 13.86% and 14.38% from FY 17-18 to FY 21-22, respectively. The chemical industry's exports are projected to grow at a CAGR of 9.5-10% to USD 140-USD 145 billion by 2040 from the USD 24 billion recorded in 2021. While chemical imports are projected to grow at a CAGR of 9 to 9.5% to USD 180 to USD 185 billion from USD 33 billion in 2021, imports and exports of inorganic compounds are anticipated to grow at a CAGR of 9.2% and 11.0%, respectively, from 2021 to 2040.

Indian Chemical Production Trends (MT)

Chemicals	2017-18	2018-19	2019-20	2020-21	2021-22	CAGR (%)	2022-23 (Up to Sep 2023)
Inorganic Chemicals	1,058	1,064	1,063	978	1,052	-0.16	529
Organic Chemicals	1,799	1,884	1,847	1,906	1,953	2.08	904
Total Major Chemicals	11,069	11,589	11,943	11,243	12,743	3.58	6,487
Total Major Petrochemicals	36,813	37,519	43,524	42,159	44,589	4.91	20,083
Total Chemicals	**47,882**	**49,108**	**55,467**	**53,402**	**57,332**	**4.61**	**26,570**

Source: Ministry of Chemicals and Fertilisers, McKinsey report

CORPORATE OVERVIEW
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Indian Specialty Chemical Industry

The Indian specialty chemicals industry, which accounts for a substantial share in India's chemical industry, has grown exponentially in recent years. CRISIL anticipates the specialty chemicals sector to witness a revenue growth of 6 to 7% in FY 23–24, as compared to the 11% growth witnessed in FY 22–23. The growth would be mainly driven by higher domestic demand, which comprises about 60% of the industry's total revenue. It is likely to face macro headwinds from the US and the UK. In FY 23-24, domestic specialty chemical sales are anticipated to increase by 8% to 9% year-over-year and exports are projected to account for 40% of the industry's total revenue.

Specialty chemicals accounted for more than 50% of chemical exports in 2021 . Specialty chemicals are the only segment in India's chemical industry that has been a net exporter in the country's foreign trade. According to the McKinsey report, imports and exports of specialty chemicals are expected to increase at a CAGR of 7.5% and 8.7%, respectively, to USD 52 billion and USD 73 billion by 2040, up from USD 13 billion and USD 15 billion, respectively, in 2021.

Source:https://www.crisilratings.com/en/home/newsroom/press-releases/2023/07/specialty-chemicals-on-domestic-drive-revenue-seen-growing-6-7-percent.html

https://www.mckinsey.com/industries/chemicals/our-insights/india-the-next-chemicals-manufacturing-hub

Lithium Battery Market in India

In the past, the growing demand for consumer electronics among the country's population has been the main factor driving the market for lithium-ion batteries in India. However, with the growing global need to achieve Carbon Neutrality, the demand for lithium-Ion Batteries is being driven by increasing usage of Electronic Vehicles (EV) as well as Battery Storage systems for Renewable energy. India is expected to have a demand of 160 GWh of Lithium Ion batteries by 2030. There are more than 10 companies in India which are in establishing or process of establishing Giga Factories having targeted annual cell production of 5 GWh – 40 GWh by 2030. Together they are expected to have an annual cell production of >150 GWh by 2030 of which 50 GWh is currently supported by Government's Rs. 18,000 Crore Advance Cell Chemistry (ACC) PLI Scheme, which requires start of production by 2024 and reaching peak potential by 2028. The PLI scheme also requires the companies to reach min 60% India value addition, which creates a significant demand for Lithium-Ion ACC supply chain. By 2030, while India is expected to reach production >150 GWh cells, the world demand for Lithium-Ion Cells is expected to be >3,000 GWh, approximately 20 times India's demand, thus also creating an export market for Indian Lithium-Ion Battery Cell materials manufacturer.

The government has been implementing cheaper road fees, scrapping old vehicles, and providing incentives in order to reach its goal of 30% EV penetration in the Indian automobile market by 2030. The rising cost of oil imports, rising pollution, and India's worldwide duties to combat climate change are the driving factors behind the country's recent measures to accelerate the transition to e-mobility. The government is promoting the installation of EV charging stations through the FAME India Programme Phase II and state-level initiatives. The government has reduced the customs duty on motor parts from 10% to 7.5% which has been contributing to the overall cost reduction of EVs. Moreover, the government intends to create electric car mobility zones, which will assist in reducing overcrowding caused by private automobiles. The government's battery swapping policy would gain popularity in commercial applications like 2W and 3W autos due to the fact that replacing the depleted battery is more feasible than on-the-spot charging for EVs. This would allow for faster penetration of lithium batteries in these market segments.

Key Segments driving the growth in the Lithium-Ion Battery Market

Smartphone industry is expected to reach USD 281 billion by 2028, driven by widespread availability of internet.

About 11,80,903 EVs were sold in FY 22-23. Faster adoption of EVs would lead to increased adoption of lithium-Ion batteries

Expanding population and rising discretionary income would lead to higher sales of consumer electronics, eventually boosting the lithium battery market.

Source: EV reporter, Research & Markets Report, Mordor Intelligence, CEEW Press release, Live Mint News Release

Company Overview

Neogen Chemicals Limited, (hereafter referred to as "Neogen" or "the Company") was established in 1989 and is India's leading manufacturers of specialty chemicals, specifically Bromine and Lithium-based chemicals. The Company focusses on producing a wide range of specialty chemicals, including organic and inorganic chemicals. These chemicals are utilised in various industries, such as, pharmaceuticals, agrochemicals, engineering, electronics, polymers, water treatment, construction, aroma chemicals, flavours and fragrances, specialty polymers, vapour absorption chillers and upcoming usage in Battery Materials.

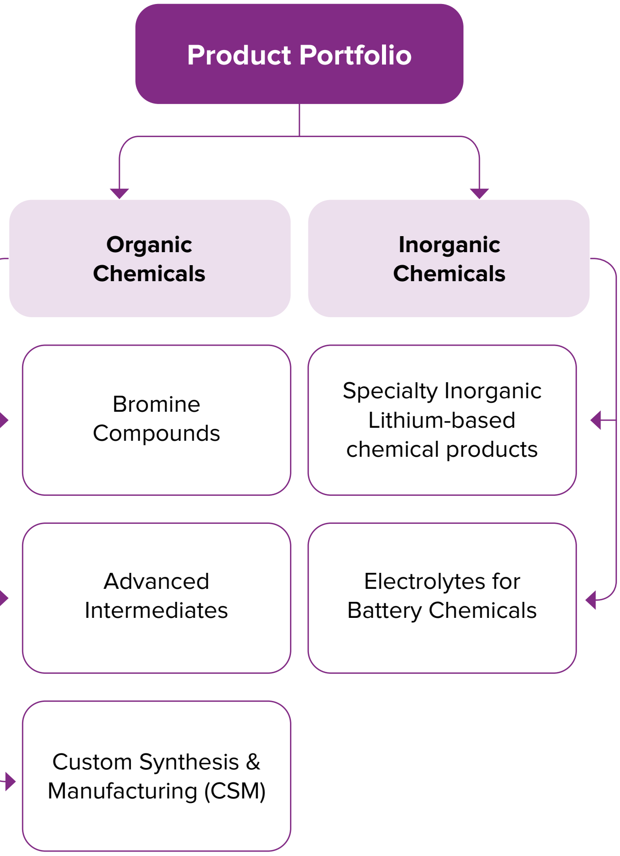
The Company also offers custom synthesis and contract manufacturing services, which includes developing and customising products to meet specific customer requirements by utilising its own in-house process expertise and technical specifications given by the customers. Neogen has grown its product line over the years. Seizing the opportunity, the Company has recently forayed into manufacturing of lithium-ion battery materials for energy storage and electric vehicle applications.

MAJOR MILESTONES ACHIEVED – FY 22-23:

In March 2023, Neogen entered into an agreement for acquiring BuLi Chemicals India Private Limited **("BuLi Chem")** from Livent Corporation, USA, having its manufacturing unit based in Hyderabad, and it now operates as a wholly-owned subsidiary of Neogen Chemicals Limited. BuLi Chem owns the technology to manufacture N Butyl Lithium and other organolithium products using Lithium metal, which are key reagents for the Lithiation reaction used in the manufacturing of several complex pharmaceutical and agrochemical intermediates. It will give Neogen a significant competitive advantage by providing an additional technology platform that can be leveraged across the product segments to generate more Organic intermediates sale as well as Custom Synthesis and Manufacturing business. Further combining this with Neogen's experience to recycle lithium for last >20 years, the recycle of waste produced during production of N Butyl Lithium will also make Neogen's Inorganic lithium salts business more attractive.

In April 2023, Neogen also signed an agreement with MU Ionic Solutions Corp (MUIS), a joint venture of Mitsubishi Chemical Corporation (MCC) and UBE Corporation, to acquire a technology licence for the production of lithium electrolytes in India. With this, Neogen will be the first Company in the world to have MUIS's proven global technology to manufacture electrolytes in India. The MUIS technology would help the Company's production operations meet stringent global standards for quality, dependability, and safety. It will also help the Company to significantly reduce the approval times with Lithium-Ion Battery makers.

Neogen's Product Portfolio



Organic Chemicals include compounds based on bromine, chlorine, fluorine, and iodine, as well as their combinations. Neogen also manufactures specialty chemicals, such as, organometallic grignard reagents and with recent acquisition of BuLi Chem – organolithium derivatives as well. The Company is also specialised in the production of advanced intermediaries which are multi-step chemistry compounds that produce forward-integrated value-added products. Such products are used as intermediates in the production of Active Pharmaceutical Ingredients (API), Active Agrochemical Ingredients, and other Specialty Chemicals such as Aroma Chemicals, Polymer Additives, etc.

> The Company also offers custom synthesis and contract manufacturing services, which includes developing and customising products to meet specific customer requirements by utilising its own in-house process expertise and technical specifications given by the customers.

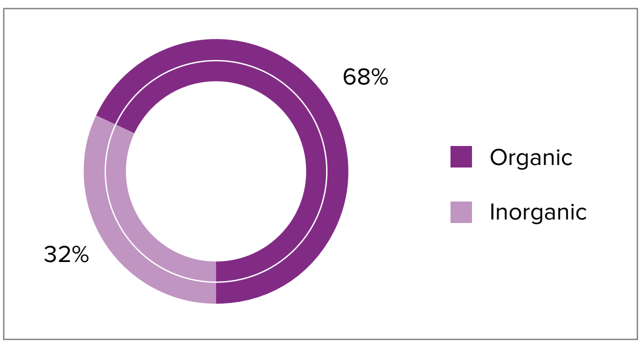
During FY 22-23, the demand trajectory for the organic chemicals remained favourable, and the Company witnessed increasing revenue across both bromine derivatives as well as custom synthesis and manufacturing business. The Company's total organic chemicals revenues rose 28% year-on-year (YoY) to Rs. 463 crore in FY 22-23 from Rs. 363 crore in FY 21-22.

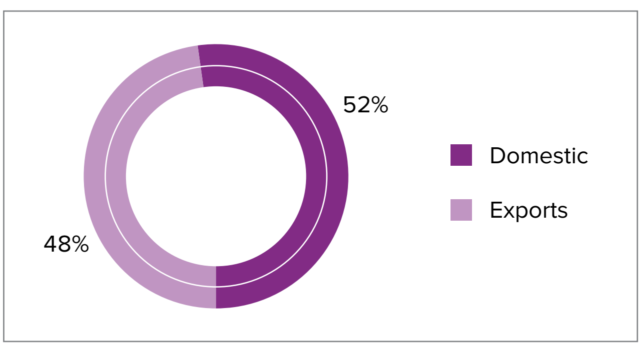
The inorganic chemicals portfolio of the Company includes specialty, inorganic lithium based chemical products that find applications across multiple industries, such as, eco-friendly VAM (Vapour Absorption Machine) for cooling air/water/process equipment, pharmaceuticals, specialty polymers, battery chemicals and construction chemicals. Enhanced capacity utilisation and higher realisations have supported robust inorganic chemicals segment revenue growth during the year. Inorganic chemicals revenue increased by 80% YoY to Rs. 223 crore, as compared to Rs. 124 crore recorded in FY 21-22.

During FY 22-23, the share of inorganic chemicals in its total revenue grew to 32% as compared to 25% in the previous year, while the share of organic chemicals sales stood at 68% as compared to its share of 75% recorded in FY 21-22. During the year under review, the share of domestic sales and export sales (including deemed export) stood at 52% and 48% respectively as compared to 56% and 44%, respectively, recorded in the previous year.

Revenue Break-up in FY 22-23

Total Revenue – Rs. 686.2 Crore





Looking ahead

Going forward, the Company intends to use its three decades of experience in lithium chemistry to manufacture Specialty Lithium Salts and additives for Electrolyte used in lithium-ion battery advance chemistry cells, as well as to produce lithium electrolytes salts required for the final formulation of the electrolytes. Towards achieving this objective, Neogen already took some significant initiatives as given hereunder:

i) Setting up Neogen Ionics Limited

The battery chemicals business of Neogen will be conducted under a distinct entity called Neogen Ionics Limited, which will be a wholly-owned subsidiary of Neogen Chemicals Limited. The battery chemicals business will have high volumes compared to Neogen's legacy business. It will also have to be rapidly scaled up and as such, its CAPEX/OPEX requirements will be very different from those required in its existing business. The workforce across various functions like R&D, manufacturing, marketing and distribution, etc., will need different domain expertise. The new Company will also have the advantage of lower corporate tax rate of 15%. A wholly-owned new company would serve all these purposes and aid in synchronised growth of Neogen.

ii) Acquiring BuLi Chem

In March 2023, Neogen entered into an agreement for acquiring BuLi Chemicals India Private Limited **("BuLi Chem")** from Livent Corporation, USA, having its manufacturing unit based in Hyderabad, and it now operates as a wholly-owned subsidiary of Neogen Chemicals Limited. BuLi Chem owns the technology to manufacture N Butyl Lithium and other organolithium products using Lithium metal, which are key reagents for the Lithiation reaction used in the manufacturing of several complex pharmaceutical and agrochemical intermediates. Operating now as a wholly-owned subsidiary of Neogen Chemicals Limited, BuLi Chem will give Neogen a significant competitive advantage by providing an additional technology platform that can be leveraged across the product segments to generate more Custom Synthesis and Manufacturing business. The technological expertise gained from BuLi Chem can also be utilised to introduce new and more complex products in the future, significantly improving the Company's hold over the organic chemicals market.

iii) Technology Development

Neogen used its >30 years of experience in producing Lithium Chemicals to develop technology for manufacturing several lithium battery materials such as lithium electrolyte salt, additives, and electrolyte. Further, carried out investment in R&D, Kilo lab/pilot

> The newly acquired manufacturing plant of BuLI Chem, situated in Hyderabad, would enable Neogen to leverage its capabilities in the custom synthesis and manufacturing (CSM) business and strengthen its pharma and agro-chemical portfolio.

production facilities and now investing in a demo commercial facility for these materials thus becoming one of the earliest and of very few companies in India having such a facility.

iv) MoU with MUIS

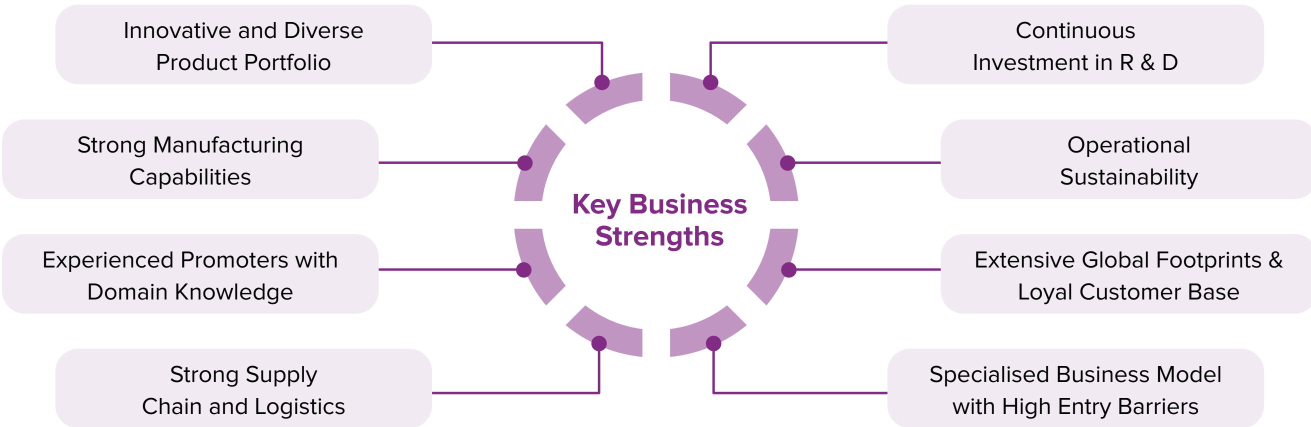
In April 2023, Neogen also signed an agreement with MU Ionic Solutions Corp (MUIS), a joint venture of Mitsubishi Chemical Corporation (MCC) and UBE Corporation, to acquire a technology licence for the production of lithium electrolytes in India. Neogen will be the first Company in the world to have a proven global technology to manufacture electrolytes in India. The MUIS technology would help the Company's production operations meet stringent global standards for quality, dependability, and safety. It will also help the Company to significantly reduce the approval times with Lithium-Ion Battery makers.

Manufacturing Infrastructure

Neogen operates out of four state-of-the-art manufacturing facilities, located in Mahape, Navi Mumbai, Karakhadi near Vadodara, Dahej SEZ in Gujarat and Sangareddy, Hyderabad (Acquired in May 2023). These facilities cover more than 58 acres of land in India. With the completion of Phase I and Phase II expansions and other brownfield expansions, the Company's total organic chemicals manufacturing reactor capacity increased to 463m^3 in FY 22-23, from 407m^3 in the previous year. The aggregate manufacturing capacity of Inorganic Chemicals increased to 39m^3 in FY 22-23. The world-class facilities will significantly boost Neogen's overall performance by enabling it to add value through multi-step processes and complex chemistry. The newly acquired manufacturing plant of BuLI Chem, situated in Hyderabad, would enable Neogen to leverage its capabilities in the custom synthesis and manufacturing (CSM) business and strengthen its pharma and agro-chemical portfolio.

Strong Manufacturing Infrastructure

Factory	Land Area	Land Utilisation	Capacity		Certifications
			Organic Chemicals (Reactor Capacity)	Inorganic Chemicals (Tonnage)	
Mahape (Since 1991)	1 Acre	100%	69 m^3	9 m^3	ISO 9001:2015 from Bureau Veritas Certification Holding SAS
Vadodara (Since 2017)	40 Acres	20%	111 m^3	-	ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications from Bureau Veritas Certification Holding SAS
Dahej (Since 2020)	12 Acres	40%	258 m^3	30 m^3	ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications from Bureau Veritas Certification Holding SAS. Also, GMP (Good Manufacturing Practices) certified by SGS
Hyderabad (Since May 2023)	5 Acres	50%	25 m^3	-	ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications from Bureau Veritas Certification Holding SAS.
Total	**58 Acres**		**463 m^3**	**39 m^3**	



Key Business Strategies

1. Capacity Expansion

FY 22-23 was a landmark year for the Company insofar as enhancing its production capacity was concerned. It mapped out ambitious growth plans for both, its existing business as well as its future business of producing battery chemicals and took number of initiatives. Neogen's core business - organic and inorganic chemicals - grew in FY 22–23, due to increased demand matched by enhanced capacity. The Company is well positioned now to take on the next phase of development in the battery chemicals market, which is anticipated to experience enormous growth over the next decade. The Company intends to make significant capital investments in the field of electrolytes and lithium compounds over the next three years, while also focussing on innovation in these products.

a. **For Organic Chemicals:**
The Company had planned to commission a total of 60 m^3 of organic specialty chemicals, of which 29 m^3 have been commissioned in FY 22-23. The remaining 31 m^3 is anticipated to be commissioned by March 2024.

b. **For Inorganic Chemicals:** The Company increased its inorganic capacity to 39 m^3 during the year under review.

c. **For Battery Chemicals:** Earlier, Neogen had planned to add 10,000 MT electrolyte capacity and 2,000 MT specialty lithium salts capacity, to be commissioned over FY 24-25 and FY 25-26. Post the agreement with MU Ionic Solutions Corp, Japan, the Company is now reviewing its capex, since it now has a licence to manufacture electrolytes which has further increased customer confidence. This licence comprises the transfer of technology for a manufacturing 'facility' and 'process' with a maximum capacity of 30,000 MT intended to meet the demand for electrolytes in India. To support such expansion plans, Neogen approved a Rs. 450 crore capital expenditure for setting up in phases 10,000 MT electrolyte and 2,000 MT Lithium electrolyte salts manufacturing capacity, by September 2025, however, the same is currently being reviewed pending completion of design by MUIS team and long-term MoUs/ agreement with customers for the same.

2. Diversified Product Portfolio

Neogen has grown its product offerings over time by using its robust production and developmental capabilities to create an extensive product portfolio with a wide range of applications. As a consequence of their increased value and strategic importance to consumers, these products serve multiple end-user industries, such as, agrochemicals and pharmaceuticals. The Company has technology to produce more than 244 products which are being sold in India and 29 countries world over, including the United States, Europe, Japan, and the Middle East.

Neogen was able to acquire more customers across the globe by meeting their diverse product requirements thanks to this extensive product portfolio. Neogen has also developed a 58-member dedicated R&D team, including 7 senior personnel who have a doctorate in chemistry (Ph.D.) from reputed institutions and more than 15 years of experience. With the aid of its strong R&D team, the Company has been delivering innovative products to its clients. Multiple CSM (Custom Synthesis and Manufacturing) clients are in various stages of development - from research and development to pilot production to full commercialisation. The recent acquisition has also aided in the expansion of its existing product portfolio.

3. **Expanding its presence in lithium-ion batteries market**

   Neogen had been planning to expand its presence in the lithium-ion battery market for the past few years. The Company's proactive actions have resulted in the signing of an important deal with MUIS, which is anticipated to significantly aid in its strong footprint in the lithium-ion battery segment. The Company continues to monitor the growing potential of compounds and lithium-ion battery materials for the EV market. The Company also keeps examining in depth the market for battery materials and evaluating lucrative opportunities coming up in the sector.

4. **Growing sustainably**

   Neogen continues its legacy of operating in an eco-friendly and sustainable manner. It is committed to minimising its carbon footprint and acting as a responsible corporate citizen. The Company is committed to practising responsible chemistry while safeguarding the environment, its employees, and its customers, as well as caring for the welfare of the community. Some initiatives it took in this regard during the period under review are:

   - Switched from Light Diesel Oil (LDO) to PNG for generating steam at its Mahape Plant,
   - Uses PNG/CNG (which is a clean fuel) instead of other fuels to generate steam at its Dahej plant,
   - Installed a Zero Liquid Discharge system at its greenfield project at the Dahej SEZ plant,
   - Its Dahej SEZ Plant received GMP certification from SGS for manufacturing of advanced intermediates and specialty chemicals for pharmaceutical applications,
   - Complies with all government rules and regulations with respect to the discharge of the effluent,
   - Setting up a Solar Power plant at its Karakhadi, Vadodara unit, which can meet 30-50% of the total requirement of the plant,
   - The recently acquired BuLi plant, which is also a zero liquid waste plant, and further reduces its water consumption through rainwater harvesting,
   - Further, Neogen's key products such as Lithium Bromide which is used in environment-friendly Vapour Absorption Chiller's which is an alternate to greenhouse gas contributing CFC/HCFC based compressor-based cooling system,
   - The Company is exploring opportunities in Lithium-Ion Battery space and has taken development initiatives for electrolyte formulations, Electrolyte Lithium Salts and additives, Specialised Cathode Materials and CSM and advanced intermediates opportunities. Lithium-ion batteries contain relatively low levels of toxic heavy metals found in other types of batteries, this will help in less emission of gases with inherent safe chemistry. The Company recycles / reuses / re-processes lithium products to make same level of fresh products quality. It will help in conservation of natural resources, promote green energy and reduce the use of crude.

5. **Ensuring Strong Operating Efficiency**

   All of Neogen's production facilities routinely engage in highly complex processes while maintaining high utilisation rates. Neogen has remained committed to organisational development and reorganisation by adding experienced personnel to key positions, enhancing the skill sets of the existing team through training, and strengthening its R&D capabilities. The planned capacity expansion at its Dahej SEZ plant was a monument to the power of the Company's business engagement. The Company has further implemented SAP S/4HANA ERP to improve operational efficacy and visibility. During the year under review, the Company was subject to significant volatility in the prices of lithium-related inputs. However, the Company was able to pass on the price increase to its consumers.

Financial Performance

Standalone Financial Performance

In FY 22-23, the Company's revenues reached an all-time high. This was due to the incremental contribution from expanded capacities, a sustained demand trajectory, and a favourable product mix. The revenue from operations in FY 22-23 stood at Rs. 686.18 crore, thereby registering 41% growth over the previous year. The Company achieved strong revenues despite escalation in raw material prices, higher utility costs, and supply chain disruptions. The Company was able to pass on majority of the raw material price increase to the customer, thus protecting its absolute EBITDA margin.

The earnings before interest, taxes, depreciation, and amortisation (EBITDA) increased by 29% to Rs. 111.62 crore from Rs. 86.59 crore in FY 21-22. Despite high fluctuations in input prices, increased utility costs, and adverse movements in foreign exchange rates, the Company's absolute EBITDA improved significantly due to a favourable product mix change. EBITDA margin was impacted by significantly higher lithium prices, which were passed on to the customer Protecting the absolute EBIDTA margin, however with almost 6 times increase in lithium prices over its long-term stable price, the % EBIDTA in the lithium business was lower.

Profits increased due to higher utilisation of plant capacity, cost management strategies, and product diversity. Profit after tax increased by 12% from Rs. 44.72 crore in FY 21-22 to Rs. 50.05 crore in FY 22-23. Neogen's PAT included the impact of elevated finance costs as a result of ongoing expansion initiatives and high interest rates in comparison to the previous year. PAT performance was also impacted by a higher depreciation charge related to reactors being added during the year that have not yet reached maximum capacity.

Neogen's Net Worth increased to Rs. 482.61 crore as of March 31, 2023, from Rs. 439.32 crore as of March 31, 2022. During the period under review, Net Fixed Assets increased from Rs. 281.78 crore to Rs. 339.32 crore, while the Cash and Cash Equivalents stood at Rs. 18.22 crore as compared to Rs. 32.80 crore in the previous year.

Consolidated Financial Performance

Neogen's consolidated revenue including other income, increased by 41% to Rs. 686.18 crore from Rs. 487.25 crore in FY 21-22. The strong top-line performance was driven by capacity expansion initiatives and sales growth for inorganic chemical products.

EBITDA increased by 29% to Rs. 111.72 crore in FY 22-23 from Rs. 86.77 crore in FY 21-22 as a result of increased capacity utilisation and an improved product mix. Profit after tax for FY 22-23 was Rs. 49.97 crore, 12% increase over the Rs. 44.63 crore reported in FY 21-22. PAT performance was consistent with the Company's operational performance, and was bolstered by a lower effective tax rate and increased depreciation proportional to the newly introduced capacities by Neogen.

EPS for FY 22-23 was Rs. 20.03, up from Rs. 18.70 per share for FY 21-22. The Board of Directors approved a final dividend of Rs. 3.00 per equity share (30% of the par value of Equity Shares) for FY 22-23, based on the strong performance reported during the year.

At a glance (On Standalone Basis)

Key Ratios	Numerator/Denominator	FY 22-23	FY 21-22	% Change
Operating Profit (Rs. in Crore)	EBITDA - Depreciation	Rs. 95.44 crore	Rs. 74.89 crore	27.44
Operating Profit Margins (in %)	Operating profit / Revenue from operation	13.91%	15.37%	-9.50
PAT (Rs. in Crore)	PBT-Tax (% on PBT)	Rs. 50.05 crore	Rs. 44.72 crore	11.92
PAT Margins (in %)	PAT / Revenue from Operations	7.29%	9.18%	-20.53
Current Ratio	Current Asset / Current Liability	1.60	2.26	-29.20
Inventory Turnover	Revenue from operation / Average Inventory	2.81	3.19	-11.67
Debt to Equity Level	(Long-term Debt + Short-term Borrowings) / (Equity Share Capital +Other Equity)	0.75	0.51	46.71
Interest Coverage Ratio	EBIT / Finance Cost	3.46	4.00	-13.48
Debtors Turnover Ratio	Revenue from Operations / Average Debtors	4.78	5.18	-7.69
Return on Net Worth	PAT / (Equity Share Capital + Other Equity)	10.37%	10.18%	1.88

Reasons for Change

- **Operating Profit:** Operating Profit was improved due to a favourable product mix change and passing on of higher RM prices to the customers.
- **PAT Margin:** PAT margin was impacted by elevated finance costs as a result of ongoing expansion initiatives, high interest rates in comparison to the previous year and higher depreciation charge related to reactors being added during the year.
- **Current Ratio:** Current ratio has declined majorly due to increase in short-term borrowing to support the growth of business.
- **Debt Equity Level:** This ratio has increased due to increase in borrowings which was taken during the year to support the growth of business and ongoing expansion projects.

Outlook

The Company has been a strong and reputed player in the chemical industry space, offering an extensive range of products. Neogen's growth prospects on both domestic and international markets have been bolstered by its established manufacturing infrastructure in multiple locations and expertise in complex processes. Incentives announced by the Indian government, such as, Make in India, PLI Scheme, etc., for the Pharmaceutical and its intermediates and ACC for Lithium-Ion batteries for EV & renewable energy storage industry also played a significant role in the Company's growth prospects. The Company is aware of the expanding potential in the lithium-ion battery materials for EVs and chemicals. The planned capacity expansion in the battery chemicals space would aid in significant growth in the Company's revenues in the near future. Neogen would continue using its knowledge and expertise to produce sustainable and profitable growth across all its business segments.

Neogen has prioritised growth from advanced specialty intermediaries while simultaneously emphasising operational efficiency and functional excellence. The goal is to be prepared for the future and to benefit from a first-mover advantage in some of these high-potential opportunities while maintaining financial stability.

The Company has significantly increased its research and development capabilities across multiple high potential chemistries to provide substantial value to its clients. In addition, the internal R&D team facilitated the introduction of more efficient processes and pathways to add more chemical intermediates to the Company's product line, as well as the substitution of existing products with new ones to satisfy the rising demand. The Company's strong global distribution network significantly contributed to its export revenue during the year.

The roadmap ahead appears promising, and the Company is prepared to embark on the next phase of development, which will demonstrate its robust manufacturing capabilities at scale as well as its expertise in a variety of complex chemistries. The industry has been supportive and the demand outlook remains positive for the Company. Neogen's goal is to continue on its profitable-growth path and provide constant long-term value to its stakeholders. With its enormous market expertise, extensive experience, and cost-competitive manufacturing platform, Neogen remains well-positioned to capitalise on emerging opportunities. Neogen intends to further accelerate its strong performance by constantly expanding its horizon in the designated regions and markets and providing value to all of its stakeholders.

Human Resource Development

The Company's human resource policies are guided by the fundamental principles of transparency, consistency, and equity. Further improvements are being made to talent management, capability development, and performance enhancement. The Company's robust HR policies have a significant impact on talent acquisition, employee retention, and employee engagement. The Company's human resources continue to align their strategic actions and procedures with the long-term goal of creating and enhancing value for Neogen and its stakeholders. Neogen's personnel and people processes give it the advantage of being able to manage challenges with equanimity, to embrace change proactively, and to maintain a mindset that generates vigour and enthusiasm for moving forward. Neogen aims to establish a healthy, hospitable, and competitive work environment so that its employees can achieve success and establish new benchmarks for quality, productivity, efficiency, and customer satisfaction.

During the year, the Company organised NCL Cricket Tournament 2023 at its Karakhadi and Dahej plants, a picnic for Thane and Mahape plant employees and a culture building initiative for its finance team.

Environment, Health and Safety (EHS)

The Company's business operations are dedicated to responsible chemistry and environmental protection. Neogen's strategic objective is to promote the well-being of communities and society. In addition to pursuing exceptional corporate growth, Neogen is committed to fostering community development and preserving the environment.

Neogen is also devoted to maintaining a wholesome and secure workplace. It believes that it is possible to prevent all injuries, occupational ailments, accidents, and environmental incidents. This implies that all employees prioritise their own safety in addition to the safety of others, including contractors, consumers, and the communities in which the Company operates. Neogen strives to constantly improve workplace safety and process safety management through employee engagement and training programmes, as well as a change in employee behaviour. Neogen monitors internal and external safety and takes corrective action to improve safety standards as necessary. Even non-injury incidents and unanticipated events are recorded in Neogen's safety management system (SMS) as part of the Company's rigorous incident reporting system. The root cause of each incident is identified, and precautions are taken to prevent future occurrences. Neogen routinely inspects and maintains its fire hydrant systems and waste treatment facilities.

The Company disposes of its solid waste in landfills and ecologically-permitted incinerators. The effluent treatment facility at the Karakhadi, Vadodara facility includes primary (chemical), secondary (biological), and tertiary (disinfection) treatment facilities. The Mahape Plant discharges liquid effluent at a shared wastewater treatment facility. The Company's new Dahej Special Economic Zone (SEZ) facility is designed to provide world-class health and safety performance and to implement a Zero Liquid Discharge (ZLD) system, thereby drastically reducing water consumption.

Research and Development

Neogen is committed to preserving product quality and consistency. All products are subjected to rigorous quality tests to ensure that they meet customer requirements. The manufacturing facilities of Neogen conform to all applicable regulations and accreditations. Quality control systems monitor every step of the production process. The laboratories for quality control are equipped with the necessary analytical instruments to guarantee faultless service. The manufacturing facilities have been inspected and approved by multiple domestic and international customers.

The Company has established two state-of-the-art R&D units, one each in Mahape and Vadodara, with an endeavour to develop new processes and improve the existing ones. Neogen also has a 58-member dedicated R&D team, including 7 senior personnel with doctorates in chemistry (Ph.D.) from reputed institutions and with 15+ years of experience. The Company believes that R&D is critical for sustained growth and will provide resources to further strengthen its R&D infrastructure to take advantage of the upcoming opportunities.

Quality Control and Assurance

Neogen has a 57-member Quality Control and Quality Assurance team at its facilities. The team is responsible for documentation and data administration, product inspections, and internal and external audits.

Neogen's quality control laboratories are fitted with gas chromatography (GC), high-performance liquid chromatography (HPLC), ultraviolet spectrophotometers, Karl Fischer moisture analysers, polarimeters, inductively coupled plasma (ICP) and other essential analytical instruments to support its quality control measures across all operations.

Its Vadodara facility in Karakhadi has been ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 certified by Bureau Veritas Certification Holding SAS. Similarly, its Mahape, Navi Mumbai facility is ISO 9001:2015 certified for Quality Management System. Its Dahej SEZ and Hyderabad Facility is ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications from Bureau Veritas Certification Holding SAS and also, GMP (Good Manufacturing Practices) certified by SGS.

Additionally, the Company's documentation system adheres to ICH-Q7A criteria for intermediates. Moreover, Neogen has implemented a quality management system pertinent to Key Starting Materials (KSM) and Intermediates at each of its manufacturing facilities. The quality assurance team oversees the entirety of the production process, from the initial inspection of incoming raw materials to the output. Before packaging, the finished product is subjected to a stringent quality check. Documentation and data administration, product inspections, and internal and external audits are also the responsibility of the team. Only after a sample of the batch has been tested against customer or internal specifications, as applicable, is the finished product approved for shipment. The finished product is only approved for shipment after a sample of the batch has been verified against customer or internal specifications, as appropriate.

Internal Control Structure

Neogen's management team adheres to the highest financial and accounting practices. It has an independent internal audit function and both well-established corporate and plant-level risk management procedure. An Independent Internal Auditor conducts quarterly evaluations in accordance with a comprehensive risk-based audit plan, which is approved by the Audit Committee and validated by the Statutory Auditors' report. Neogen has implemented internal controls over the financial statements that are commensurate with the Company's scale and operations. The system increases the Company's operational and financial efficiency, safeguards its assets, and prevents any potential misconduct. In addition, the system assures the accuracy and completeness of its accounting records, the timely preparation of reliable financial disclosures, and the application of predetermined policies.

The auditors conducting this evaluation for FY 22-23 identified no material weaknesses or significant deficiencies in the operation of internal financial controls.

Risk Management Framework

Risk Management is an integral part of the strategy and planning process at Neogen. The Company faces multiple types of risks as a major player in the global chemical industry. To mitigate these risks, a comprehensive structure-based risk management strategy is implemented by the Company.

Action plans are designed to mitigate risks that could have a significant impact on Neogen's long-term viability based on proactive risk identification. Target dates are assigned to the proprietors of mitigation plans, and the progress of mitigation actions is monitored and evaluated. Risk management and risk mitigation processes aim to limit the impact of risk and efficiently mitigate identified risks.

Business Risk

Business risks refer to the possibility of the Company operating at a loss as a result of uncertainties such as alterations in consumer trends and preferences, strikes, rising competition, alterations in government policy, obsolescence, etc.

Mitigation - The Company proactively verifies and analyses business risk to determine the probability of an event and its potential impact on the enterprise's business operations, personnel, and financial management. The Company identifies specific risks and appropriate countermeasures or alternate procedures to avert probable adverse consequences. In addition, the Company analyses all anticipated and unanticipated costs for an undertaking to avoid going over budget.

Environment, Health and Safety Risk

Environmental, health, and safety (EHS) risk is associated with potential environmental, health, and safety issues related to the Company's operations.

Mitigation - Neogen implements stringent quality and EHS criteria that are continuously evaluated to ensure conformity with locally and internationally accepted standards. The Company's production facilities have international quality, environmental, and occupational health and safety certifications. Further, Neogen has been increasing its EcoVadis Global Sustainability score every year and now is among the top 26%-50% category of all the companies rated by EcoVadis.

Financial Risk

Financial risk is the probability of suffering losses on an investment or commercial operation. The most prominent financial risks include credit risk, liquidity risk, and operational risk.

Mitigation - The process of establishing a customer's creditworthiness, as well as a fair estimate of the risk involved, is critical for financial risk management. Neogen has established structures, regulations, procedures, and systems for efficient financial risk management.

IT Risk

IT risk refers to the potential for monetary loss, business interruption, or reputational harm resulting from the failure of an organisation's information technology systems. Human error, internal fraud through software manipulation, external fraud by attackers, application and machine obsolescence, dependability issues (including software malfunctions), and poor management can all contribute to information and cyber security risks.

Mitigation - The Company evaluates its cyber and information security policies on a regular basis. In addition, it implements and ensures compliance with the appropriate information security risk framework. The Company is predominantly responsible for the identification, measurement, control, and monitoring of technology in order to prevent risks to the business's systems and ensure their safety and soundness.

Legal Risk

Regulatory risk can arise for Neogen as a result of inadequate compliance with rules or breaches of contractual obligations and intellectual property rights, resulting in litigation and reputational harm.

Mitigation - The Company maintains a close relationship with a number of Indian regulatory agencies and international clients in order to remain informed of evolving regulatory requirements. Neogen relies on strong internal and external teams to ensure that its Intellectual Property Rights are well-protected and contractual obligations are met by both parties.

R&D and Innovation Risks

Insufficient investments in Neogen's procedures, technology, and R&D might harm the Company's bottom line.

Mitigation - Neogen's fundamental strength is its technological innovation. It operates two cutting-edge research and development facilities in Mahape, Navi Mumbai, Maharashtra, and Karakhadi, Vadodara. It takes pride in its 58-member R&D team, which comprises approximately 10.0% of the total workforce and comprises competent and energetic individuals. The Company's product catalogue has grown from 20 to 244 items since its inception due to its R&D prowess. Neogen is dedicated to strengthening and expanding its research and development capabilities.

Forex Risks

Exports account for approximately 48% of Neogen's revenue. The unpredictability of exchange rate entails the risk of financial loss.

Mitigation - Neogen has a well-defined foreign exchange strategy in place. The objective of this strategy is to mitigate foreign exchange risk by employing appropriate hedging measures. Neogen employs a netting strategy to manage its foreign exchange exposure.

Risk associated to Sourcing of Lithium

Over the next decade, the demand for lithium-ion batteries is expected to increase dramatically due to the increasing adoption of electric vehicles. This will introduce new supply chain risks, particularly regarding battery materials in their unprocessed & refined forms and higher fluctuations in lithium prices. Such fluctuation in prices could increase the Company's costs and will impact its profitability.

Mitigation - The Company's more than 3 decades of relationship with two of the world's largest Lithium mining companies ensure stable supply. To further de-risk, Neogen has added 2-3 additional global suppliers' of Lithium to ensure continuity of supply. In order to safeguard its profit margins, the Company makes it best effort to pass on the fluctuating costs of lithium to its customers and getting into Lithium market price linked FG price arrangement with customer for a long period of time.

Raw Material Risk

Neogen occasionally confronts the risk of insufficient raw material supplies and price fluctuations due to the significant price volatility of the chemical intermediates business. As they constitute a substantial portion of the chemical process, the price volatility of raw materials can have a direct impact on the prices of the final products.

Mitigation - The procurement team at Neogen ensures that a large proportion of the Company's essential basic materials are available from multiple sources from multiple geographies. In addition, the Company maintains strong, long-term relationships with its suppliers, allowing it to obtain economical raw materials and maintain adequate inventory levels to mitigate these risks.

Caution Statement

Certain statements in the management discussion and analysis may be forward-looking in nature within the meaning of applicable securities law and regulations. Actual results may materially differ from those projected or implied. These statements refer to Neogen's growth strategy, financial results, product potential and development programme based on certain assumptions and expectation of future events. Neogen assumes no responsibility to publicly amend, modify or revise any such forward-looking statements based on subsequent developments, information of events.

Business Responsibility & Sustainability Report [BRSR]

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

1	**Corporate Identity Number (CIN) of the Listed Entity**	L24200MH1989PLC050919
2	**Name of the Listed Entity**	Neogen Chemicals Limited
3	**Year of incorporation**	1989
4	**Registered office address**	Office No.1002, 10th Floor, Dev Corpora Bldg., Opp. Cadbury Co., Eastern Express Highway, Pokhran Rd. No. 2, Khopat, Thane (W) 400 601, India
5	**Corporate address**	Office No.1002, 10th Floor, Dev Corpora Bldg., Opp. Cadbury Co., Eastern Express Highway, Pokhran Rd. No. 2, Khopat, Thane (W) 400 601, India
6	**E-mail**	investor@neogenchem.com
7	**Telephone**	+91 22 2549 7300
8	**Website**	www.neogenchem.com
9	**Financial year for which reporting is being done**	1st April 2022 to 31st March 2023
10	**Name of the Stock Exchange(s) where shares are listed**	National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE)
11	**Paid-up Capital**	INR 24.94 Crores
12	**Contact Person**	
	Name of the Person	Dr. Harin Kanani
	Telephone	022-25497300
	Email address	investor@neogenchem.com
13	**Reporting Boundary**	
	Reporting Boundary	Standalone
	If selected consolidated:	
	Name of the Subsidiaries (S) /JVs/Associate Companies	**CIN Number**
	NA	NA

II. Product/Services

14 Details of business activities

S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
1.	Organic chemicals	Engaged in manufacturing of Bromine Compounds, Advanced Intermediates and Custom Synthesis & Contract Manufacturing	67.52
2.	Inorganic chemicals	The portfolio includes specialty, inorganic lithium-based chemical products which find applications across multiple industries	32.48

15 Products/Services sold by the entity

S. No.	Product/Service	NIC Code	% of Total Turnover contributed
1.	Organic Chemicals	20119	67.52
2.	Inorganic Chemicals		32.48

III. Operations

16 Number of locations where plants and/or operations/offices of the entity are situated as on March 31,2023:

Location	Number of plants	No. of Offices	Total
National	3	2	5
International	0	0	0

17 Market served by the entity

	Locations	Numbers
• No. of Locations	**National (No. of States)**	13 States and 2 Union Territories
	International (No. of Countries)	29 countries
• What is the contribution of exports as a percentage of the total turnover of the entity?	48.29%	
• A brief on types of customers	The Company offers a variety of specialty chemicals to the pharmaceutical, engineering, and agrochemical industries. In addition to manufacturing specialty chemicals, the Company is engaged in custom synthesis and contract manufacturing to develop custom products for specific customers and to serve diverse industries such as electronic chemicals, aroma chemicals, flavors, battery chemicals, eco-friendly VAM, and construction chemicals.	

IV. Employees

18. Details as at the end of Financial Year:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
a.	**Employees and workers (including differently-abled)**					
	Employees					
1	Permanent (A)	325	307	94. 46%	18	5.54%
2	Other than Permanent (B)	0	0	0%	0	0%
3	Total Employees (A+B)	325	307	94.46%	18	5.54%
	Workers					
4	Permanent (C)	256	256	100%	0	NA
5	Other than Permanent (D)	656	640	97.56%	16	2.44%
6	Total Workers (C+D)	912	896	98.25%	16	1.75%
b.	**Differently abled employees and workers**					
	Differently abled Employees					
1	Permanent (E)	0	0	NA	0	NA
2	Other than Permanent (F)	0	0	NA	0	NA
3	Total Differently abled Employees (E+F)	0	0	NA	0	NA
	Differently abled Workers					
4	Permanent (G)	0	0	NA	0	NA
5	Other than Permanent (H)	0	0	NA	0	NA
6	Total Differently Abled workers (G+H)	0	0	NA	0	NA

19. Participation/Inclusion/Representation of women

S. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	8	1	12.5%
2	Key Management Personnel (including Chairman & Managing Director, Managing Director, Whole Time Director, CFO and CS)	5	1	20%

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	27.4%	5.6%	32.9%	24.9%	0%	24.9%	16.2%	0%	16.2%
Permanent Workers	39.8%	0%	39.8%	16.1%	0%	16.1%	24.6%	0%	24.6%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21 Names of holding / subsidiary / associate companies / joint ventures

S. No	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding / Subsidiary / Associate / or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Dhara Fine Chem Industries	Joint Venture	90%	No
2.	Neogen Ionics Limited	Wholly Owned Subsidiary	100%	No

VI. CSR Details

22	a.	Whether CSR is applicable as per section 135 of Companies Act, 2013:	Yes
		Turnover (in Rs.)	6,86,18,37,919.02
		Net worth (in Rs.)	4,82,60,86,838.37

VII. Transparency and Disclosures Compliances

23 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If Yes, then provide web-link for grievance redress policy	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Yes, a mechanism is in place to interact with community leaders to understand and address their concerns, if any	0	0	0	0	0	0
Investors (other than shareholders)	Yes	Yes, a mechanism is in place wherein certain Company representatives and the IR Agency of the Company understands and addresses their concerns, if any	0	0	0	0	0	0

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If Yes, then provide web-link for grievance redress policy	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes	Shareholders may register their Complaints at https://scores.gov.in/scores/Welcome.html. Also the Company has given Investor relations contact at https://neogenchem.com/investor-contacts/	0	0	0	0	0	0
Employees and workers	Yes	HR policy and Code of Conduct of the Company	0	0	0	0	0	0
Customers	Yes	https://neogenchem.com/wp-content/uploads/L-Whistle-blower.pdf	12	0	resolved	10	0	resolved
Value Chain Partners	Yes	BRSR Policy	0	0	0	0	0	0

24. Overview of the entity's material responsible business conduct issues

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Energy Management	Risk	With increasing regulations over energy management and fuel alternatives. It is important for the Company to opt for efficient and lesser polluting energy sources.	The Company regularly conduct energy-saving assessments to identify opportunities for optimizing energy efficiency throughout the operations. The key initiatives include implementing energy-efficient technologies, upgrading infrastructure, and adopting smart energy management systems. They also prioritize the use of renewable energy sources and increasing its proportion in the energy mix.	Negative impact is incurred financially.

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Occupational Health & Safety	Risk	The workforce engaged in the chemical sector is very evidently exposed to hazards and chemical risks. Being, a responsible corporate citizen, it is important for the Company to safeguard their workforce and deploy initiatives and strict protocols to mitigate any chance of incident & mishappening.	The company prioritizes the well-being of its employees through a comprehensive Health and Safety Management Plan. With a focus on prevention and mitigation, they proactively identify and address potential hazards to ensure a safe working environment for all. Their Process Safety and Risk Management protocols encompass stringent measures to prevent accidents, assess risks, and implement controls that meet or exceed industry standards. The Company has: • Emergency Preparedness Plan which enables them to respond quickly and effectively in crisis situations, safeguarding lives and minimizing disruptions. • Safety Management System (SMS) as part of the Company's stringent incident reporting system where even non-injury incidents and unexpected occurrences are recorded. • ISO 45001:2018 certification at Karakhadi and Dahej SEZ Plant.	Negative impact is incurred financially due to increased expenditure over initiatives and asset management.

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Waste Management	Risk	Managing waste is significant to the Company to ensure responsible operations and safe management of their impact. Due to the nature of the function, the Company generates significant amount of waste including solvents and unwanted chemicals that could be harmful to the environment and human health. Safe disposal practices are encouraged to ensure healthy waste management.	The Company responsibly disposes off its solid waste at permitted landfills and incinerators as a part of its solid waste management policy. The hazardous waste is diverted to co-processing units. Additionally, the Company has re-cycling mechanism in place due to which >10% of the quantity is re-cycled.	Negative impact is endured due to measures of waste handling and management.
4.	Climate Change	Risk	With increasing inclination towards governance over carbon emissions and climate change, it is critical for the Company to monitor their exhaust and complex emissions to prevent loss in the forms of fines and penalties.	The Company prioritize the use of renewable sources of energy to power their operations. Furthermore, they invest in energy-efficient equipment and technologies to minimize energy consumption and reduce greenhouse gas emissions. As part of their environmental stewardship, the company is actively exploring opportunities for Carbon Capture, Utilization, and Storage (CCUS) to offset their carbon footprints. During the year under review, the Company has initiated with the implementation of Solar Plant to run its operations, thereby reducing the carbon foot print.	Negative implications are due to additional cost incurred for monitoring and management of emissions.

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Compliance	Risk	Ethical operations and governance are the reflection of responsible compliance of the Company. Being, a chemical manufacturer it is critical for the company to be compliant with applicable set of regulations and norms and hence, avoid getting penalized.	The Company is committed to adhering to all applicable legal requirements, ensuring that their operations are in full compliance with the law. To monitor the compliance efforts, the Company conduct regular assessments on a quarterly basis. These assessments encompass a thorough review of processes, procedures, and practices to identify any areas of non-compliance or potential risks. By proactively monitoring compliance status, they promptly address issues and implement corrective actions.	Negative implications are observed due to investments to ensure compliance within the processes and Implications would be positive as the company adheres to Compliances and this outweighs the cost that would be incurred due to non compliance
6.	Water and effluent	Risk	Multiple processes in the operation of the Company are dependent over water. Responsible management leads to better stakeholder entrustment and systematic discharge of effluents prevents penance and penalties.	The Company has robust initiatives to ensure 100% wastewater effluent treatment as follows: • Karakhadi, Vadodara Plant contains an effluent treatment plant with primary (chemical), secondary (biological), and tertiary (disinfection) treatment facilities. • Mahape Plant disposes off liquid effluent in a shared wastewater treatment plant. • Dahej SEZ plant successfully operated a zero liquid discharge (ZLD) system, which recycle 75% of the water required KL/day.	Negative impact is incurred financially.

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.	Human Rights	Risk	Adherence of human rights throughout the function and preventing any type of exploitation is salient to the Company. Disobedience to human rights harms the Company on reputational basis.	The Company uphold and respect the fundamental human rights of their employees, customers, and stakeholders. They are committed to create an inclusive and diverse work environment that promotes equality, non-discrimination, and fair treatment for all. Additionally, the Company's Prevention of Sexual Harassment (POSH) policy and whistleblower policy provides protection to the complainant and guides them to raise any concern with regards to misconduct and ill-treatment.	Negative impact is incurred to ensure adherence to the human rights throughout the operations.
8.	Business Ethics	Opportunity	Good governance and ethical operations provide virtuous work produce. It is important for the Company to ensure transparent practices and safeguard business ethics for increased stakeholder entrustment.	The Company adheres to the highest ethical standards, where Code of Conduct serves as a guiding principle for employees and senior management as well. It outlines their commitment towards integrity, transparency, and responsible business practices. The HR Policy further reinforces this commitment by promoting fairness, equal opportunity, and respect in all aspects of employment. By upholding these policies, they ensure that ethical conduct remains at the core of their operations, thus maintaining trust with stakeholders and the communities they serve. Additionally, the Company has Whistleblower Policy which provides guidance to raise a concern about any misconduct/ frauds occurring within the Company.	Positive impact is incurred financially.

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9.	Supply Chain Sustainability	Risk	It is important for the Company to operate with resilience and deliver without disruption.	The Company regularly engage with suppliers to align on quality standards, ethical practices, and sustainability goals. Their well-managed supply chain ensures efficient procurement, timely deliveries, and uninterrupted operations. By nurturing these long-standing relationships, the Company drives a mutually beneficial environment that encircles innovation, enhances reliability, and resilience.	Negative implications as it may affect our deliveries as well.
10.	Training & Education	Opportunity	The dynamic training & learning programmes support are workforce with skill & knowledge development and enhancement. Well-structured learning programmes expose the workforce to newer and better processes that ultimately increases the efficiency and productivity of work function.	The Company significantly invest in comprehensive training programs that equip workforce with the knowledge, skills, and resources they need to excel in their roles. Through the initiatives towards health & safety and skill upgradation of workforce, the Company strives to cultivate a knowledgeable and high-performing workforce that fuels progress and excellence.	Positive implications due to increased work productivity.
11.	Local Communities	Opportunity	It is important for the Company to operate in coherence with community and its priorities and avoid any conflict.	The Company has broader objective to contribute to the well-being of the communities and society. Through, Corporate Social Responsibility (CSR) policy, we prioritize in the following focus area: • Rural Development • Healthcare, Sanitation, and nutrition • Education • Environment Sustainability • Conservation and management of natural resources	Positive implications are due to reputational gains and benefit to the society as a whole.

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12.	Materials	Risk	For maintaining continuous operations and deliver quality produce, it is important for the Company to ensure the regular supply of materials that are cost friendly and optimum on the quality mark.	The procurement team of the Company ensures that the great majority of the important raw materials are available from several sources. Additionally, the Company keeps strong, long-term relationships with suppliers and leverage raw resources at affordable prices. Also, the Company maintains adequate inventory to mitigate such risks.	Negative implications
13.	Market Presence	Opportunity	It is important for the Company to outreach to more customers and penetrate deeper in the market and enjoy growing market base with multiple profitable opportunities.	Over the years, the Company has expanded its range of products to cater diverse customer base. The present portfolio has over 244 products, which find application across multiple industries in India, including pharmaceuticals, engineering fluids, electronic chemicals, polymer additives, agrochemical intermediates, water treatment, construction chemicals, aroma chemicals, specialty polymers, flavours and fragrances, with new upcoming usage in lithium-ion battery materials for energy storage and EV application.	Positive implications are due to increased market penetration and customer base.

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
14.	Technology	Risk	Obsolescence risk is the possibility that a procedure or technology used or created by a business will become outdated and, as a result, become less competitive in the market	The Company heavily relies on its information technology systems and uses them in its day-to-day corporate activities such as processing financial information, managing information pertaining to creditors/debtors,customer communication, marketing via website, and engaging in normal business activities. The Company regularly evaluates its cyber space and information technology guidelines. Additionally, it implements the appropriate information technology framework and assures compliance with it. The Company has effective backup system in place to mitigate the risk that may be caused due to any partial or complete disruption of our information technology systems.	Negative implications may be incurred.
15.	Global Uncertainty	Risk and Opportunity	Uncertain events like Pandemic, geopolitical disruptions, natural calamities, war, and terrorism may impact the business and stakeholders of the Company	The Company has adopted precautionary measures in order to: • To curb the impact of Global uncertainties • To increase outreach of countries having stable political regimes • To develop moderate capabilities to mitigate impact of natural calamities to the extent possible.	Negative impact may be incurred.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes										
1	**a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	The mandatory policies are available at https://neogenchem.com/corporate-governance/								
2	**Whether the entity has translated the policy into procedures. (Yes / No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	**Do the enlisted policies extend to your value chain partners? (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	**Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.**	ISO 45001 : 2018 Certification	ISO 9001: 2015, ISO 14001: 2015, ISO 45001: 2018, G M P Certification	ISO 45001 : 2018 Certification	ISO 45001 : 2018 Certification	ISO 45001 : 2018 Certification	ISO 14001 : 2015, ISO 45001: 2018 Certification	No	ISO 45001 : 2018 Certification	ISO 9001 : 2015 Certification
5	**Specific commitments, goals and targets set by the entity with defined timelines, if any.**	Company has laid down its ESG roadmap with specific goals and targets with defined timelines and will be disclosing on its performance in the forthcoming reporting years.								
6	**Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**	Performance of each of the principles is reviewed periodically by the Management and the respective Departments								

Governance, Leadership and Oversight

7 **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.**

The Company possesses a visionary and clear strategy to create value and achieve sustainable growth. To accomplish this, diversification will play a crucial role, leading us to venture into electrolyte manufacturing, a related but untapped field. This expansion will allow us to broaden our range of specialized offerings. Going forward, the Company's commitment lies in utilizing our expertise and capabilities to deliver sustainable and profitable results.
The Company takes pride in showcasing our accomplishments in tackling ESG-related challenges and objectives. Recognizing the significance of sustainability, the Company has made substantial strides in reducing emissions, managing effluents, and upholding ethical business practices. Continuous improvement remains a steadfast commitment for the Company.

In the upcoming year, the Company's focus will be on further decreasing greenhouse gas emissions and enhancing our initiatives for positive social impact. Understanding that ESG considerations are vital for long-term success, the Company is fully dedicated to integrating them across all aspects of its operations.

8	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**	Name: Dr. Harin Kanani DIN Number: 05136947 Designation: Managing Director Telephone Number: 022-25497300 Email ID: investor@neogenchem.com
9	**Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**	The Company has a Risk Management Committee and a Corporate Social Responsibility Committee. The Company has integrated ESG (Environmental, Social, and Governance) risks into the terms of reference of its Risk Management Committee. This ensures the identification of internal and external risks faced by the company. In addition to this, the areas for CSR activities include Water Management Programmes, environmental sustainability, and agricultural development; promoting education among children; promoting healthcare, including preventive healthcare and sanitation, and disaster management; contributing towards combating the COVID-19 pandemic; supporting women's empowerment projects; and rural development projects.

10. **Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Quarterly	Quarterly / Annually	Quarterly	Annually	Quarterly	Quarterly	Annually	Annually	Quarterly
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Quarterly	Quarterly / Annually	Quarterly	Annually	Quarterly	Quarterly	Annually	Annually	Quarterly

11. **Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency**	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	The Company conducts periodic review of the SOPs and policies internally by the Senior Management and Board Committees. The Quality, Safety & Health and Environmental Policies are subject to internal and external audits as part of certification process and ongoing periodic assessments. Other policies are periodically evaluated for their efficacy through internal audit mechanism.								

12. **If answer to Question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:**

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	8	Team Building workshop, Training on Company law and SEBI Regulations including Insider Trading Regulations, POSH, Anti Bribery, Applicable law and Tax Regulations.	37.5%
Key Management Personal	5		100%
Employees other than BODs and KMPs	320	Personality Development/Values, Ethics & SOP	100%
Workers	912		100%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.**

During FY 2022-23, there were no such reported cases on the Company.

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement/agencies / judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty /Fine	NA	NA	NA	NA	NA
Settlement	NA	NA	NA	NA	NA
Compounding Fees	NA	NA	NA	NA	NA

Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement/agencies / judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Not Applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the Company does have the Anti-Bribery and Anti-Corruption (ABAC) policy. They take a zero-tolerance approach towards bribery and corruption and are committed to acting professionally, fairly and with integrity in all their business dealings and relationships wherever they operate. The Company has adopted a Whistle-blower Policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees, and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of stakeholders who avail the mechanism. No personnel of the Company have been denied access to the Chairperson of the Audit Committee. The ABAC Policy aims to provide guidance to directors, officers and employees or persons who perform services for or on behalf of the Company on what is appropriate and acceptable, and what is not acceptable, for offering, giving and accepting gifts and hospitality.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption**

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. **Details of complaints with regard to conflict of interest:**

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**
During FY 2022-23, there were no such reported cases on the Company.

LEADERSHIP INDICATORS

1. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If yes, provide details of the same.**
Yes, the Company has a detailed process in place to avoid/manage conflict of interests involving members of the Board. It is important for the individual to disclose of any interest may have in Company or firm which is a supplier, customer, distributor of or has any business dealings with the Company. The Board should be informed about such circumstances and the concerned individual would take necessary action as advised to resolve/avoid conflict. Weekly Meets are held to discuss, understand and amicably resolve the conflict.

The Code of Ethics can be accessed from here: https://neogenchem.com/corporate-governance/

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Type	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	Details of improvement in social and environmental aspects
Research & Development (R&D)	60%	70%	R&D of pharma related products to improve health of people
Capital Expenditure (CAPEX)	60%	99%	Reduction in discharge of harmful content in environment and R&D of pharma related products.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**
Yes

b. **If yes, what percentage of inputs were sourced sustainably?**
58% of inputs are sourced sustainably.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**
Not applicable

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**
Yes, the Extended Producer Responsibility applies to the activities of the entity, and the company's waste collection plan is in line with it. The plan has been submitted to the Pollution Control Board.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. **Details of measures for the well-being of employees:**

Category	% of employees covered by											
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities		
		No. (B)	% (B/A)	No. (C)	%(C/A)	No. (D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)	
Permanent Employees												
Male	307	307	100%	307	100%	NA	NA	0	0%	0	0%	
Female	18	18	100%	18	100%	18	100%	NA	NA	0	0%	
Total	325	325	100%	325	100%	18	5.54%	0	0%	0	0%	
Other than Permanent Employees												
Male	Not Applicable											
Female												
Total												

2. **Details of measures for the well-being of workers:**

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No. (D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent workers											
Male	256	256	100%	256	100%	NA	NA	0	NA	0	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	256	256	100%	256	100%	0	NA	0	NA	0	NA
Other than Permanent workers											
Male	640	640	100%	640	100%	NA	NA	NA	NA	NA	NA
Female	16	16	100%	16	100%	16	100%	NA	NA	NA	NA
Total	656	656	100%	656	100%	16	2.44%	NA	NA	NA	NA

3. **Details of retirement benefits, for Current FY and Previous Financial Year:**

Sr. No.	Benefits	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100%	100%	Y	100%	100%	Y
2	Gratuity	100%	100%	Y	100%	100%	Y
3	ESI	0%	18.8%	Y	0%	21.5%	Y
4	Others-Please Specify	Not applicable					

4. **Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**
Yes, the premises/offices of the Company are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

5. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**
The Company strictly prohibits any discriminatory practices on the basis of sex, race, religion, caste, color, marital status, disability, or any other criteria. The Company fosters a culture of inclusivity at the workplace and ensure equal opportunity for every employee irrespective of their race, caste, religion, color, sex, ancestry, marital status, age, nationality and disability.

The policy can be accessed from https://neogenchem.com/wp-content/uploads/E-code-of-Ethics-Directors-KMP.pdf.

6. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

	Permanent Employees		Permanent Workers	
Gender	**Return to work rate**	**Retention Rate**	**Return to work rate**	**Retention Rate**
Male	0	0	0	0
Female	0	0	0	0
Total	**0**	**0**	**0**	**0**

7. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Category	Yes/No	Details of the mechanism in brief
Permanent Workers	Yes	The Company describes its mechanism available to receive and redress grievances under its Whistle Blower policy. Complainant may raise detailed "Reportable Matter" or "Alleged Misconduct" to Audit Committee. The Audit Committee act responsibly while maintaining confidentiality in an unbiased manner. A team of investigators is appointed to proceed the investigation and the Chairman of Audit Committee is responsible for recommending disciplinary action against the subject.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

8. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
Permanent Employees						
Male	307	0	0	253	0	0
Female	18	0	0	17	0	0
Total	325	0	0	270	0	0
Permanent Workers						
Male	256	15	5.86%	223	15	6.73%
Female	0	0	0	0	0	0
Total	256	15	5.86%	223	15	6.73%

9. Details of training given to employees and workers:

Category	FY 2022-23 (Current FY)					FY 2021-22 (Previous FY)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	%(C/A)		No. (E)	% (E/D)	No. (F)	%(F/D)
Permanent Employees										
Male	307	307	100%	307	100%	253	253	100%	253	100%
Female	18	18	100%	18	100%	17	17	100%	17	100%
Total	325	325	100%	325	100%	270	270	100%	270	100%
Permanent Workers										
Male	256	256	100%	256	100%	223	223	100%	223	100%
Female	0	0	NA	0	NA	NA	0	NA	0	NA
Total	256	256	100%	256	100%	223	223	100%	223	100%

10. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	%(D/C)
Permanent Employees						
Male	307	307	100%	253	253	100%
Female	18	18	100%	17	17	100%
Total	325	325	100%	270	270	100%
Permanent Workers						
Male	256	256	100%	223	223	100%
Female	0	0	NA	0	0	NA
Total	256	256	100%	223	223	100%

11. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)	Yes, the Company has Environment, Health & Safety management system in place.
a. 1. What is the coverage of such system?	The system is applicable across all sites of the Company. The Karakhadi and Dahej sites of the Company holds ISO 45001:2018 certification.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	The Company believes that accidents and occupational health hazards can be significantly reduced through systematic analysis and control of risks and providing training to the employees. Regular work area monitoring to check concentration of chemicals, noise level, and quality of air at manufacturing locations is carried out as per statutory requirement. The various processes being implemented in this regard at Neogen includes Hazard and Operability Study (HAZOP), Hazard Identification and Risk Assessment (HIRA), Work Permit System for Non Routine Job.
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)	Yes
d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)	Yes, the Company provides medical insurance to their employees.

12. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers*	0	0
Total recordable work-related injuries	Employees	0	0
	Workers*	0	0
No. of fatalities	Employees	0	0
	Workers*	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers*	0	0

13. Describe the measures taken by the entity to ensure a safe and healthy workplace.

- The Company has strong commitment towards Environment, Health & Safety, they endeavor to continuously improve workplace safety and process safety management process through employee engagement and specific training programmes, along with behavioral change.
- Internal and external safety aspects are regularly monitored to enhance safety standards while deploying remedial measures.
- The Company reports even non-injury incidents and unexpected occurrences in Neogen's safety management system (SMS) as part of the Company's stringent incident reporting system.
- The Company sincerely works to identify each incident's cause, and protective measures are taken to prevent future similar occurrences.
- HAZOP Study of all new products.

- Different Trainings (Emergency Response Team, Contract Workers Basic PPE Training, Introduction Safety Training, Process Safety Training, Etc.)
- Fire Drills, Mock Drills for employees and workers.
- Pre- Startup Safety Review of New stream Safe Operation Check.
- Compulsory Safety Training to every employee during Induction programme.
- Maintaining and keep all emergency Equipment Healthy.

14. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	0	0	0	0	0	0
Health & safety	0	0	0	0	0	0

15. Assessments for the year:

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

16. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The Company has demonstrated a proactive approach by promptly addressing health and safety concerns in the workplace. The safety department conducts monthly review meetings to analyze the root causes of incidents. Additionally, the Company is responsible for developing corrective and preventive actions.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

a. Employees (Yes/No): Yes

b. Workers (Yes/No): Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company takes following measures to ensure that statutory dues have been deducted and deposited by the value chain partners:

i. Monthly Provident Fund (PF), Wage register, bank transfer etc. are the documents submitted on the monthly basis by the contractors as per statutory dates to the entity's HR team.

ii. For any non-compliance, the Company has stringent penalty clause.

iii. If the documents of statutory payments are not made by any contractors, the Company's HR team has full authority to hold the payment of the contractor as a control system. The hold payments are released only once the statutory compliance dues are paid by the contractors with the documentary evidence.

With the above control system, the Company ensures that the contractors pay well on time to all contract employees, along with all statutory compliance.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity:**
   The company works with a variety of stakeholders throughout its value chain. Each business function creates a list of relevant stakeholders and ensures that the expectations of both the company and stakeholders are aligned. The company identifies stakeholders based on its business model and sector-specific factors.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	• Company website • reports to stock exchange • investor meets • quarterly results	• Monthly • Quarterly • Half Yearly • annually	• Long term value creation • Transparency • Good governance • Socially & Environmentally Responsible • Brand Image
Customers	No	• Emails • Customer satisfaction survey	• Need based	• Responsible production • Competitive cost • Quality & timely delivery
Employees	No	• Newsletter • employee engagement survey • emails	• Monthly • Quarterly • Half-Yearly	• Diversity • Quality of work and life • Fair wages & remuneration benefits • Training & Development • Career growth • Health & safety
Regulatory bodies and government agency	No	• Seminars • specialized programs • conferences	• Quarterly • annually	• Implementation of compliance management system • Proactive compliance
Suppliers and contractors	No	• Supplier meets • weekly discussion meetings • contract discussion meetings	• Monthly • Quarterly • Annually • Need based	• Cost • Timely delivery • On time payment • Ethical behavior • Product quality • Health & safety
Local Communities	Yes	• Regular engagement with local communities • Community engagement during CSR initiatives	• Need based	• Development interventions • Local employment generation

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**
   The Company has a robust stakeholder consultation process in place. Neogen's Board consults with stakeholders on economic, environmental, and social issues through the appropriate responsible functions. Neogen compiles feedback from stakeholders and presents it to the Board for review.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**
   The Company believes that comprehensive stakeholder consultation is an essential component of its materiality assessment process. This enables us to identify key environmental, social, and governance topics and develop effective strategies for managing them.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**
   The Company has identified marginalized and disadvantaged groups through surveys, assessments, and approaching various local communities. The Company has a broader objective of contributing to the well-being of the communities and society it affects and depends on. To achieve this, the company undertakes various CSR activities and donations to uplift and improve the lives of disadvantaged, vulnerable, and marginalized stakeholders. Specifically, Neogen focuses on key areas such as promoting education among children in rural areas by providing laptops and devices, sponsoring scholarships, and covering school/tuition fees. These initiatives are carried out in the areas surrounding the company's manufacturing locations.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	325	325	100%	270	270	100%
Other than permanent	0	0	0	0	0	0
Total Employees	**325**	**325**	**100%**	**270**	**270**	**100%**
Workers						
Permanent	256	256	100%	223	223	100%
Other than permanent	656	656	100%	691	691	100%
Total Workers	**912**	**912**	**100%**	**914**	**914**	**100%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent Employees										
Male	307	0	0	307	100%	253	0	0	253	100%
Female	18	0	0	18	100%	17	0	0	17	100%
Other than Permanent										
Male	0	0	0	0		0	0	0	0	0
Female	0	0	0	0		0	0	0	0	0
Workers										
Permanent										
Male	256	0	NA	256	100%	223	0	NA	223	100%
Female	0	0	NA	0	NA	0	0	NA	0	NA
Other than Permanent										
Male	640	640	100%	0	0	686	686	100%	0	0
Female	16	16	100%	0	0	5	5	100%	0	0

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective categories (₹ in lakhs)	Number	Median remuneration/ salary/ wages of respective categories (₹ in lakhs)
Directors (Executive Directors)	3	53.59	0	0
KMPs	1	16.64	1	3.18
Employees other than BoD and KMP	303	709.17	17	33.77
Permanent Workers	256	205.80	0	0
Other than Permanent Workers	640	1.80	16	1.80

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

The Company has Employee/Works Committee at its Plants located at Karakhadi and Dahej, SEZ.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company describes its mechanism available to receive and redress grievances under its Whistle Blower policy. Complainant may raise detailed "Reportable Matter" or "Alleged Misconduct" to Audit Committee. The Audit Committee act responsibly while maintaining confidentiality in an unbiased manner. A team of investigators is appointed to proceed the investigation and the Chairman of Audit Committee is responsible for recommending disciplinary action against the subject.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	NA	NA	0	NA	NA
Discrimination at workplace	0	NA	NA	0	NA	NA
Child Labour	0	NA	NA	0	NA	NA
Forced Labour/Involuntary Labour	0	NA	NA	0	NA	NA
Wages	0	NA	NA	0	NA	NA
Other human rights related issues	0	NA	NA	0	NA	NA

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**
The Company's Prevention of Sexual Harassment (POSH) policy identifies that complainant of sexual harassment cases needs to be protected for their own personal and professional development. The Company's POSH as well as whistleblower policy discloses about the protection of complainant that s/he should not be under any risk of retaliation or adverse consequence due to their disclosure. They will not be under any risk of losing his/her job, or suffer loss in manner like transfer, demotion, refusal of promotion.

The POSHA policy and the Whistle Blower policy of the Company can be accessed at https://neogenchem.com/wp-content/uploads/M-POSHA-Policy.pdf and https://neogenchem.com/wp-content/uploads/L-Whistle-blower.pdf respectively.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**
Yes

9. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	0
Forced/involuntary labor	0
Sexual harassment	0
Discrimination at workplace	0
Wages	0
Others – please specify	0

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**
Not Applicable, as no cases were reported.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**
There has been no change in the process for addressing human rights grievances/complaints during the current financial year.

2. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the premise/office of the Company is accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016, due to availability of ramps, special restrooms and elevators.

3. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	0
Forced/involuntary labour	0
Sexual harassment	0
Discrimination at workplace	0
Wages	0

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A) (GJ)	24,831.92	18,042.96
Total fuel consumption (B) (GJ)	79,424.51	48,960.83
Energy consumption through other sources (C) (GJ)	0	0
Total energy consumption (A+B+C) (GJ)	**1,04,256.43**	**67,003.79**
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) (GJ per million INR)	15.19	13.75

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, an independent assurance has not been carried out by an external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	62,594	32,872
(iv) Seawater / desalinated water	0	0
(v) Others (Rainwater storage)	0	0

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**62,594**	**32,872**
Total volume of water consumption (in kilolitres)	**62,594**	**32,872**
Water intensity per rupee of turnover (Water consumed / turnover) (kl per million INR)	9.12	6.75

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, an independent assurance has not been carried out by an external agency.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**
Yes, The Company has installed ZLD (Zero Liquid Discharge) facility for all the organic products manufactured at Dahej SEZ plant unit. This ZLD facility is equipped with modern UF (Ultra filtration) and multistage RO (Reverse Osmosis) process to treat the effluent reusable in utility. This reduces the usage and consumption of natural resource like water at the Dahej site.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	T/Year	3.99	2.01
SOx	T/Year	3.20	1.86
Particulate matter (PM)	T/Year	1.90	1.00
Persistent organic pollutants (POP)	T/Year	NA	NA
Volatile organic compounds (VOC)	T/Year	NA	NA
Hazardous air pollutants (HAP)	T/Year	NA	NA
Others – please specify – CO2	T/Year	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, an independent assurance has not been carried out by an external agency.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	4,456.72	3,628.00
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	4,897.41	3,959.43
Total Scope 1 and Scope 2 emissions per rupee of turnover	**tCO2e / million INR**	**1.36**	**1.56**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, an independent assurance has not been carried out by an external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details

The Company had initiated the process for installation of Solar Panels at its Karakhadi Plant in FY 23 and the same got implemented in FY 24, thereby contributing towards reduction in Green House Gas Emissions and the carbon foot print.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	20	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	3,968.45	2,143.02
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	0	0
Total (A+B + C + D + E + F + G+ H)	**3,988.45**	**2,143.02**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	2,618.71	1,860.03
(ii) Re-used	0	0
(iii) Other recovery operations	50	0
Total	**2,668.71**	**1,860.03**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	396.86	182.52
(iii) Other disposal operations	953.37	100.47
Total	**1,350.23**	**282.99**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, an independent assurance has not been carried out by an external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has established regulations regarding the handling of waste for all its divisions, encompassing both hazardous and non-hazardous waste. The Company strictly adheres to the authorized terms and conditions when disposing of solid and hazardous waste. The solid waste produced by the Company is transported to an authorized facility specialized in hazardous waste management and disposed of through the authorized TSDF (Treatment, Storage, and Disposal Facility), as confirmed by valid CC&A (Consent to Establish and Operate) and the online tracking system of GPCB (Gujarat Pollution Control Board) Manifest Only.

To reduce the total waste, the company utilizes the MEE (Multiple Effect Evaporation) and ATFD (Agitated Thin Film Dryer) processes. Additionally, the Company maintains a Zero Liquid Discharge (ZLD) system for organic products to minimize the overall hazardous chemical impact.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

The company does not have any operations or offices located in or around ecologically sensitive areas such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company is compliant in accordance with environmental laws, regulations, and industry standards. The Company strives to reduce environmental impact by conducting business efficiently.

S. No.	Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	Water (Prevention and Control of Pollution) Act	NA	NA	NA
2	Air (Prevention and Control of Pollution) Act	NA	NA	NA
3	Environment protection act and rules thereunder	NA	NA	NA
4	The Hazardous and Other Wastes (Management and Transboundary Movement) Rules,	NA	NA	NA
5	The Plastic Waste Management Rules, 2016	NA	NA	NA
6	The E-Waste (Management) Rules	NA	NA	NA
7	The Solid Waste Management Rules,	NA	NA	NA
8	The Batteries (Management and Handling) Rules,	NA	NA	NA

Leadership Indicators

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources (in GJ)		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)- (on-site solar installation)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
Total electricity consumption (D)	24,831.92	18,042.96
Total fuel consumption (E)	79,424.51	48,960.83
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	**1,04,256.43**	**67,003.79**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, an independent assurance has not been carried out by an external agency.

2. **Provide the following details related to water discharged:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
Total Water Discharged (in kilolitres)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, an independent assurance has not been carried out by an external agency.

3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**
For each facility / plant located in areas of water stress, provide the following information:

Name of the area: SEZ II, Dahej

Nature of operations: Chemical production

Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2,022 -23 (Current Financial Year)	FY 2,021 -22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	62,594	37,872
(iv) Seawater/ desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	**62,594**	**37,872**
Total volume of water consumption (in kilolitres)	**62,594**	**37,872**
Water intensity per rupee of turnover (kl / million INR)	**9.12**	**6.75**
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) Into Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) Into Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, an independent assurance has not been carried out by an external agency.

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**
Not reported

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, an independent assurance has not been carried out by an external agency.

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**
Not applicable

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	ZLD	Achieved ZLD (Zero Liquid discharge) to reuse treated w/w in Utilities to reduce GIDC water intake	Water Intake from GIDC been reduced

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**
Yes, we have a disaster management plan, and the following activities are being carried out at our sites:

- We have trained an Emergency Response Team (ERT) at all of our sites to handle emergencies as first responders. They are available round the clock to ensure a swift response.
- We maintain a fully stocked fire-fighting water storage system capable of supporting continuous firefighting for up to 4 hours. Our warehouses are equipped with advanced auto Quick Response (QR) sprinklers for emergency situations. Dedicated sprinkler lines are installed at the Dahej site specifically for managing emergencies in the storage warehouse.
- Dedicated assembly points, sirens, spill controls, wind shocks, related medical antidotes, and facilities are available at all of our sites.
- We have established mutual aid agreements and partnerships with neighboring entities for effective emergency management.
- Regular fire drills and mock drills are conducted to calculate disaster management response times and identify areas that need improvement.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**
No significant adverse impacts on the environment have been reported.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact**
We have conducted assessments for 20% of our Critical Raw Material Suppliers and 90% of the hazardous waste receivers as required under Rule 9.

PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

1. a) **Number of affiliations with trade and industry chambers/ associations.**

Yes, the Company is affiliated with total 16 trade and industry chambers/associations.

b) **List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

S. No	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1.	Federation of Gujarat Industries (FGI)	State
2.	Vadodara chamber of commerce and industry (VCCI)	State
3.	Dahej Industries Association	State
4.	Dahej Eco Friendly Society	State
5.	Indian Chemical Council (ICC)	National
6.	IMC Chamber of Commerce and Industry	National
7.	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
8.	The Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
9.	The Confederation of Indian Industry (CII)	National
10.	CHEMEXCIL	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:**

No such cases were reported against the Company during FY 2022-23 related to anti-competitive conduct.

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA

Leadership Indicators

1. **Details of public policy positions advocated by the entity**

S. no	Public policy advocated	Method resort for such advocacy	Whether the information is available in the public domain? (Yes/No)	Frequency of review by board (Annually/ Half yearly/ Quarterly/ Other- please specify	Web Link, if available
NA	NA	NA	NA	NA	NA

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year-**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant Web link
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA

3. Describe the mechanisms to receive and redress grievances of the community

The company has identified marginalized and disadvantaged groups through surveys, assessments, and by approaching various local communities. We work towards uplifting and improving the lives of these disadvantaged, vulnerable, and marginalized stakeholders through various CSR activities and donations.

4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/ Small producers	3.48	3.14
Sourced directly from within the district and neighbouring districts	0.94	0.58

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above

NA	NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. no	State	Aspirational District	Amount spent (INR)
1	Gujarat	Vadodara	14.95
2	Gujarat	Banaskantha	4
3	Gujarat	Kutch	25
4	Gujarat	Morbi	22
5	Gujarat	Narmada	1
6	Gujarat	Tapi	1.76
7	Gujarat	Mahisagar	4.25
8	Gujarat	Bharuch	0.06
9	Gujarat	Ahmedabad	5.00
10	Maharashtra	Ratnagiri	3.26
11	Maharashtra	Mumbai	3.5
12	Maharashtra	Navi Mumbai	1.25
13	Maharashtra	Thane	5
14	Maharashtra	Raigad	5

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

NO

(b) From which marginalized /vulnerable groups do you procure? –

NA

(c) What percentage of total procurement (by value) does it constitute?

NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

S. no	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
1	Nil	Nil	Nil	Nil

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of Authority	Brief of the Case	Corrective action taken
Nil	Nil	Nil

6. Details of beneficiaries of CSR Projects.

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Vermicompost beds Project and other cost	1	100
2	Gobar Gas Project	1	100
3	Seeds and fertilisers distribution	10	100
4	Environment awareness program	30-40	100
5	Laying potable water pipeline from Sondha Village to Karakhadi Village	approx 5000- 10000	100
6	Laying of pipeline for supply of drinking water to villagers at dapoli	approx 1000	100
7	Water Management Programme (Lake Escavation)	1000	100
8	construction of Borewell	30	100
9	RO PLANT	approx 1000- 2000 village people	100
10	Providing education and vocational training	Approx. 50 children in a tribal village at Sai Bangoda, Aarey	100
11	Supporting Literature	Approx. 350	100
12	Dyan Vikas Sanstha	15	100
13	Emergency preparedness Training Lakhigam school	100 Students of Primary & Secondary school	100
14	Research Centre for Astronomy	Approx 10 Researchers in Astronomy	100
15	Education kits	40-45 school students	100
16	Providing Ambulance at Karakhadi	Approx 5000 village people	100
17	Project Poshan	69	100
18	Treatment of Thalassemia patient	1	100
19	Toilets for student	40-45 school students	100
20	Women empowerment by providing sewing machine	15	100
21	Carpentary materials to villagers and hair cutting materials	15	100
22	Eradication of Poverty by way of supporting small businesses	18	100
23	Contruction of 20 houses for Nomad Settlement At. Charadva Ta. Halvad Dist.	20 families	100

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The Company has a well-structured mechanism in place to receive and respond to consumer complaints within reasonable time frame. The Company collects consumer feedback on aspects like Quality of Product, Packaging Quality, Scheduled Delivery, Document Accuracy, promptness of response and Courtesy of Staff.

   The Company has provided details for reaching them out at their website with all necessary information at https://neogenchem.com/

2. **Turnover of products and/ services as a percentage of turnover from all products/services that carry information about**

Information related to	As a percentage to total turnover
Environment and Social parameters relevant to product	20%
Safe and responsible usage	10%
Recycling and/or safe disposal	20%

3. **Number of consumer complaints**

	FY 2022-23 Current Financial Year		FY 2021-22 Previous Financial Year	
	Received during the year	Pending resolution at the end of year	Received during the year	Pending resolution at the end of year
Data privacy	0	0	0	0
Advertising	0	0	0	0
Cyber-security	0	0	0	0
Delivery of essential services	0	0	0	0
Restrictive Trade Practices	0	0	0	0
Unfair Trade Practices	0	0	0	0
Others (Specifications, Labelling, and Packaging)	0	0	0	0

4. **Details of instances of product recalls on account of safety issues**

	Number	Reason for recall
Voluntary recalls	0	No complaints received related to safety issue
Forced recalls	0	No complaints received related to safety issue

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   The Company realizes the importance of cybersecurity and data privacy throughout its operations. They have deployed appropriate information technology framework and guidelines; and ensures compliance with the same. Additionally, it implements the appropriate information technology framework and assures compliance with it. The Company has effective backup system in place to mitigate the risk that may be caused due to any partial or complete disruption of our information technology systems.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Not applicable

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   The Company has developed products which are used as intermediates in the Pharmaceutical, Agrochemical, Polymer Additive Paint and Construction Chemical industry, its diverse range can be accessed at https://neogenchem.com/products/

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   The Company responsibly discloses all the relevant information about their products in compliance with the laws in regards with products' labels.

3. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes, the Company disclosed product information on the product as mandated by laws.

   The Company conducts regular customer's survey on an annual basis whose outcomes are reviewed by the management as well. The survey covers diverse aspects like Quality of Product, Packaging Quality, Scheduled Delivery, Document Accuracy, promptness of response and Courtesy of Staff.

4. **Provide the following information relating to data breaches:**
   a. **Number of instances of data breaches along-with impact –** 0
   b. **Percentage of data breaches involving personally identifiable information of customers –** 0

Independent Auditor's Report

To,
The Members of
Neogen Chemicals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **NEOGEN CHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

Sr. No.	Key Audit Matter	How our audit addressed the Key audit matter
1	**Capitalization of property, Plant and Equipment** The Company has invested in significant capital project with capital expenditure of Rs 71.38 Crores during the year ended 31 March 2023 as detailed in note 4	**Our audit procedures included the following:** • Preformed test check of internal financial controls, including IT controls, over the approval, acquisition, Installation and Operation of Property Plant and Equipment • Obtained a listing of new/sub projects initiated/completed in the year, and selected samples to verify underlying documentation that they had been reviewed and approved in line with the Company's authority.

Sr. No.	Key Audit Matter	How our audit addressed the Key audit matter
	The significant level of capital expenditure requires consideration of the nature of costs incurred to ensure that capitalization of property, plant and equipment meets the specific recognition criteria in Ind As 16, 'Property, Plant and Equipment', specifically in relation to assets constructed by the Company and application of the management's judgment in assigning appropriate useful life, this are Noted as a key audit matter	• Our audit work included assessing the nature of property, plant and equipment capitalized by the Company to test the validity of amounts capitalized and evaluating whether assets capitalized meet the recognition criteria set out in Ind as 16 • Performed tests of details by vouching specific expenditures to supporting documentation to validate additions during the year. • The capitalization of assets in the year, and the useful economic lives assigned, were assessed to be appropriate based on the evidence obtained and as per schedule II
1I	**Revenue Recognition** Ind AS 115 requires to consider management to account revenue as per terms of contracts with customers and on fulfillment of performance obligations Due to the Company's sales under various contractual terms and across the country, delivery to customers in different regions might take different time periods and may result in undelivered goods at the period end. There is also a risk of revenue being overstated due to fraud resulting from pressure on the Company to achieve performance targets at the reporting period end. Accordingly, fraud and cut-off risks in revenue recognition are considered as a key audit matter	**Our audit procedures included the following:** • Understood the processes and controls around established in recognition of revenue. • Focusing on the Company's revenue recognition for compliance with Ind AS. • The Company has manual and automated (information technology – IT) controls on recording revenue and accruals for sales returns and discounts. We have evaluated and tested design and operating effectiveness of controls addressing risk. • Performed test check of sales transactions to verify contractual terms of invoices, acknowledged delivery receipts and tested the transit time to deliver the goods. • Performing testing on selected statistical samples of revenue transactions recorded during the year end.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The Director's Report is expected to be made available to us after the Date of this Auditor's Report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with the governance as required under SA 720 'The Auditor's Responsibility relating to other 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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 (the 'Order') issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the **'Annexure A'** 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 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 Standalone Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act

   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

3. 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, as amended 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 on its financial position in its standalone financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in note to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

   (b) The Management has represented that, to the best of its knowledge and belief, as disclosed in note to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the

Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

v. The Final Dividend Paid by the company during the current year in respect of the same declared for the previous year is in accordance with section 123 of companies act 2013 to the extent it applies to payment of dividend. As stated in the note to the financial statements, the boards of directors of the company have proposed dividend for the current year which is subject to the approval of the members at the ensuing annual general meeting. The Dividend declared is in accordance with section 123 of the act to the extent it applies to declaration of dividend.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rule 2014 for maintaining Books of Accounts using Accounting Software which has feature of recording audit trail (edit log) facility is applicable to the company w.e.f April 1, 2023 and accordingly, reporting under rule 11(g) of companies (audit and Auditors) Rules,2014 is not applicable for the financial year ended March 31, 2023.

4. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **JMT & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 104167W
UDIN : 23039910BGXVLG5067

JAYESH SHAH
Partner
(Membership No.039910)

Place: Mumbai
Date: May13, 2023

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NEOGEN CHEMICALS Limited of even date)

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use-assets

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular program of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this program, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the company.

(d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us, there are no proceedings initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.

ii In respect of the Company's Inventories:

a) In our opinion and according to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management. The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and nature of business. The Company has maintained proper records of inventory. As per information available, the discrepancies noticed on verification between physical stock and book records were not material in relation to the operation of the company and the same have been properly dealt with in the books of account

b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debt statements, statements on other Current Asset) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and No material discrepancies have been observed. (Refer note no 43(f) of notes to account attach standalone financial statements)

iii According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investment in Joint venture and other company and the Company has not provided any guarantee and security to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted loans and advances in the nature of loans during the year to Joint venture and other parties, details of which are stated below. The Company has not provided guarantees or granted loans or advances in the nature of loans during the year to limited liability partnerships

(a) (A) (i) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has made Investment and granted loans and advance in Joint Venture and other Company as below:

Particulars	Loans	Investment in ICD
Aggregate amount granted/ provided during the year		
- Joint Venture	0.18	0.00
- Other Companies	0.00	60.00
Balance outstanding as at the balance sheet date		
- Joint Venture	0.30	0.45
- Other Companies	0.00	76.06

(B) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has granted advances in the nature of loans and loans given to other parties as below:

Particulars	Loans given to Employee (Rs. In Crores)
Aggregate amount during the year - Other parties	0.14
Balance Outstanding as at the Balance Sheet date – Other Parties	0.47

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the guarantees provided during the year and the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of loans and advances in the nature of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans and advances in the nature of loans given.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loans granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans or advances in the nature of loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

iv In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2023 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. As observed and information provided to us, such accounts and records have been made and maintained by the Company. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

Vii According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2023 on account of dispute are given below:

Name of Statute	Nature of Dues	Period(s) to which the amount relates	Amount Involved	Forum where dispute is pending
Income Tax Act 1961	Income Tax	A.Y.2010-11	5,94,860	Commissioner of Income Tax (Appeal)
Income Tax Act 1961	Income Tax	A.Y.2015-16	2,69,949	Rectification under Section 154 Pending With CPC
Income Tax Act 1961	Income Tax	A.Y.2021-22	3,46,630	Rectification under Section 154 Pending With CPC

Viii According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

ix a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained

d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company

e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its Joint Venture, as defined in the Act. The Company does not hold any investment in any Subsidiaries or associate (as defined in the Act) during the year ended 31 March 2023.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its Joint Venture (as defined under the Act).

x. (a) The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made preferential allotment of shares during the year. Accordingly clause 3 (x)(b) of the order is not applicable to the Company .

xi. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the course of audit

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors during the year in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us, no whistle blower complaints have been received by the Company during the year.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is 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 Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and according to the information and explanations given to us, the Company has internal audit system commensurate with size and nature of its business.

(b) The reports of the internal auditors for the period under audit were considered by us while framing our opinion on the financial statements of the Company.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Hence, provision of section 192 of the act are not applicable to the company

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.

(b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(c) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.

xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.

For **JMT & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 104167W
UDIN : 23039910BGXVLG5067

JAYESH SHAH
Partner
(Membership No.039910)

Place: Mumbai
Date: May13, 2023

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Require ments' section of our report to the Members of NEOGEN CHEMICALS LIMITED 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 **NEOGEN CHEMICALS LIMITED** ("the Company") as of March 31, 2023 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 Board of Directors of the Company 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. These responsibilities include the design, imple mentation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 Institute of Chartered Accountants of India and the Standards on Auditing 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 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 judgement, 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 internal financial controls system over financial reporting of the Company.

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 (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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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, 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, 2023, 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.

For **JMT & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 104167W
UDIN : 23039910BGXVLG5067

JAYESH SHAH
Partner
(Membership No.039910)

Place: Mumbai
Date: May13, 2023

NEOGEN®
CHEMICALS LTD.

Standalone Balance Sheet

As at March 31, 2023 **CIN : L24200MH1989PLC050919**

(Rs. in Crores)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4a	339.32	281.78
(b) Right of use assets	4b	6.72	3.19
(c) Capital work-in-progress	5	35.84	10.62
(d) Intangible assets	6	1.41	0.16
(e) Financial assets			
(i) Investments	7	0.45	0.45
(ii) Other financial assets	8	7.47	8.48
(f) Other non-current assets	9	6.46	1.60
(g) Non-current tax assets (net)		-	0.17
Total Non-current Assets		**397.67**	**306.45**
(2) Current Assets			
(a) Inventories	10	292.97	194.59
(b) Financial assets			
(i) Investments	11	76.06	80.76
(ii) Trade receivables	12	177.38	109.50
(iii) Cash and cash equivalents	13a	18.22	32.80
(iv) Bank balances other than (iii) above	13b	2.48	12.42
(v) Loans	14a	0.77	0.84
(vi) Other financial assets	14b	33.95	40.23
(c) Other current assets	15	54.40	21.92
Total Current Assets		**656.23**	**493.06**
TOTAL ASSETS		**1,053.90**	**799.51**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	16	24.94	24.94
(b) Other equity	17	457.67	414.38
Total Equity		**482.61**	**439.32**
(2) Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	129.08	121.52
(ii) Lease Liabilities	27	5.03	1.95
(iii) Other Financial Liabilities	19	3.76	3.80
(b) Long Term Provisions	20	4.65	4.04
(c) Deferred tax liabilities (net)	21	19.02	10.61
Total Non-current Liabilities		**161.54**	**141.92**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	233.13	103.21
(ii) Lease Liabilities	27	2.27	2.07
(iii) Trade payables	23		
(a) total outstanding dues of Micro and small Enterprise		4.37	6.15
(b) total outstanding dues of other than Micro and small Enterprise		152.19	92.73
(iv) Other current financial liabilities	24	12.41	9.87
(b) Other current liabilities	25	1.54	2.11
(c) Short-term provisions	26	2.08	1.87
(d) Current tax liabilities (net)		1.76	0.26
Total Current liabilities		**409.75**	**218.27**
Total Liabilities		**571.29**	**360.19**
TOTAL EQUITY AND LIABILITIES		**1,053.90**	**799.51**
Corporate information and significant accounting policies	1 to 3		

Notes forming part of the Standalone financial statements 1-44

Other notes to Accounts & the accompanying notes are an integral part of Standalone Financial Statements

As per our report of even date attached

For JMT & Associates
Chartered Accountants
Firm's Regn No: 104167W

Jayesh J Shah
Partner
Membership No: 039910

Place: Thane
Date: May 13, 2023

For and on behalf of the Board of Directors

Haridas Kanani
Chairman & Managing Director
DIN: 00185487

Dr. Harin Kanani
Managing Director
DIN: 05136947

Ketan Vyas
Chief Financial Officer

Unnati Kanani
Company Secretary and Compliance Officer
M. no. A35131

Standalone Statement of Profit and Loss

for the year ended March 31, 2023 **CIN : L24200MH1989PLC050919**

(Rs. in Crores)

Particulars	Note	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Continuing Operations			
I. Income			
(a) Revenue from operations	28	686.18	487.25
(b) Other income	29	4.63	1.34
Total Income		**690.81**	**488.59**
II. Expenses			
(a) Cost of materials consumed	30	485.26	343.77
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	(96.75)	(68.80)
(c) Employee benefits expense	32	46.82	31.50
(d) Finance costs	33	28.94	19.08
(e) Depreciation and Amortization Expenses	4	16.20	11.69
(f) Other Expense	34	139.23	94.19
Total Expenses		**619.70**	**431.43**
III. Profit/(loss) before taxes (I-II)		**71.11**	**57.16**
IV. Income tax			
1. Current Tax		12.76	9.87
2. Deferred Tax	21	8.30	2.57
Total Tax Expense		**21.06**	**12.44**
V. Profit for the year (III - IV)		**50.05**	**44.72**
VI. Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit liabilities / (assets)	35	0.39	(0.40)
(ii) Income tax related to items that will not be reclassified to profit or loss	35	(0.11)	0.12
Total other comprehensive (expense)/ income, net of tax		**0.28**	**(0.28)**
VII. Total comprehensive income for the year (V-VI)		**50.33**	**44.44**
Earnings per equity share of Rs.10/each on weighted average (in rupees)	36		
- Basic		20.07	18.74
- Diluted		20.07	18.74
Corporate information and significant accounting policies	1 to 3		

Other notes to Accounts & the accompanying notes are an integral part of Standalone Financial Statements

As per our report of even date attached

For JMT & Associates
Chartered Accountants
Firm's Regn No: 104167W

Jayesh J Shah
Partner
Membership No: 039910

Place: Thane
Date: May 13, 2023

For and on behalf of the Board of Directors

Haridas Kanani
Chairman & Managing Director
DIN: 00185487

Dr. Harin Kanani
Managing Director
DIN: 05136947

Ketan Vyas
Chief Financial Officer

Unnati Kanani
Company Secretary and Compliance Officer
M. no. A35131

Standalone Statement of Change in Equity

As at March 31, 2023 **CIN : L24200MH1989PLC050919**

A. Equity share capital

(Also refer Note 16)

(Rs. in Crores)

Particular	Total Equity
As on 1st April 2021	**23.33**
Issue of Share Capital During the Year	1.60
As on 31st March 2022	**24.94**
Issue of Share Capital During the Year	-
As on 31st March 2023	**24.94**

B. Other Equity

(Also refer Note 17)

(Rs. in Crores)

Particular	Other Equity					
	General Reserve	Retained Earnings	Capital Reserve on Business Combination	Securities Premium	Special Economic zone Re-investment reserve account	Total Other Equity
Balance as at April 1, 2021	**3.50**	**88.27**	**7.20**	**60.56**	**0.26**	**159.79**
Profit/Loss for the year	-	44.72	-			44.72
Other comprehensive income for the year	-	(0.28)	-	-	-	(0.28)
Security Premium	-		-	216.08	-	216.08
Total comprehensive income for the year	**-**	**44.44**	**-**	**216.08**	**-**	**260.52**
Transfer to General Reserve	-	-	-	-	-	-
Special Economic zone Reinvestment reserve account	-		-	-		-
Equity Dividend	-	(5.25)	-	-	-	(5.25)
Taxes Paid of earlier years	-	(0.68)	-	-	-	(0.68)
Balance as at 31st March 2022	**3.50**	**126.78**	**7.20**	**276.64**	**0.26**	**414.38**
Profit/Loss for the year	-	50.04	-			50.04
Security Premium	-		-			-
Other comprehensive income for the year	-	0.28	-			0.28
Total comprehensive income for the year	**-**	**50.32**	**-**	**-**	**-**	**50.32**
Transfer to General Reserve	-	-	-	-	-	-
Equity Dividend	-	(6.86)	-	-	-	(6.86)
Taxes Paid of earlier years	-	(0.18)	-	-	-	(0.18)
Balance as at 31st March 2023	**3.50**	**170.07**	**7.20**	**276.64**	**0.26**	**457.67**

*Proceeds received during FY2022 of securities premium is net of issue expenses

Standalone Statement of Change in Equity (contd.)

As at March 31, 2023 **CIN : L24200MH1989PLC050919**

The Board of Directors at its meeting held on 8th December, 2021, inter alia approved the issue and offer of 16,04,710 equity shares on preferential basis for cash consideration. Subsequently the shareholders of the Company at its Extra Ordinary General meeting held on 31st December, 2021 has approved issue and offer of 16,04,710 shares of face value of Rs. 10 each on preferential basis at an issue price of Rs. 1,402.12 per Equity Share (including a premium of Rs. 1,392.12 per Equity Share) aggregating up to Rs. 225 crores to the identified investors. The allotment of the said equity shares of the Company on a preferential basis was done on 6th January, 2022. The Equity shares were listed at BSE Limited and National Stock Exchange of India Limited.

Other notes to Accounts & the accompanying notes are an integarl part of the Standalone Financial statements

As per our report of even date attached

For JMT & Associates
Chartered Accountants
Firm's Regn No: 104167W

For and on behalf of the Board of Directors

Jayesh J Shah
Partner
Membership No: 039910

Haridas Kanani
Chairman & Managing Director
DIN: 00185487

Dr. Harin Kanani
Managing Director
DIN: 05136947

Ketan Vyas
Chief Financial Officer

Unnati Kanani
Company Secretary and Compliance Officer
M. no. A35131

Place: Thane
Date: May 13, 2023

Standalone Statement of Cash Flow

for the year ended March 31, 2023

CIN : L24200MH1989PLC050919

(Rs. in Crores)

	Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/ (Loss) before extra- ordinary items & tax	71.11	57.16
	Adjustments for non-cashtransaction and items considered separately :		
	Finance costs recognised in profit or loss	28.94	19.08
	Investment income recognised in profit or loss	(4.50)	(1.29)
	Provision for non cash items	(0.90)	0.21
	Loss on disposal of property, plant and equipment	-	(0.11)
	Net (gain)/loss recorded in profit or loss on financial liabilities designated as fair value through profit or loss	1.21	1.49
	Depreciation and amortisation of non-current assets	16.20	11.69
	Net foreign exchange (gain)/loss	5.01	(7.06)
	Operating profit before working capital changes	**117.07**	**81.17**
	Movements in working capital:		
	(Increase) /decrease in trade and other receivables	(66.98)	(31.16)
	(Increase)/decrease in inventories	(98.38)	(80.56)
	(Increase)/decrease in other current and non current financial assets	(30.07)	(16.41)
	Increase /(decrease) in trade and other payables	53.20	39.86
	Increase/(decrease) in provisions	(0.39)	0.27
	Increase/(decrease) in other liabilities	6.72	17.83
	Cash flow from / (utilised in) operating activities post working capital changes	**(135.90)**	**(70.17)**
	Income taxes (paid)/ Refunds (net)	(11.52)	(9.80)
	Net cash flow from / (utilized in) in operating activities (A)	**(30.35)**	**1.20**
B)	**Cash Flow from Investing Activities**		
	Payments to acquire financial assets	4.70	(80.76)
	Interest received		
	- Bank & Others	0.67	1.11
	- Other Income	3.84	0.18
	Amounts advanced to related parties	0.07	(0.19)
	Repayments by related parties		-
	Payments for property, plant and equipment (Net)	(77.27)	(170.28)
	Capital WIP	(25.22)	104.04
	Proceeds from disposal of property, plant and equipment	-	0.11
	Payments for intangible assets	(1.25)	0.17
	Net cash flow from / (utilized in) in investing activities (B)	**(94.46)**	**(145.62)**
C)	**Cash flows from financing activities**		
	Proceeds from issue of equity instruments of the Company	-	225.00
	Payment for share issue costs	-	(7.31)
	Proceeds from borrowings	226.08	38.88

Standalone Statement of Cash Flow (contd.)

for the year ended March 31, 2023 **CIN : L24200MH1989PLC050919**

(Rs. in Crores)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Repayment of borrowings	(89.99)	(43.04)
Finance Cost	(28.94)	(19.08)
Other items / Taxes	-	(0.77)
Dividends paid (incl. Tax)	(6.86)	(5.25)
Net cash flow from /(utilised in) financing activities (C)	**100.29**	**188.43**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**(24.52)**	**44.01**
Cash and cash equivalents at the beginning of the year	45.22	1.21
Cash and cash equivalents at the end of the year	**20.70**	**45.22**
Reconciliation of cash and cash equivalents as per the cash flow Statement		
Cash and cash equivalents	18.22	32.80
Bank balances other than above	2.48	12.42
Balance as per statement of cash flows	**20.70**	**45.22**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

Changes in liability arising from financing activities

Particular	April 1, 2022	Cash Flows		March 31, 2023
		Receipts	Payments	
Current Borrowings	76.20	175.80	47.80	204.20
Non-current Borrowings	148.53	51.66	42.18	158.01
Total	**224.73**	**227.46**	**89.98**	**362.21**

Particular	April 1, 2021	Cash Flows		March 31, 2022
		Receipts	Payments	
Current Borrowings	85.79	22.74	32.33	76.20
Non-current Borrowings	130.21	29.03	10.71	148.53
Total	**216.00**	**51.77**	**43.04**	**224.73**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

Notes forming part of the Standalone financial statements 1-44

As per our report of even date attached

For JMT & Associates
Chartered Accountants
Firm's Regn No: 104167W

For and on behalf of the Board of Directors

Jayesh J Shah
Partner
Membership No: 039910

Haridas Kanani
Chairman & Managing Director
DIN: 00185487

Dr. Harin Kanani
Managing Director
DIN: 05136947

Ketan Vyas
Chief Financial Officer

Unnati Kanani
Company Secretary and Compliance Officer
M. no. A35131

Place: Thane
Date: May 13, 2023

Notes to Standalone Financial Statements

for the year ended March 31, 2023

1. Corporate information

Neogen Chemicals Limited is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having Corporate Identity Number L24200MH1989PLC050919. Company has its registered office at Thane, Maharashtra. The Company is engaged in the business of manufacturing of eco - friendly speciality chemicals which are used in Pharmaceutical, Engineering & Agro-Chemical industries. Neogen has developed significant expertise in highly demanding field of Bromine Compounds, Lithium compounds & more recently advance intermediates for pharmaceutical industries & pesticides industries of world class standards. The principal place of business of the company are at Thane (HO), one unit of Factory at Mahape in Navi Mumbai and another unit of Factory at Karakhadi in District Vadodara, Gujarat & third site at Dahej SEZ, Gujarat is now operational for further expansion of business of Organic Chemistry & Lithium chemistry. The Company caters to both domestic and international markets. The Manufacturing facility is also having well equipped R & D and analytical labs. Neogen's Karakhadi, Vadodara Facility is ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 certified by Bureau Veritas Certification Holding SAS; Its Mahape, Navi Mumbai Facility is ISO 9001:2015 certified by Bureau Veritas Certification Holding SAS; and Dahej SEZ, Gujarat Facility is ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 Certified by Bureau Veritas Certification Holding SAS and GMP Certified by SGS.

These financial statements are approved for issue by the Board of Director on May 13, 2023

2. Basis of preparation and Significant accounting policies

2.1 Basis of compliance

The accompanying standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act,2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act ,2013.

2.2 Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value;
- assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- defined benefit plans - plan assets measured at fair value;

Current and non-current classification

- All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III to the Act. Deferred tax assets and liabilities are classified as non- current only. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules,2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III of the Companies Act 2013, unless otherwise stated.

2.3 Functional and presentation currency

These standalone Financial Statements are presented in Indian rupees, which is also the Company's functional currency. All amounts have been reported in INR, unless otherwise indicated.

2.4 Basis of measurement

The standalone Financial Statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and

Notes to Standalone Financial Statements

for the year ended March 31, 2023

- Net defined benefit (assets) / liabilities that are measured at fair value of plan assets less present value of defined benefit obligations

2.5 Use of estimates and judgements

The preparation of the standalone Financial Statements in accordance with Ind AS requires use of judgements, estimates and assumptions, which affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised prospectively.

This note provides an overview of the areas where there is a higher degree of judgement or complexity. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation. The areas involving critical estimates or judgements are :

- Useful life of intangible asset - Note 2.6 (c)
- Defined Benefit obligation - Note 2.6 (q) (iii)
- Current Tax expense and current tax payable - Note 2.6 (m)
- Deferred tax assets for carried forward tax losses - Note 2.6 (m)
- Impairment of financial assets - Note 2..6 (b)

Estimates and judgements are regularly revisited

Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the company.

2.6 Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements is as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

a) Investments in subsidiaries , associates and joint ventures

The investments in subsidiaries, associates and joint ventures are carried in these financial statements at historical 'cost', except when the investment or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to P & L.

b) Property, plant and equipment

Recognition and initial measurement

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Major shut down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset. It includes professional fees and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy based on Ind AS 23 - Borrowing costs. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of item can be measured reliably. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognized as interest expense and not included in cost of asset.

Depreciation and amortization estimated useful life and residual value

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than free hold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in which case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Description of Asset Class	Useful life as per Schedule II
Buildings	30 years
Plant and machinery	20 years
M.S. Structure & FRP Gratings	20 years
Effluent Treatment Plant	20 years
Safety Equipment's	20 years
Quality Control Instruments & R & D Equipment's	10 years
Office equipment's	5 years
I T Equipment's	3 years
Furniture and fixtures	10 years
Vehicles	8 years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term, if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term. Leasehold improvements are amortized over the period of lease which ranges from 1 to 99 years.

The company reviews the residual value, useful lives and depreciation method annually and if, expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the restated standalone statement of profit and loss when the asset is derecognized.

c) Intangible assets

Recognition and initial measurement

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Where intangible asset is acquired in a business combination, it is measured at its acquisition date fair value.

Internally generated intangible asset is recognised as an asset in the books only and only when the company develops an identifiable intangible asset and the following criteria are satisfied:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- There is an ability to use or sell the software

Notes to Standalone Financial Statements

for the year ended March 31, 2023

- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- The expenditure attributable to the software during its development can be reliably measured"

Directly attributable costs that are capitalised as part of the intangible asset include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Useful life and amortisation
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight-line basis over the useful lives of the asset from the date of capitalisation as below:

- Computer software 3-5 years
- Non-compete fees 1-3 year(s)

The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

Intangible assets acquired in a business combination viz. Goodwill, Patents, Copyrights and Brands do not have definite useful life and thus, are not amortised. However, these assets are tested for impairment on an annual basis. These are further tested for impairment upon any indication of impairment subsequent to annual testing.

De recognition
Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal .Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized. The Company has elected to continue with carrying value of all its intangible assets recognised as on transition date, measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

Impairment
At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss

Goodwill and intangible assets that do not have definite useful life are not amortised and are tested at least annually for impairment. If events or

Notes to Standalone Financial Statements

for the year ended March 31, 2023

changes in circumstances indicate that they might be impaired, they are tested for impairment once again.

d) **Inventory**

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

- Raw material cost includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition.
- Stores and spares cost include cost of purchases and other costs incurred in bringing the inventories to their present location and condition.
- In case of work in progress at raw material cost plus direct conversion and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs.
- In case of finished goods-cost includes cost of direct material, labour, other direct cost and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs.
- In case of scrap of goods, the same are valued at net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value.

e) **Cash and cash equivalents**

Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

f) **Share Capital**

Ordinary Shares are classified as an equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options and buy back of ordinary shares are recognised as a deduction from equity, net of any tax effects.

g) **Foreign currency transactions**

The financial information is presented in Indian Rupee ('₹') which is also the functional currency of the Company, rounded off to nearest crores up to two decimals.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/expenses, as the case may be.

h) **Provisions and contingent liabilities**

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognized for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence

Notes to Standalone Financial Statements

for the year ended March 31, 2023

available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

i) Revenue Recognition

The company manufactures and sells a range of products to various customers. In case of contracts with customers, revenue is recognised when the significant risk and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods to the degree usually associated with the ownership, and the amount of revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable. Revenue recognised in relation to these contracts in excess of billing is recognised as a Contract Asset. In remaining cases revenue is recognised over Company's performance does not create an asset with alternative use to the Company and the entity has an enforceable right to payment for performance completed till date. Accumulated experience is used to estimate and provide for the discounts and returns and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in other current liabilities)is recognised for expected returns from the customer. Liability (included in other financial liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. Amounts disclosed as revenue are net of returns, discounts , volume rebates and net of goods and service tax. Incentives on exports are recognised in books after due consideration of certainty of utilisation / receipt of such incentives

j) Other income

a. Interest Income

Interest income is recognized on time proportion basis considering the amount outstanding and rate applicable. For all financial assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

b. Government grant

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the company will comply with the condition attached to them and (ii) the grant /subsidy will be received

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the years in which the Company recognises the related costs for which the grants are intended to compensate or when performance obligations are made.

Where the grant relates to an asset, it is recognized as deferred income and credited to income in equal amounts over the expected useful life of the related asset.

k) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard 19- Employee Benefits.

l) Borrowing costs

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalization of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption.

m) Income taxes

The income tax expense recognized in the financial statement of profit and loss comprises the sum of deferred tax and current tax not recognized in Other Comprehensive Income (OCI) or directly in equity.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax relating to items is recognized outside statement of profit and loss (i.e. in OCI or equity depending upon the treatment of underlying item).

Deferred tax liabilities are generally recognized in full for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside statement of profit and loss (in OCI or equity depending upon the treatment of underlying item).

Minimum Alternate Tax (`MAT') credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each financial statement of assets and liabilities date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income-tax during the specified period.

The Company has benefited from certain income tax incentives that the Government of India had provided for export of good or services from the units registered under the Special Economic Zones Act (SEZs), 2005. SEZ units which began the manufacturing of goods or provision of services on or after April 1, 2005 are eligible for a deduction of 100% of profits or gains derived from the export of goods or services for the first five years from the financial year in which the unit commenced the manufacturing of goods or provision of services and 50% of such profits or gains for further five years. Upto 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone Re-investment Reserve out of the profit for the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income tax Act, 1961

n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the financial year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the financial year. The weighted average number of

Notes to Standalone Financial Statements

for the year ended March 31, 2023

equity shares outstanding during the financial year is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year 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.

o) Lease

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities under financial liability in statement of financial position. (Refer Note 19)

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments"

The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Land under perpetual lease is accounted as finance lease which is recognised at upfront premium paid for the lease and the present value of the lease rent obligation. The corresponding liability is recognised as a finance lease obligation. Land under non-perpetual lease is treated as operating lease.

Operating lease payments for land are recognised as prepayments and amortised on a straight-line basis over the term of the lease. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting done to the Chief Operating Decision Maker. The Company operates in a single operating segment . The board of directors is collectively the company's 'Chief Operating Decision maker' or 'CODM' within the meaning of -Ind AS 108.

Information about Major Customers

During the year ended 31 March 2023 and 31 March 2022 respectively, there was (one customer FY2022) who has contributed to 10% or more of the company's revenue. The company is not reliant on revenue from transactions with any single external customer.

q) Significant accounting judgements, estimates and assumptions

When preparing the financial information management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

Significant judgements:

(i) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized. The recognition of deferred tax assets and reversal thereof is also dependent upon management decision relating to timing of availment of tax holiday benefits available under the Income Tax Act, 1961 which in turn is based on estimates of future taxable profits.

(ii) Contingent liabilities

The Company is the subject of certain legal proceedings which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable, and the amount of the loss can be reasonably estimated.

(iii) Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

(iv) Allowance for doubtful debts

The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealer termination rates, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognized in the financial statements.

(v) Litigation

From time to time, the Company might be subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision

Notes to Standalone Financial Statements
for the year ended March 31, 2023

for litigation is made when it is considered probable that a payment will be made, and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances

Sources of estimation uncertainty:

(i) Provisions

At each standalone statement of assets and liabilities date, basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from management's estimates.

(ii) Recoverability of advances/receivables

At each standalone statement of assets and liabilities date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

r) Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree if any. Acquisition-related costs are expensed as incurred.

At the acquisition date , the identifiable assets acquired and the liabilities assumed if any are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred (bargain purchase), the company re-assesses whether it has correctly identified all of the assets acquired an all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) an accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

s) Investments is subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognized at cost as per Ind AS 27. Except where investment accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

t) Investment and other financial assets

a. Classification

The Company classifies its financial assets in the following measurement categories:

i. those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and

ii. those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

b. Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction cost of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

u) Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the assets and the cash flow characteristics of the assets. The Company classifies it's debt instruments into following categories:

i. Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent safety payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

ii. Fair value through profit and loss: Assets that do not meet the criteria for amortised cost are measured at fair value to the statement of profit and loss. Interest income from these financial assets is included in other income.

v) Short - term employee obligation

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled

w) Other long - term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period using the projected unit credit method. The benefits are discounted using the discount rates for Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

a. Post - employment obligations

The company operates the following post employment schemes

(a) defined benefits plans such as gratuity and leave encashment, and

(b) defined contribution plans such as provident fund etc.

b. Leave and gratuity obligations

The liability or asset recognised in the balance sheet in the respect of defined benefit pension and gratuity plans in the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan asset. The define benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligations.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retain earnings in the statement of changes in equity and in the balance sheet.

c. defined contribution plans

Defined contribution plans such as provident fund etc., are charged to the Statement of Profit and Loss as and when incurred.

d. Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for this benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the Company recognises cost for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

x) Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

y) Financial assets

a) Recognition and initial measurement

The Company initially recognises loans and advances, deposits and debt securities purchased on the date on which they originate. Purchases and sale of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value. In the case of financial assets not recorded at FVTPL, transaction costs that are directly attributable to its acquisition of financial assets are included therein.

b) Classification of financial assets and Subsequent Measurement

On initial recognition, a financial asset is classified to be measured at –

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which IND AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, on sale/ disposal the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognised in statement of profit or loss. The net gain or loss recognised in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘other income’ line item. Dividend on financial assets at FVTPL is recognised when:

- The Company’s right to receive the dividends is established,
- It is probable that the economic benefits associated with the dividends will flow to the entity,
- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Impairment

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months. If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous year, but determines at the end of a reporting year that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous year, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL and Interest income is recognised in profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

A Financial liabilities and equity instruments

a) Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of directly attributable transaction costs.

c) Financial liabilities

Financial liabilities are classified as measured at amortised cost or 'FVTPL'.

A Financial Liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and

Notes to Standalone Financial Statements

for the year ended March 31, 2023

has a recent actual pattern of short-term profit-taking; or

- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IND AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with IND AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

d) **Other financial liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

e) **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting financial instrument

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle financial asset and liability on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

3. Recent accounting pronouncements.

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into following amendments in the existing Accounting Standards which are applicable from April 01, 2023.

a) Ind AS 101 – First time adoption of Ind AS – modification relating to recognition of deferred tax asset by a first-time adopter associated with (a) right to use assets and related liabilities and (b) decommissioning, restoration and similar liabilities and corresponding amounts recognised as cost of the related assets.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

b) Ind AS 102 – Share-based Payment – modification relating to adjustment after vesting date to the fair value of equity instruments granted.

c) Ind AS 103 – Business Combination – modification relating to disclosures to be made in the first financial statements following a business combination.

d) Ind AS 107 – Financial Instruments Disclosures – modification relating to disclosure of material accounting policies including information about basis of measurement of financial instruments.

e) Ind AS 109 – Financial Instruments – modification relating to reassessment of embedded derivatives.

f) Ind AS 1 – Presentation of Financials Statements – modification relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.

g) Ind AS 8 – Accounting Policies, Change in Accounting Estimates and Errors – modification of definition of 'accounting estimate' and application of changes in accounting estimates.

h) Ind AS 12 – Income Taxes – modification relating to recognition of deferred tax liabilities and deferred tax assets.

i) Ind AS 34 – Interim Financial Reporting – modification in interim financial reporting relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.

The Company is evaluating the amendments and the expected impact, if any, on the Company's financial statements on application of the amendments for annual reporting periods beginning on or after April 01, 2023.

Notes Accompanying Standalone Financial Statements

for the year ended March 31, 2023

4a. Property, plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended 31 March 2023 and 31 March 2022

(Rs. in Crores)

Description	Gross Block				Accumulated depreciation				Net carrying amount	
	Balance as at 1 April 2022	Additions	Deletions / discarded / adjustments	Balance as at 31 March 2023	Balance as at 1 April 2022	Charge for the year	Deletions / discarded / adjustments	Balance as at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Freehold Land	28.06	-	-	28.06	-			-	28.06	28.06
Leasehold Land	9.05	-	-	9.05	0.71	0.15	-	0.86	8.19	8.34
Factory buildings	64.53	13.69	(0.01)	78.21	3.14	2.14	(0.00)	5.28	72.93	61.39
Plant & Machineries	166.88	49.62	0.17	216.67	11.67	8.21	0.02	19.90	196.77	155.21
M.S.Structure & FRP Grattings	5.56	1.72	0.01	7.29	1.73	0.41	(0.00)	2.14	5.15	3.83
Quality Control Instruments	8.37	2.78	-	11.15	1.38	0.82	-	2.20	8.96	6.99
R & D Equipments	2.65	0.96	-	3.61	0.81	0.26	-	1.07	2.53	1.84
Effulent Treatment Equipments	7.67	-	(0.01)	7.66	0.45	0.38	(0.00)	0.83	6.83	7.22
Safety Equipments	3.64	0.41	0.01	4.06	0.23	0.20	(0.00)	0.43	3.63	3.41
Office Equipments	1.86	0.74	-	2.60	0.66	0.38	-	1.04	1.56	1.20
I .T Equipments	2.70	0.84	0.01	3.55	1.55	0.63	(0.00)	2.18	1.37	1.15
Motor Car	0.73	0.45	0.01	1.19	0.29	0.11	(0.00)	0.40	0.79	0.44
Furniture & Fixtures	3.46	0.18	-	-	0.75	0.33	-	1.08	2.56	2.71
Total	**305.17**	**71.38**	**0.19**	**376.74**	**23.39**	**14.01**	**0.02**	**37.42**	**339.32**	**281.78**

Description	Gross Block				Accumulated depreciation				Net carrying amount	
	Balance as at 1 April 2021	Additions	Deletions / discarded / adjustments	Balance as at 31 March 2022	Balance as at 1 April 2021	Charge for the year	Deletions / discarded / adjustments	Balance as at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Freehold Land	28.06	-	-	28.06	-	-	-	-	28.06	28.06
Leasehold Land	9.05	-	-	9.05	0.55	0.16	-	0.71	8.34	8.50
Factory buildings	17.90	46.63	-	64.53	1.67	1.47	-	3.14	61.39	16.23
Plant & Machineries	61.48	105.43	(0.03)	166.88	6.15	5.58	(0.06)	11.67	155.21	55.33
M.S.Structure & FRP Grattings	5.51	0.05	-	5.56	1.35	0.38	-	1.73	3.83	4.16
Quality Control Instruments	3.48	4.89	-	8.37	0.90	0.60	(0.12)	1.38	6.99	2.58
R & D Equipments	2.35	0.30	-	2.65	0.58	0.23	-	0.81	1.84	1.77
Effulent Treatment Equipments	0.65	7.02	-	7.67	0.21	0.24	-	0.45	7.22	0.44
Safety Equipments	0.51	3.13	-	3.64	0.11	0.12	-	0.23	3.41	0.40
Office Equipments	1.12	0.74	-	1.86	0.40	0.26	-	0.66	1.20	0.72
I .T Equipments	1.69	1.01	-	2.70	1.01	0.56	(0.02)	1.55	1.15	0.68
Motor Car	0.73	-	-	0.73	0.20	0.09	-	0.29	0.44	0.53
Furniture & Fixtures	2.63	0.83	-	3.46	0.49	0.27	(0.01)	0.75	2.71	2.14
Total	**135.17**	**170.03**	**(0.03)**	**305.17**	**13.64**	**9.96**	**(0.21)**	**23.39**	**281.78**	**121.53**

*Certain property, plant and equipment are pledged against borrowings, the details relating to which have been described in Note 18a

Notes to Standalone Financial Statements

for the year ended March 31, 2023

4(b) Right of Use Assets

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Opening	7.90	-
Additions	6.31	7.90
Deletions / discarded / adjustments	(3.20)	-
	11.01	**7.90**
Less: Accumulated Amortization		
Opening balance	4.71	3.05
Charge for the year	1.89	1.66
Deletions	(2.31)	-
	4.29	**4.71**
Net Carrying Amount	**6.72**	**3.19**

5. Capital Work in Progress

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Opening	10.62	114.65
Additions	98.14	66.03
Capitalised during the year	(72.92)	(170.06)
Closing	**35.84**	**10.62**

CWIP aging schedule as on March 31, 2023

(Rs. in Crores)

CWIP	Amount in CWIP For a period of		Total
	Less than 1 year	1-2 years	
Projects in progress*	35.84	-	35.84

CWIP aging schedule as on March 31, 2022

(Rs. in Crores)

CWIP	Amount in CWIP For a period of		Total
	Less than 1 year	1-2 years	
Projects in progress*	10.26	0.36	10.62

* Project in progress consists amount of Rs 1.32 crores of intangible assets (software) under capital work in progress

Note: There were no assets/projects forming part of CWIP, which have become overdue compared to their original plans or where costs are exceeded compared to original plans.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

6. Intangible assets

Following are the changes in the carrying value of Intangible assets for the year ended March 31, 2023 and the year ended March 31, 2022

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
SOFTWARE and CONSULTANCY		
Opening	0.36	0.46
Additions	1.55	0.03
Deletions / discarded / adjustments*	-	(0.13)
	1.91	**0.36**
Less: Accumulated Amortization		
Opening balance	0.20	0.13
Charge for the year	0.30	0.07
Deletions	-	-
	0.50	**0.20**
Net Carrying Amount	**1.41**	**0.16**

* Reclassified to property , plant and equipment under plant & machinery

7. Non-current financial assets - Investments (measured at cost)

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in Partnership Firm - Dhara Fine Chem Industries	0.45	0.45
Total	**0.45**	**0.45**

8. Non-current other financial assets

(Unsecured, considered good)

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits	7.47	8.48
Total	**7.47**	**8.48**

9. Other non-current assets

(Unsecured, considered good)

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	3.71	1.60
Prepaid expenses	2.75	-
Total	**6.46**	**1.60**

Notes to Standalone Financial Statements

for the year ended March 31, 2023

10. Inventories

(valued at lower of cost and net realisable value)

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
- Raw materials*	32.03	36.38
- Work in Progress*	190.94	141.18
- Finished goods*	58.89	11.91
- Stores & Spares	5.57	2.75
- Fuel	0.26	0.13
- Packing	5.27	2.24
Total	**292.97**	**194.59**

* Hypotheciated with Banks for Working Capital Facilities

11. Current Investments

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Quoted Investment in Growth mutual funds	-	60.57
Unquoted Investment in State Government bonds	-	5.17
Unquoted Investment in Inter Corporate deposits	76.06	15.02
	76.06	**80.76**
Aggregate amount of quoted investments	-	60.18
Market value of quoted investments	-	60.57
Aggregate amount of unquoted investments	76.06	20.19
Aggregate amount of impairment in value of investments	-	-

12. Trade Receivables*

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good, secured	2.15	1.96
Considered good, unsecured	175.22	107.54
Trade receivable which have significant increase in risk	0.90	0.21
Trade receivable, credit impaired	-	-
Less: Loss allowance	(0.90)	(0.21)
Total	**177.38**	**109.50**

* Hypothecated with Banks

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Trade Receivable Aging schedule as on March 31, 2023

(Rs. in Crores)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 6 months	6 months - 1 year	1-2 years	More than 2 years	
Undisputed trade receivables - considered good	85.93	6.07	1.93		93.94
Undisputed trade receivable which have significant increase in risk	-	-	0.25	0.65	0.90
Undisputed trade receivable, credit impaired	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-
Disputed trade receivable which have significant increase in risk	-	-	-	-	-
Disputed trade receivable, credit impaired	-	-	-	-	-
Total	**85.93**	**6.07**	**2.18**	**0.65**	**94.84**
Less: Loss Allowance	-	-	(0.25)	(0.65)	(0.90)
Total current trade receivables	**85.93**	**6.07**	**1.93**	**-**	**93.94**

Note: Amount not due is Rs.83.44 crores

Trade Receivable Aging schedule as on March 31, 2022

(Rs. in Crores)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 6 months	6 months - 1 year	1-2 years	More than 2 years	
Undisputed trade receivables - considered good	20.57	2.33	0.06	-	22.95
Undisputed trade receivable which have significant increase in risk	-	-	-	0.58	0.58
Undisputed trade receivable, credit impaired	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-
Disputed trade receivable which have significant increase in risk	-	-	-	-	-
Disputed trade receivable, credit impaired	-	-	-	-	-
Total	**20.57**	**2.33**	**0.06**	**0.58**	**23.53**
Less: Loss Allowance				(0.21)	(0.21)
Total current trade receivables	**20.57**	**2.33**	**0.06**	**0.37**	**23.32**

Note: Amount not due is Rs. 86.18 crores

Notes to Standalone Financial Statements

for the year ended March 31, 2023

13a. Cash and cash equivalents

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with banks :		
- in current account	18.03	32.66
Cash in hand	0.19	0.14
Total	**18.22**	**32.80**

13b. Bank balances other than those disclosed in Note 13a above

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
- - in deposit accounts held as margin money against Bank Guarantee & Letter of credit	2.48	12.42
Unclaimed dividend	0.00	0.00
Total	**2.48**	**12.42**

14a. Loans

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Loan to Related Parties - Dhara Fine Chem Industries (Joint Venture)*	0.30	0.60
Loan to employees	0.47	0.24
Total	**0.77**	**0.84**

* Refer Note 38 - Related Party Disclosures

14b. Other Current financial assets

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(Measured at Amortised Cost)		
Loans and Advances to employees	0.01	0.14
Advances to related parties	0.51	-
Contract assets	33.58	36.18
(Asset measured at Fair Value through Profit or loss)		
Derivative Asset for Forwards Contracts	(0.14)	3.91
Total	**33.95**	**40.23**

15. Other current assets

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances to Trade Creditors	27.44	5.06
Balances with Government Authorities	21.33	12.80
Prepaid expenses	5.63	4.06
Total	**54.40**	**21.92**

Notes to Standalone Financial Statements
for the year ended March 31, 2023

16. Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Shares	(Rs. in Crores)	No of Shares	(Rs. in Crores)
Authorised				
Equity Shares of Rs.10/- each	2,50,00,000	25.00	2,50,00,000	25.00
10% Optionally Convertible Preference Shares of Rs.100/- each .	5,00,000	5.00	5,00,000	5.00
9.80% Fully Reedemable Cummulative Preference Shares of Rs.100/- each	20,00,000	20.00	20,00,000	20.00
		50.00		**50.00**
Issued, Subscribed and Fully Paid up				
Equity Shares of Rs.10/- each fully paid-up	2,49,39,316	24.94	2,49,39,316	24.94
10% Optionally Convertible Preference Shares of Rs.100/- each**	-	-		
9.80% Fully Reedemable Cummulative Preference Shares of Rs.100/- each **	-	-	-	-
	2,49,39,316	**24.94**	**2,49,39,316**	**24.94**

** On transition to Ind AS as per Ind As 109 the same has been considered under Long Term Borrowings.

16.1 The reconciliation of the number of shares outstanding is set out below:

(Rs. in Crores)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Shares	(Rs. in Crores)	No of Shares	(Rs. in Crores)
At the beginning of the year				
Equity Shares outstanding at the beginning of the year	2,49,39,316	24.94	2,33,34,606	23.33
Add: Issued during the year		-		-
Conversion of OCPS to Equity		-		-
Equity shares alloted	-	-	16,04,710	1.60
At the end of the year				
Equity Shares outstanding at the end of the year	**2,49,39,316**	**24.94**	**2,49,39,316**	**24.94**

16.2 Rights, Preferences & Restriction of each class of shares

(a) The Company has only one class of equity shares having a face value of Rs. 10 per share. Each Shareholder is eligible for one vote per share.

During the year the company issued 16,04,710 equity shares of Rs 10/- each on preferential basis at a premium of Rs @ 1392.12/- per share to the identified investors and the shares were alloted on January 6, 2022 and listed at BSE on January 14,2022 and at NSE on January 13, 2022.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

16.3 Details of Equity shares held by each equity shareholder holding more than 5% shares:

Class of Shares / Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with Voting Rights				
Mr. Haridas Kanani	1,19,00,078	47.72%	1,19,00,078	47.72%
Dr. Harin H Kanani	20,00,000	8.02%	20,00,000	8.02%
SBI Mutual Fund under its various Schemes	17,92,807	7.19%	17,69,339	7.09%
Axis Mutual Fund under its various schemes	17,81,325	7.14%	17,95,455	7.20%

16.4 Details of Equity shares held by promoters and promoter group at the end of the year

Shares held by promoters and promoter group at the end of the year						
Promoter Name	Entity Type	As at March 31, 2023		As at March 31, 2022		% Change during the year*
		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mr. Haridas Kanani	Promoters	1,19,00,078	47.72%	1,19,00,078	47.72%	0.00%
Dr. Harin H Kanani	Promoters	20,00,000	8.02%	20,00,000	8.02%	0.00%
Beena Haridas Kanani	Promoter Group	1,00,309	0.40%	1,00,309	0.40%	0.00%
Pratik Kishor Malia	Promoter Group	1,300	0.01%	2,233	0.01%	0.00%
Malia Harshida Kishor	Promoter Group	2,000	0.01%	2,000	0.01%	0.00%
Vanita Madhwani	Promoter Group	2,000	0.01%	2,000	0.01%	0.00%
Asha Deepak Dalal	Promoter Group	1,990	0.01%	1,990	0.01%	0.00%
Charulata Bharatkumar Reshamwala	Promoter Group	1,062	0.00%	1,062	0.00%	0.00%
Amritlal Thakarsi Kanani	Promoter Group	1,000	0.00%	1,000	0.00%	0.00%
Arun Krishnalal Gandhi	Promoter Group	1,000	0.00%	1,000	0.00%	0.00%
Rashmikant Krishnalal Gandhi	Promoter Group	1,000	0.00%	1,000	0.00%	0.00%
Pallika Haridas Kanani	Promoter Group	9,98,000	4.00%	9,98,000	4.00%	0.00%

Notes to Standalone Financial Statements

for the year ended March 31, 2023

17. Other Equity

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
General Reserve	3.50	3.50
Retained Earnings (including other comprehensive income)	170.07	126.78
Securities Premium	276.64	276.64
Capital Reserve on Business Combination	7.20	7.20
Special Economic zone Re-investment reserve account	0.26	0.26
Total	**457.67**	**414.38**
General Reserve		
Opening balance	3.50	3.50
Add: Additional during the year	-	-
Closing balance	**3.50**	**3.50**
Retained Earnings		
Opening balance	126.78	88.27
Add: Profit/(loss) for the year	50.04	44.72
Other comprehensive income /(loss) (net of taxes)	0.28	(0.28)
Less:		
Dividend on Equity Shares	6.86	5.25
Others	0.18	0.68
Special Economic zone Re-investment reserve account	-	-
Closing balance	**170.07**	**126.78**
Securities Premium		
Opening balance	276.64	60.56
Add: during the year	-	216.08
Closing balance	**276.64**	**276.64**
Special Economic zone Re-investment reserve account		
Opening balance	0.26	0.26
Add : Transferred from Profit/ (loss) for the year	-	-
Closing balance	**0.26**	**0.26**

Nature	Purposes of other Reserves
General Reserve	This represents accumulated free reserves of the company
Retained Earnings	All the profit or losses made by the company are transferred to statement of P & L from Standalone statement of profit & losses
Capital Redemption Reserve-FRCPS	This reserve represents provision made out of current year profit for the purpose of redemption of fully redeemable preference shares
Capital Redemption Reserve-OCPS	This reserve represents provision made out of current year profit for the purpose of redemption of optionally convertible preference shares
Capital Reserve on Business Combination	This represents the capital reserve on account of business combination purchase of unit of Solaris Chemtech industries ltd.
Securities Premium	Securities premium account is created when shares are issued at a premium. The reserve can be utilised in accordance with the provisions of the Companies Act , 2013

Notes to Standalone Financial Statements

for the year ended March 31, 2023

18. Borrowings

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured (at amortised cost)		
Term loans from Banks and Financial Institutions*	129.08	121.52
Total	**129.08**	**121.52**

* Refer Note 40 for Company's exposure to liquidity risk and interest rate risk

18a.

(Rs. in Crores)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non - current	Current	Non - current	Current
Loans				
Term Loan	129.08	28.93	121.52	27.01
Working Capital	-	204.20	-	76.20
Total	**129.08**	**233.13**	**121.52**	**103.21**

Particulars	As at March 31, 2023		As at March 31, 2022		Security
	Non - current	Current	Non - current	Current	
Loan outstanding at year end	129.08	28.93	121.52	27.01	First Pari passu charge on all immovable properties and movable assets both present and future located at Mahape, Karakhadi and Dahej SEZ
Terms of repayment	Installment of 1-3 years Rs. 72.68 crores, 3-5 years Rs.45.01 crores, Above 5 years Rs. 11.39 crores		Installment of 1-3 years Rs. 97.93 crores, 3-5 years Rs.23.59 crores		

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Working capital loans from banks		
Rupee loan	200.81	-
Foreign currency loan	3.40	76.20
Total	**204.20**	**76.20**

Working capital loans of Rs 150.20 crores (Rs. 76.20 crores as at 31 March 2022) are secured by:

i) First *Pari passu* charge by way of hypothecation of stocks of raw materials, finished goods, work-in-process and book debts / receivables of the Company, both present and future.

ii) First *Pari passu* charge on movable properties and immovable properties forming part of the fixed/blocked assets of the Company, both present and future except such properties as may be specifically excluded and except GECL facility from HDFC Bank Limited wherein Second Pari Passu charge is created on movables and immovables.

Working Capital Loans of Rs. 54.00 Crores (Nil as at 31 March 2022) are unsecured.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

19. Other Non - Current Financials Liabilities

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Retention Money (measured at amortised cost)	2.00	2.00
Other Non - Current Financials Liabilities	1.76	1.80
Total	**3.76**	**3.80**

20. Long-term provisions

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits (Refer Note 39)		
Gratuity	0.94	1.38
Compensated Absences	3.71	2.66
Total	**4.65**	**4.04**

21. Deferred Tax Liabilities (Net)*

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax effect of items constituting deferrred tax (assets) / liabilities		
Provision for employee benefits	(1.96)	(1.76)
Long term borrowing	-	(0.24)
Property, Plant & Equipment	28.11	21.09
Prov for doubtful debts	(0.26)	-
MAT credit	(6.87)	(8.48)
Total	**19.02**	**10.61**

* Inclusive of Other comprehensive Income Tax

22. Current financial liabilities - Borrowings

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(at amortised cost) *		
Current maturities of long-term debt	28.93	27.01
Loans repayable on demand -Banks**	155.32	76.20
Cash credit facilities**	48.89	-
Total	**233.13**	**103.21**

* Refer Note 40 for Company's exposure to liquidity risk and interest rate risk

** Working Capital loans of Rs. 54.00 Crores (Nil as at 31 March 2022) are unsecured.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

23. Trade payables

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Due to Micro, Small and Medium Enterprises*	4.37	6.15
Due to other than Micro, Small and Medium Enterprises	152.18	92.73
Total	**156.56**	**98.88**

* The Company has compiled list of suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 on the basis of confirmation received from parties. Based on current information/confirmations available with the company, the overdues payable to suppliers who are registered under the relevant Act as at 31st March, 2023 & 31st March, 2022 are as below:

The disclosure as per Micro, Small and Medium enterprises development Act, 2006 (MSMED Act 2006)

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
a) (i) Principal amount unpaid as on March 31	2.17	-
a) (ii) Interest amount due as on March 31	0.07	-
b) Total interest paid on all delayed payments during the year under the provision of the Act	-	-
c) Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this act	-	-
d) Interest accrued but not due	-	-
e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

Trade Payables Ageing schedule as on 31st March , 2023

(Rs. in Crores)

Particulars	Outstanding for following periods from due date of payment			Total
	Less than 1 year	1-2 years	2-3 years	
(i) M S M E	-	-	-	-
(ii) Others	71.12	0.34	0.03	71.49
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-
Total	**71.12**	**0.34**	**0.03**	**71.49**

Note: Amount not due is Rs. 85.07 crores

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Trade Payables Ageing schedule as on 31st March , 2022

(Rs. in Crores)

Particulars	Outstanding for following periods from due date of payment			Total
	Less than 1 year	1-2 years	2-3 years	
(i) M S M E	-	-	-	-
(ii) Others	22.97	1.25	0.01	24.23
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-
Total	**22.97**	**1.25**	**0.01**	**24.23**

Note: Amount not due is Rs. 74.65 crores

24. Other Current financial liabilities

(measured at Amortised Cost)

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Others payables	6.58	3.01
Salary payable	5.57	2.78
Other Deposits	0.03	2.28
Deferred revenue income	0.23	1.80
Unpaid dividend	0.00	0.00
Total	**12.41**	**9.87**

* Refer Note 40 for Company's exposure to liquidity risk and interest rate risk

25. Other current liabilities

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payables (includes TDS, PF, WCT, Others)	1.54	2.11
Total	**1.54**	**2.11**

26. Short-term provisions

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits (Refer Note 39)		
Gratuity	1.84	1.50
Compensated Absences	0.24	0.37
Total	**2.08**	**1.87**

Notes to Standalone Financial Statements

for the year ended March 31, 2023

27 Leases

(Rs. in Crores)

Particulars	As at March 31, 2023 Amount	As at March 31, 2022 Amount
Lease commitments as at beginning of year	4.02	5.74
Add/(less): contracts reassessed as lease contracts	6.31	-
Add/(less): adjustments on account of extension/termination	(3.03)	(1.72)
Lease liabilities as at end of year	7.30	4.02
Current lease liabilities	2.27	2.07
Non current lease liabilities	5.03	1.95

27.1 (i) As Lessee

(A) dditions to right of use assets

Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property.

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment owned	-	-
Right-of-use assets, except for investment property	6.31	6.31

(B) Carrying value of right of use assets at the end of the reporting period

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Right-of-use assets, except for investment property		
Office premises at Baroda	0.09	0.15
Warehouse at Navi Mumbai	0.95	1.83
Office premises at Thane	5.68	1.21
	6.72	**3.19**

(C) Maturity analysis of lease liabilities

(Rs. in Crores)

Maturity analysis – contractual undiscounted cash flows	As at March 31, 2023	As at March 31, 2022
Less than one year	2.27	2.07
One to five years	5.03	1.95
More than five years	-	-
Total undiscounted lease liabilities	**7.30**	**4.02**
Lease liabilities included in the statement of financial position at the year end	-	-
Current	2.27	2.07
Non-Current	5.03	1.95

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(D) Amounts recognised in profit or loss

(Rs. in Crores)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest on lease liabilities	0.52	0.49
Variable lease payments not included in the measurement of lease liabilities	-	-
Income from sub-leasing right-of-use assets	-	-
Expenses relating to short-term leases	1.97	2.22
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-

(E) Amounts recognised in the statement of cash flows

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total cash outflow for leases	5.19	4.62

27.1 (ii) As Lessor

(A) Operating Lease

The Company has not entered into operating leases on its office buildings.

(B) Finance Lease

The Company has no finance leases for various items of plant and machinery.

28. Revenue from operations

(Rs. in Crores)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Sale of products comprises Manufactured goods of Chemicals	660.48	474.94
Other Operating Revenue	25.71	12.31
Total revenue from operations	**686.18**	**487.25**

29. Other income

(Rs. in Crores)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest from banks on Fixed Deposits	0.27	0.19
Unrealised Gain on fair valuation of Quoted Investment	-	0.39
Interest income-others	3.56	0.36
Other Non Operating Income:		
Interest on loan from Partnership firm	0.04	0.05
Share of Profit from Partnership firm	0.09	0.17
Others	0.67	0.18
Total	**4.63**	**1.34**

Notes to Standalone Financial Statements

for the year ended March 31, 2023

30. Cost of Materials Consumed

(Rs. in Crores)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Opening stock	36.38	27.40
Purchases	480.91	352.75
	517.28	**380.15**
Less: Closing stock	32.03	36.38
Cost of raw material consumed	**485.26**	**343.77**

31. Changes in inventories of finished goods and work in progress

(Rs. in Crores)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Opening Stock :		
Finished Goods	11.91	5.62
Work-in-Process	141.18	78.67
Less:		
Closing Stock:		
Finished Goods	58.89	11.91
Work-in-Process	190.94	141.18
Changes In Inventories:		
Finished goods	(46.98)	(6.29)
Work-in-Process	(49.77)	(62.51)
Changes in inventories of finished goods and work in progress	**(96.75)**	**(68.80)**

32. Employee benefits expense

(Rs. in Crores)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Salaries, wages and bonus	38.19	25.36
Contribution to provident and other funds (refer note 39)	5.31	4.55
Staff welfare	3.32	1.59
Total	**46.82**	**31.50**

33. Finance costs

(Rs. in Crores)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest expenses on borrowings	23.18	17.22
Interest on leases	0.52	0.58
Other finance cost and bank charges	5.24	1.28
	28.94	**19.08**

Notes to Standalone Financial Statements

for the year ended March 31, 2023

34. Other expenses

(Rs. in Crores)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Conversion Charges	12.82	8.02
Contract Labour charges	12.26	8.56
Fuel & Power	31.23	20.30
Quality Control Expenses	5.65	4.10
Research and Development Expenses	5.66	4.70
Consumption of Packing Material	5.81	5.88
Other Production Expenses	30.40	20.95
Exhibition Expenses	3.09	0.76
Other Marketing Expenses	2.85	0.99
Clearing Charges	4.75	4.49
Provision for doubtful debts	0.69	
Sea & Air Freight (Export) Expenses	8.19	2.53
Other Selling & Distribution Expenses	0.15	2.35
Professional Fees	7.27	4.33
Miscellaneous Expenses	0.07	0.17
Other Admin Expenses	7.19	5.28
CSR and CER Expenses	1.12	0.78
Total	**139.23**	**94.19**
Payment to auditors(excluding applicable taxes) (included in professional fees)		
Audit Fees and Limited Review	0.22	0.22
Tax Audit Fees	0.04	0.05
Other Fees	0.00	0.02
Total	**0.26**	**0.29**

35. Other Comprehensive Income

(Rs. in Crores)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Items that will not be reclassified to profit or loss		
(i) Remeasurements of the defined benefit plans (net of tax)	0.39	(0.40)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.11)	0.12
Total	**0.28**	**(0.28)**

Notes to Standalone Financial Statements

for the year ended March 31, 2023

36. Earnings per Share

Particulars	As at March 31, 2023	As at March 31, 2022
Profit attributable to equity shareholders*	50.05	44.72
Weighted average number of equity shares for calculation of basic and diluted earnings per share (Nos.)	2,49,39,316	2,49,39,316
Nominal value per share (Rs.)	10	10
Earnings per share (face value of Rs. 10)		
Basic	20.07	18.74
Diluted	20.07	18.74

*Profit figures are Rs. in Crores

37. Contingent Liabilities and Commitments

(Rs. in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
(I) Contingent Liabilities		
Contingent liability for Letters of Credit issued by the Bank and Bank Guarantee for Excise,Customs etc.		
(i) Letter of credit / Bank Guarantee	9.65	6.53
(ii) Bill discounted / Cheques purchased	2.87	14.10
Total	**12.52**	**20.63**
(II) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	14.64	52.45

38. Related Party Transaction

(A) Relationships :

In accordance with the requirements of Indian AccountIng Standard (Ind AS-24) on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by management are as follows:

(a) Wholly owned subsidiary Company

Neogen Ionics Limited (with effect from 29-March-2023)

(b) Where Joint control exists :

Dhara Fine Chem Industries (Partnership Firm in which Company is holding 90% Share)

Notes to Standalone Financial Statements
for the year ended March 31, 2023

(c) Key Management Personnel & Directors:

Particulars	Designation
Key Managerial Personnels (KMP's)	
Haridas Kanani	Chairman and Managing Director
Dr. Harin Kanani	Managing Director
Shyamsunder Upadhyay	Whole time Director
Ketan Vyas	CFO
Unnati Kanani	Company Secretary
Directors	
Anurag Surana	Non- Executive and Non-Independent Director
Sanjay Mehta	Independent Director
Hitesh Reshamwala	Independent Director
Prof. Ranjan Kumar Malik	Independent Director
Avi Sabavala	Independent Director

(d) Relatives of key management personnel and their enterprises, where transaction have taken place.

Particulars	Name of Interested Director
Kagashin Global Network Private Ltd	Anurag Surana
OCS Services (India) Private Limited	Hitesh Reshamwala

(d) Other Related Parties :
Nil

(B) Transactions with related parties:

(Rs. in Crores)

Particulars	March 31, 2023	March 31, 2022
Transaction during the year		
Income		
Share of Profit - Dhara Fine Chem Industries	0.10	0.18
Interest Received - Dhara Fine Chem Industries	0.09	0.09
Sales - Dhara Fine Chem Industries	-	0.01
Expenses		
Job work charges - Dhara Fine Chem Industries	1.33	1.43
Purchase - Dhara Fine Chem Industries	0.05	0.24
Professional Fees /SEIS License		
Kagashin Global Network Private Ltd	1.05	0.96
OCS Services (India) Private Limited	-	0.69
Reimbursement of Travelling Exps		
Kagashin Global Network Private Ltd	0.35	0.01

(Rs. in Crores)

Particulars	March 31, 2023	March 31, 2022
Directors and Key Management Personnel :		
Sitting Fees paid to directors		
Sanjay Mehta	0.03	0.03
Hitesh Reshamwala	0.03	0.03
Avi Sabavala	0.02	0.03
Prof. Ranjan Kumar Malik	0.02	0.02
Payment made to KMP's		
Remuneration	3.87	2.49
Commission	0.72	-
Balances o/s at the year end		
Entity Where Joint control exists :		
Outstanding Loan	0.30	0.60
Relatives of key management personnel and their enterprises;		
Balance payable towards services	0.27	0.77

39. Employee Benefit Expenses

i Defined Contribution Plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Statutory Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions.

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
The Company has recognized the following amounts in the Statement of Profit and Loss for the year:		
Employers' Contribution to Provident Fund	2.35	1.89
Employers' Contribution to Employees' Pension Scheme, 1995	0.56	0.54
Total	**2.91**	**2.43**

ii Defined Benefit Plan

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Gratuity Plan:

(a) Asset/(Liability) recognized in Standalone statement of assets and liabilities

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Present value of obligation at end of the year	(4.04)	(3.91)
Fair value of Plan Assets	1.26	1.03
Net assets/(liability) recognized in Standalone statement of assets and liabilities as provision	**(2.78)**	**(2.88)**

Notes to Standalone Financial Statements
for the year ended March 31, 2023

(b) Amount recognized in the Standalone statement of profit and loss is as under:

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Current Service Cost	0.54	0.37
Net Interest Cost	0.21	0.15
Expense Recognized in the Income Statement	**0.75**	**0.52**

(c) Amount recognized in other comprehensive income as under:

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Actuarial (Gain)/Loss for the year on defined benefit obligation	(0.36)	0.40
Actuarial (Gain)/Loss for the year on plan assets	(0.04)	0.06
Net (Income)/Expense Recognized in the Income Statement	**(0.40)**	**0.45**

(d) Movement in liability recognized in the Standalone statement of assets and liabilities as under:

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Present Value of defined benefit obligation as at the start of the year	3.91	3.20
Current Service Cost	0.54	0.37
Interest Cost	0.29	0.22
Actuarial loss/(gain) recognized during the year	(0.36)	0.40
Benefits paid	(0.34)	(0.28)
Present Value of defined benefit obligation as at the end of the year	**4.04**	**3.91**

(e) Movement in plan assets recognized in the Standalone statement of assets and liabilities as under:

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Fair Value of plan assets at beginning of year	1.03	1.07
Interest Income	0.08	0.07
Expected return on plan assets - %	7.49%	7.29%
Employer's Contribution	0.45	0.22
Benefits Paid	(0.34)	(0.28)
Actuarial (Gain)/Loss on plan asset	0.04	(0.06)
Fair Value of plan assets at end of year	1.26	1.03

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(f) Breakup of Actuarial (Gain)/Loss on Defined Benefit Obligation:

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Actuarial (Gain)/Loss on arising from change in demographic assumption	-	(0.00)
Actuarial (Gain)/Loss on arising from change in financial assumption	(0.07)	(0.08)
Actuarial (Gain)/Loss on arising from change in experience adjustments	(0.29)	0.48
Total Actuarial (Gain)/Loss	**(0.36)**	**0.40**

(g) Actuarial Assumption:

Description	As at March 31, 2023	As at March 31, 2022
Expected Return on Plan Assets	7.49%	7.29%
Discount Rate	7.49%	7.29%
Future Salary Increase	6.00%	6.00%
Rate of Employee Turnover - (service of more than 5 years)	2.00%	2.00%
Rate of Employee Turnover - (service of upto 5 years)	6.00%	6.00%
Expected Average remaining working lives of employees (years)	16	16

(h) Sensitivity analysis for gratuity liability:

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Impact of the change in discount rate		
Present value of obligation at the end of the year	4.04	3.91
- Impact due to increase of 1 %	(0.32)	(0.27)
- Impact due to decrease of 1 %	0.37	0.31
Impact of the change in Salary increase		
Present value of obligation at the end of the year	4.04	3.91
- Impact due to increase of 1 %	0.31	0.28
- Impact due to decrease of 1 %	(0.29)	(0.25)
Impact of the change in Employee Turnover		
Present value of obligation at the end of the year	4.04	3.91
- Impact due to increase of 1 %	0.03	0.02
- Impact due to decrease of 1 %	(0.03)	(0.03)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(i) Maturity Profile of defined benefit obligation: (from the fund)

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Within next 12 months	0.17	0.66
Between 1-5 years	1.47	0.94
Beyond 5 years	7.52	6.35

(j) Category of Plan Assets:

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Insurance Fund	1.26	1.03
Percentage of present obligation covered under Insurance Fund	[31.25%]	[26.31%]
Total	**1.26**	**1.03**

(iii) Other long-term employee benefits

Compensated Absences:

Provision in respect of leave encashment benefits has been made based on actuarial valuation carried out by an independent actuary at the Balance sheet date using Projected Unit Credit method. During the year following is recognized as expense in statement of profit & loss a/c.

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Expense/(Income) to be recognized in Profit & Loss A/c	0.92	1.01
Total	**0.92**	**1.01**

40. Financial Risk Management Framework

A Capital Market

For the purpose of the entity's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the company. The primary objective of the entity's capital management is to maximise the shareholder value. The entity manages its capital structure and make adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the entity may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The entity monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The entity's policy is to keep an optimum gearing ratio.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

B Financial Risk Management

The Company's activities primarily expose it to various risks such as Market Risks, Credit Risk and Liquidity Risk. Those are explained below:

i) Market Risk

Market Risks arise due to Changes in Interest rates, Foreign Exchange rates and changes in Market prices. These are explained below:

Interest Rate Risks

The Company borrows funds in Indian Rupees, to meet short term funding requirements. Interest on Short term borrowings is subject to floating interest rate and are repriced regularly and hence the Company is exposed to Interest rate risks. However, since the borrowings are not significant, the Company does not see any major risk.

If the interest rates had been 1% higher / lower and all other variables held constant, impact on the Company's profit for the year ended 31st March, 2023 will not be significant.

Foreign Currency Risks

The entity has international transaction and is expected to foreign currency risk arising from foreign currency transaction (Exports & Imports)

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency.

The company as per its overall strategy uses forward contracts and swap to mitigate its risks associated with fluctuations in foreign currency and such contracts are not designated as hedge under Ind AS 109.

a Exposure in foreign currency - Unhedged

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 and Speculation purposes.

The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise on balance sheet date is as under:

(Rs. in Crores)

Particulars	Nature of Foreign currency	As at March 31, 2023		As at March 31, 2022	
		Amt in foreign currency	Amt in INR	Amt in foreign currency	Amt in INR
Trade Receivables & Other financial assets	USD	-	-	0.03	2.78
Borrowings	USD	0.03	2.75	0.93	70.52
Borrowings	EURO	0.01	0.61	0.07	5.68
Trade Payable and other financial liabilities	EURO	-	-	0.01	0.84

Notes to Standalone Financial Statements

for the year ended March 31, 2023

(Rs. in Crores)

Particulars	As at March 31, 2023 Effect on profit before tax /pre - tax equity	As at March 31, 2022 Effect on profit before tax /pre - tax equity
Trade Receivables & Other financial assets		
Change in USD rate (+/- 5%)	-	0.14
Borrowings, Trade Payables and other financial liabilities		
Change in USD rate (+/- 5%)	(0.14)	(3.53)
Change in Euro rate (+/- 5%)	(0.03)	(0.03)

Currency Risk

The company is exposed to the exchange rate risk as a significant portion of our revenues and expensditure are denominated in foreign currencies. We import certain raw materials the price of which we are required to pay in foreign currency, which is mostly the U.S Dollar or Euro. Products that we export are paid for in foreign currency, which together acts as natural hedge. Any appreciation/depreciation in the value of the Rupees against U.S dollar, Euro , or other foreign currencies would Increase / decrease the Rupee value of debtors/ creditors. To a certain extent the Company uses foreign exchange forward contracts to minimise the risk.

The carrying amount of the Company's hedged Foreign currency exposure at the end of the reporting periods are as follows:

(Rs. in Crores)

Particulars	Nature of Foreign currency	As at March 31, 2023		As at March 31, 2022	
		Amt in foreign currency	Amt in INR	Amt in foreign currency	Amt in INR
Trade Receivables & Other financial assets	USD	0.46	37.48	0.17	12.69
Trade Receivables & Other financial assets	EURO	0.03	2.42	0.03	2.70
Borrowings	USD	0.03	2.75	0.93	70.52
Borrowings	EURO	0.01	0.61	0.07	5.68
Trade Payable and other financial liabilities	USD	0.78	65.59	0.45	34.64
Trade Payable and other financial liabilities	EURO	-0.01	-0.79	0.01	0.84

(Rs. in Crores)

Particulars	As at March 31, 2023 Effect on profit before tax	As at March 31, 2022 Effect on profit before tax
Trade Receivables & Other financial assets		
Change in USD rate (+/- 5%)	1.87	0.63
Change in Euro rate (+/- 5%)	0.12	0.13
Borrowings, Trade Payables and other financial liabilities		
Change in USD rate (+/- 5%)	(3.42)	(5.26)
Change in Euro rate (+/- 5%)	(0.01)	(0.33)

Notes to Standalone Financial Statements
for the year ended March 31, 2023

Price Risks

The Company does not have much exposure to price risk due to annual contracts and pass through mechanism for imports

Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the entity.

The entity's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortized cost.

The entity continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

None of the financial instruments of the Company result in material concentrations of credit risk. The company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

Liquidity Risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The entity's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the entity's liquidity position and cash and cash equivalents on the basis of expected cash flows. The entity takes into account the liquidity of the market in which the entity operates.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

Particulars	Balance As at March 31, 2023	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long term Borrowings	158.01	28.93	72.68	45.01	11.39
Short term borrowing*	204.20	204.20			
Trade Payable	156.56	156.56			
Statutory dues payable	1.54	1.54			
Other Liabilities	6.58	6.58			

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Particulars	Balance as on 31 March 2022	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long term Borrowings	148.53	27.01	97.93	23.59	-
Short term borrowing*	76.20	76.20			
Trade Payable	98.88	98.88			
Statutory dues payable	2.11	2.11			
Other Liabilities	3.01	3.01			

41. Operating Lease

The Company has taken office premises, factory land under operating lease. These are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free deposits in accordance with the agreed terms. These Lease have terms of between 1 years to 5 years.

The following rent expenses recognized:

(Rs. in Crores)

Year Ended	March 31, 2023	March 31, 2022
Within one year	1.97	2.76

42. Operating Segment Disclosure

The company is in the business of Manufacturing of speciality Chemicals and accordingly has one reportable business segment

Geographical Information

(Rs. in Crores)

Particulars		March 31, 2023	March 31, 2022
Revenue from External Customers	India	354.86	270.85
	Overseas includes Deemed Export	331.32	216.40
	Total	**686.18**	**487.25**

43. Additional Regulatory Information Required by Schedule III

a) All the title deeds of Immovable properties (other than properties where the Company is the lessee and lease agreements are duly executed in favour of the lessee) are held in the name of the company and the properties are not held in joint name.

b) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

c) The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

d) The Company has not revalued its intangible assets and accordingly the revaluation as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.

e) The company has not granted loans or advances to its promoters, directors and KMPs and for related parties disclosures refer note 38.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

f) The company has borrowings from banks on the basis of security of current assets and the reconciliation and reasons of material discrepancies are given below

Quarter ended	Particulars	Amount as per books of account of the Company (after Accounting Impact)	Amount as reported in the quarterly return / statement	Amount of difference
31 March 2023	Trade receivables	177.38	177.75	(0.37)
	Inventories	281.40	303.58	-
	Other current assets	22.18		
31 December 2022	Trade receivables	221.41	219.81	1.60
	Inventories	294.76	307.68	-
	Other current assets	12.92		
30 September 2022	Trade receivables	164.12	161.65	2.47
	Inventories	281.55	308.37	-
	Other current assets	26.82		
30 June 2022	Trade receivables	185.64	171.60	14.04
	Inventories	238.75	272.84	-
	Other current assets	34.09		

Reason for differences:

There was no material discrepancies between amount reported in the quarterly return and amount as per books of account. However, there was some immaterial discrepancies due to following reason;

- The company has to submit its data to bank within stipulated time lines. Accordingly, the data prevailing as on these reporting dates into books of accounts are submitted to banks for managing compliances and borrowing facility usage.
- Amount as per books of account are after due verification, limited review by Statutory auditors and corrective entries. This generally happens only after the due dates of data submission to bank have passed.

Due to the above facts, there was an identified differences in data submitted to banks and data as per books of accounts."

g) Wilful defaulter

The company is not declared a wilful defaulter by any bank or financial institution or other lender

h) Details of benami property held

No proceedings have been initiated on or are pending against the comoany for holding benami property under the Benami Transactions

i) Compliance with number of layers of companies

The company does not have any layers prescribed under clause (87) of section 2 of the Companies Act, 2013.

j) Utilisation of borrowed funds and share premium

The company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

Notes to Standalone Financial Statements

for the year ended March 31, 2023

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

k) Relationship with struck off companies

The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956 except following;

Amount of Transaction (in Crores)

Name of the Struck off company	Nature of transaction	For the year ended March 31, 2023	For the year ended March 31, 2022	Relationship with Struck off company
Chemene Bombay Private limited	Storage and warehousing charges	1.73	0.70	NA

l) Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

m) Valuation of PP&E, intangible asset and investment property

The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

n) ANALYTICAL RATIOS

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% Variance
Current Ratio	Current Assets	Current Liabilities	1.60	2.26	-29.20%
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.75	0.51	46.72%
Debt Service Coverage Ratio	PAT + Depreciation & Amortisation + Interest	Principal repayment of debt + interest payments	1.37	2.64	-48.10%
Return on Equity Ratio	Net Profit after tax	Average Shareholder's Equity	10.37%	10.18%	1.87%
Inventory turnover Ratio	Sale of Products	Average Inventory	2.81	3.19	-11.67%

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% Variance
Trade Receivables turnover ratio	Sale of Products	Average Trade Receivables	4.78	5.18	-7.69%
Trade Payable turnover Ratio	Net Purchases	Average Trade Payables	3.77	4.28	-11.96%
Net Capital turnover Ratio	Net Sales	Average Working Capital	2.63	2.81	-6.43%
Net Profit Ratio	Net Profit	Net Sales	7.29	9.18	-20.55%
Return on Capital Employed	EBIT	Tangible Net Worth + Total Debt + Deferred Tax Liability	11.58%	11.48%	0.89%
Return on Investment	Income Earned from Investments made	Investments made	10.27%	16976%	-99.94%

Reason for variance of more than 25%

Particulars	Remarks
Current Ratio	Previous year (FY 21-22) , company had done fund raise and proceeds of the same were deployed in working capital and hence the ratio was higher, in the current financial year (FY 22-23), the funds were utilised in working capital to meet the growing demands of the business
Debt- Equity Ratio	This ratio has increased due to increase in borrowings for the purpose of incurring Capital Expenditure and Working capital to meet the support growth of business and ongoing expansion projects.
Debt Service Coverage Ratio	One of the term loan has been fully pre-paid during the current financial year has resulted into lower DSCR.
Return on Investment	The company in the previous had utilised funds raised through preferential allotment of equity shares into short term investment instruments during the previous year, due to this returns were on higher side. The company has earned normal return on its investment during the current year.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

o) Corporate social responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are Water Management Programmes , environmental sustainability and agriculture development; Promoting education amongst Children; promoting health care including preventive health care and sanitation and Disaster Management; Contribution towards Combating COVID Pandemic. Supporting Women Empowerment Projects; and Rural Development Projects. A CSR committee has been formed by the company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

(Rs. in Crores)

	Particulars	As at March 31, 2023	As at March 31, 2022
i)	Amount required to be spent by the company during the year	0.95	0.77
ii)	Amount of expenditure incurred	0.96	0.78
iii)	Shortfall at the end of the year	-	-
iv)	Total of previous years shortfall	-	-
v)	Reason for shortfall	NA	NA
vi)	Nature of CSR activities	Water Management Programmes, environmental sustainability and agriculture development; Promoting education amongst Children; promoting health care including preventive health care and sanitation. Supporting Women Empowerment Projects; and Rural Development Projects	

p) The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year

q) The Company has assessed the possible impact of COVID-19 on its financial statements based on the internal and external information and concluded no adjustments are required in these standalone financial statements. The Company continues to monitor changes in future economic conditions.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

44. (i) Rupees in crores are rounded off nearest to two decimals and totals of notes , schedules may vary due to said rounding off

(ii) Previous period figures have been regrouped / rearranged/recasted wherever necessary, to conform to current period presentation

Other notes to Accounts & the accompanying notes are an integral part of Standalone Financial Statements

As per our report of even date attached

For JMT & Associates
Chartered Accountants
Firm's Regn No: 104167W

For and on behalf of the Board of Directors

Jayesh J Shah
Partner
Membership No: 039910

Haridas Kanani
Chairman & Managing Director
DIN: 00185487

Dr. Harin Kanani
Managing Director
DIN: 05136947

Ketan Vyas
Chief Financial Officer

Unnati Kanani
Company Secretary and Compliance Officer
M. no. A35131

Place: Thane
Date: May 13, 2023

Independent Auditor's Report

To,
The Members of
Neogen Chemicals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **NEOGEN CHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Capitalization of property, Plant and Equipment** The Company has invested in significant capital project with capital expenditure of Rs 71.38 Crores during the year ended 31 March 2023 as detailed in note 4	**Our audit procedures included the following:** • Preformed test check of internal financial controls, including IT controls, over the approval, acquisition, Installation and Operation of Property Plant and Equipment. • Obtained a listing of new/sub projects initiated/completed in the year, and selected samples to verify underlying documentation that they had been reviewed and approved in line with the Company's authority.

Sr. No.	Key Audit Matter	Auditor's Response
	The significant level of capital expenditure requires consideration of the nature of costs incurred to ensure that capitalization of property, plant and equipment meets the specific recognition criteria in Ind As 16, 'Property, Plant and Equipment', specifically in relation to assets constructed by the Company and application of the management's judgment in assigning appropriate useful life, this are Noted as a key audit matter	• Our audit work included assessing the nature of property, plant and equipment capitalized by the Company to test the validity of amounts capitalized and evaluating whether assets capitalized meet the recognition criteria set out in Ind as 16 • Performed tests of details by vouching specific expenditures to supporting documentation to validate additions during the year. • The capitalization of assets in the year, and the useful economic lives assigned, were assessed to be appropriate based on the evidence obtained and as per schedule II
1I	**Revenue Recognition** Ind AS 115 requires to consider management to account revenue as per terms of contracts with customers and on fulfillment of performance obligations. Due to the Company's sales under various contractual terms and across the country, delivery to customers in different regions might take different time periods and may result in undelivered goods at the period end. There is also a risk of revenue being overstated due to fraud resulting from pressure on the Company to achieve performance targets at the reporting period end. Accordingly, fraud and cut-off risks in revenue recognition are considered as a key audit matter	**Our audit procedures included the following:** • Understood the processes and controls around established in recognition of revenue. • Focusing on the Company's revenue recognition for compliance with Ind AS. • The Company has manual and automated (information technology – IT) controls on recording revenue and accruals for sales returns and discounts. We have evaluated and tested design and operating effectiveness of controls addressing risk. • Performed test check of sales transactions to verify contractual terms of invoices, acknowledged delivery receipts and tested the transit time to deliver the goods. • Performing testing on selected statistical samples of revenue transactions recorded during the year end.

Information Other than Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon. The Director's Report is expected to be made available to us after the Date of this Auditor's Report.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with the governance as required under SA 720 'The Auditor's Responsibility relating to other Information '.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1 As required by Section 143(3) of the Act, based on our audit 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 Consolidated Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act

e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

2. 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, as amended 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 on its financial position in its Consolidated financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in note to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(b) The Management has represented that, to the best of its knowledge and belief, as disclosed in note to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

v. The Final Dividend Paid by the company during the current year in respect of the same declared for the previous year is in accordance with section 123 of companies act 2013 to the extent it applies to payment of dividend. As stated in the note to the financial statements, the boards of directors of the company have proposed dividend for the current year which is subject to the approval of the members at the ensuing annual general meeting. The Dividend declared is in accordance with section 123 of the act to the extent it applies to declaration of dividend.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rule 2014 for maintaining Books of Accounts using Accounting Software which has feature of recording audit trail (edit log) facility is applicable to the company w.e.f April 1, 2023 and accordingly, reporting under rule 11(g) of companies (audit and Auditors) Rules,2014 is not applicable for the financial year ended March 31, 2023.

3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **JMT & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 104167W
UDIN: 23039910BGXVLH7017

JAYESH SHAH
Partner
(Membership No.039910)

Place: Mumbai
Date: May13, 2023

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Require ments' section of our report to the Members of NEOGEN CHEMICALS LIMITED 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 **NEOGEN CHEMICALS LIMITED** ("the Company") as of March 31, 2023 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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. These responsibilities include the design, imple mentation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 Institute of Chartered Accountants of India and the Standards on Auditing 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 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 judgement, 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 internal financial controls system over financial reporting of the Company.

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 (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.

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, 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, 2023, 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.

For **JMT & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 104167W
UDIN: 23039910BGXVLH7017

JAYESH SHAH
Partner
(Membership No.039910)

Place: Mumbai
Date: May13, 2023

Consolidated Balance Sheet

As at March 31, 2023 **CIN : L24200MH1989PLC050919**

(Rs. in Crores)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4a	339.32	281.78
(b) Right of use assets	4b	6.72	3.19
(c) Capital work-in-progress	5	35.84	10.62
(d) Intangible assets	6	1.41	0.16
(e) Financial assets			
(i) Investments	7	0.75	0.97
(ii) Other financial assets	8	7.47	8.48
(f) Other non-current assets	9	6.46	1.60
(g) Non-current tax assets (net)		-	0.17
Total Non-current Assets		**397.97**	**306.97**
(2) Current Assets			
(a) Inventories	10	292.97	194.59
(b) Financial assets			
(i) Investments	11	76.06	80.76
(ii) Trade receivables	12	177.38	109.50
(iii) Cash and cash equivalents	13a	18.22	32.80
(iv) Bank balances other than (iii) above	13b	2.48	12.42
(v) Loans	14a	0.36	0.24
(vi) Other financial assets	14b	33.95	40.23
(c) Other current assets	15	54.41	21.92
Total Current Assets		**655.83**	**492.46**
TOTAL ASSETS		**1,053.80**	**799.43**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	16	24.94	24.94
(b) Other equity	17	457.58	414.30
Total Equity		**482.52**	**439.24**
(2) Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	129.08	121.52
(ii) Lease Liabilities	27	5.03	1.95
(iii) Other Financial Liabilities	19	3.76	3.80
(b) Long Term Provisions	20	4.65	4.04
(c) Deferred tax liabilities (net)	21	19.02	10.61
Total Non-current Liabilities		**161.54**	**141.92**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	233.13	103.21
(ii) Lease Liabilities	27	2.27	2.07
(iii) Trade payables	23		
(a) total outstanding dues of Micro and small Enterprise		4.37	6.15
(b) total outstanding dues of other than Micro and small Enterprise		152.18	92.73
(iv) Other current financial liabilities	24	12.41	9.87
(b) Other current liabilities	25	1.54	2.11
(c) Short-term provisions	26	2.08	1.87
(d) Current tax liabilities (net)		1.76	0.26
Total Current liabilities		**409.74**	**218.27**
Total Liabilities		**571.28**	**360.19**
TOTAL EQUITY AND LIABILITIES		**1,053.80**	**799.43**
Corporate information and significant accounting policies	1 to 3		

Notes forming part of the Consolidated financial statements 1-44

Other notes to Accounts & the accompanying notes are an integral part of Consolidated Financial Statements

As per our report of even date attached

For JMT & Associates
Chartered Accountants
Firm's Regn No: 104167W

For and on behalf of the Board of Directors

Jayesh J Shah
Partner
Membership No: 039910

Haridas Kanani
Chairman & Managing Director
DIN: 00185487

Dr. Harin Kanani
Managing Director
DIN: 05136947

Ketan Vyas
Chief Financial Officer

Unnati Kanani
Company Secretary and Compliance Officer
M. no. A35131

Place: Thane
Date: May 13, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

CIN : L24200MH1989PLC050919

(Rs. in Crores)

Particulars	Note	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
I. Income			
(a) Revenue from operations	28	686.18	487.25
(b) Other income	29	4.45	1.07
Total Income		**690.63**	**488.32**
II. Expenses			
(a) Cost of materials consumed	30	485.26	343.77
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	(96.75)	(68.80)
(c) Employee benefits expense	32	46.82	31.50
(d) Finance costs	33	28.94	19.08
(e) Depreciation and Amortization Expenses	4	16.20	11.69
(f) Other Expense	34	139.23	94.19
Total Expenses		**619.70**	**431.43**
Share of profit from associate		0.10	0.18
III. Profit/(loss) before taxes (I-II)		**71.03**	**57.07**
IV. Income tax			
1. Current Tax		12.76	9.87
2. Deferred Tax	21	8.30	2.57
Total Tax Expense		**21.06**	**12.44**
V. Profit for the year (III - IV)		**49.97**	**44.63**
VI. Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit liabilities / (assets)	35	0.39	(0.40)
(ii) Income tax related to items that will not be reclassified to profit or loss	35	(0.11)	0.12
Total other comprehensive (expense)/ income, net of tax		**0.28**	**(0.28)**
VII. Total comprehensive income for the year (V-VI)		**50.25**	**44.35**
Earnings per equity share of Rs.10/each on weighted average (in rupees)	36		
- Basic		20.03	18.70
- Diluted		20.03	18.70
Corporate information and significant accounting policies	1 to 3		

Other notes to Accounts & the accompanying notes are an integral part of Consolidated Financial Statements

As per our report of even date attached

For JMT & Associates
Chartered Accountants
Firm's Regn No: 104167W

For and on behalf of the Board of Directors

Jayesh J Shah
Partner
Membership No: 039910

Haridas Kanani
Chairman & Managing Director
DIN: 00185487

Dr. Harin Kanani
Managing Director
DIN: 05136947

Ketan Vyas
Chief Financial Officer

Unnati Kanani
Company Secretary and Compliance Officer
M. no. A35131

Place: Thane
Date: May 13, 2023

NEOGEN®
CHEMICALS LTD.

Consolidated Statement of Change in Equity

As at March 31, 2023 **CIN : L24200MH1989PLC050919**

A. Equity share capital

(Also refer Note 16)

(Rs. in Crores)

Particular	Total Equity
As on 1st April 2021	**23.33**
Issue of Share Capital During the Year	1.60
As on 31st March 2022	**24.94**
Issue of Share Capital During the Year	-
As on 31st March 2023	**24.94**

B. Other Equity

(Also refer Note 17)

(Rs. in Crores)

Particular	Other Equity					
	General Reserve	Retained Earnings	Capital Reserve on Business Combination	Securities Premium	Special Economic zone Re-investment reserve account	Total Other Equity
Balance as at April 1, 2021	**3.50**	**88.17**	**7.20**	**60.56**	**0.26**	**159.69**
Profit/Loss for the year	-	44.63	-			44.63
Other comprehensive income for the year	-	(0.28)	-	-	-	(0.28)
Security Premium	-		-	216.08	-	216.08
Total comprehensive income for the year	**-**	**44.35**	**-**	**216.08**	**-**	**260.43**
Transfer to General Reserve	-	-	-	-	-	-
Special Economic zone Reinvestment reserve account	-		-	-		-
Equity Dividend	-	(5.25)	-	-	-	(5.25)
Taxes Paid of earlier years	-	(0.57)	-	-	-	(0.57)
Balance as at 31st March 2022	**3.50**	**126.70**	**7.20**	**276.64**	**0.26**	**414.30**
Profit/Loss for the year	-	49.97	-			49.97
Security Premium	-		-			-
Other comprehensive income for the year	-	0.28	-			0.28
Total comprehensive income for the year	**-**	**50.25**	**-**	**-**	**-**	**50.25**
Transfer to General Reserve	-	-	-	-	-	-
Equity Dividend	-	(6.86)	-	-	-	(6.86)
Taxes Paid of earlier years	-	(0.10)	-	-	-	(0.10)
Balance as at 31st March 2023	**3.50**	**169.98**	**7.20**	**276.64**	**0.26**	**457.58**

* Proceeds received during FY2022 of securities premium is net of issue expenses

Consolidated Statement of Change in Equity (contd.)

As at March 31, 2023 **CIN : L24200MH1989PLC050919**

The Board of Directors at its meeting held on 8th December, 2021, inter alia approved the issue and offer of 16,04,710 equity shares on preferential basis for cash consideration. Subsequently the shareholders of the Company at its Extra Ordinary General meeting held on 31st December, 2021 has approved issue and offer of 16,04,710 shares of face value of Rs. 10 each on preferential basis at an issue price of Rs. 1,402.12 per Equity Share (including a premium of Rs. 1,392.12 per Equity Share) aggregating up to Rs. 225 crores to the identified investors. The allotment of the said equity shares of the Company on a preferential basis was done on 6th January, 2022. The Equity shares were listed at BSE Limited and National Stock Exchange of India Limited.

Other notes to Accounts & the accompanying notes are an integral part of Consolidated Financial Statements

As per our report of even date attached

For JMT & Associates
Chartered Accountants
Firm's Regn No: 104167W

Jayesh J Shah
Partner
Membership No: 039910

Place: Thane
Date: May 13, 2023

For and on behalf of the Board of Directors

Haridas Kanani
Chairman & Managing Director
DIN: 00185487

Dr. Harin Kanani
Managing Director
DIN: 05136947

Ketan Vyas
Chief Financial Officer

Unnati Kanani
Company Secretary and Compliance Officer
M. no. A35131

NEOGEN® CHEMICALS LTD.

Consolidated Statement of Cash Flow

for the year ended March 31, 2023 **CIN : L24200MH1989PLC050919**

(Rs. in Crores)

	Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/ (Loss) before extra- ordinary items & tax	71.03	57.07
	Adjustments for non-cashtransaction and items considered separately :		
	Finance costs recognised in profit or loss	28.94	19.08
	Investment income recognised in profit or loss	(4.42)	(1.08)
	Provision for non cash items	(0.90)	0.21
	Loss on disposal of property, plant and equipment	-	(0.11)
	Net (gain)/loss recorded in profit or loss on financial liabilities designated as fair value through profit or loss	1.21	1.49
	Depreciation and amortisation of non-current assets	16.20	11.69
	Net foreign exchange (gain)/loss	5.01	(7.06)
	Operating profit before working capital changes	**117.07**	**81.29**
	Movements in working capital:		
	(Increase) /decrease in trade and other receivables	(66.98)	(31.16)
	(Increase)/decrease in inventories	(98.38)	(80.56)
	(Increase)/decrease in other current and non current financial assets	(30.07)	(16.32)
	Increase /(decrease) in trade and other payables	53.20	39.86
	Increase/(decrease) in provisions	(0.39)	-
	Increase/(decrease) in other liabilities	6.72	18.10
	Cash flow from / (utilised in) operating activities post working capital changes	**(135.90)**	**(70.08)**
	Income taxes (paid)/ Refunds (net)	(11.52)	(9.80)
	Net cash flow from / (utilized in) in operating activities (A)	**(30.35)**	**1.41**
B)	**Cash Flow from Investing Activities**		
	Payments to acquire financial assets	4.70	(80.76)
	Interest received		
	- Bank & Others	0.67	0.94
	- Other Income	3.75	0.14
	Amounts advanced to related parties	0.16	(0.19)
	Payments for property, plant and equipment (Net)	(77.27)	(170.28)
	Capital WIP	(25.22)	104.04
	Proceeds from disposal of property, plant and equipment	-	0.11
	Payments for intangible assets	(1.25)	0.17
	Net cash flow from / (utilized in) in investing activities (B)	**(94.46)**	**(145.83)**
C)	**Cash flows from financing activities**		
	Proceeds from issue of equity instruments of the Company	-	225.00
	Payment for share issue costs	-	(7.31)
	Proceeds from borrowings	226.08	38.88
	Repayment of borrowings	(89.99)	(43.04)

Consolidated Statement of Cash Flow (contd.)

for the year ended March 31, 2023 **CIN : L24200MH1989PLC050919**

(Rs. in Crores)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Finance Cost	(28.94)	(19.08)
Other items / Taxes		(0.77)
Dividends paid (incl. Tax)	(6.86)	(5.25)
Net cash flow from /(utilised in) financing activities (C)	**100.29**	**188.43**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**(24.52)**	**44.01**
Cash and cash equivalents at the beginning of the year	45.22	1.21
in foreign currencies	-	-
Cash and cash equivalents at the end of the year	**20.70**	**45.22**
Reconciliation of cash and cash equivalents as per the cash flow Statement		
Cash and cash equivalents	18.22	32.80
Bank balances other than above	2.48	12.42
Balance as per statement of cash flows	**20.70**	**45.22**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

Changes in liability arising from financing activities

Particular	April 1, 2022	Cash Flows		March 31, 2023
		Receipts	Payments	
Current Borrowings	76.20	175.80	47.80	204.20
Non-current Borrowings	148.53	51.66	42.18	158.01
Total	**224.73**	**227.46**	**89.98**	**362.21**

Particular	April 1, 2021	Cash Flows		March 31, 2022
		Receipts	Payments	
Current Borrowings	85.79	22.74	32.33	76.20
Non-current Borrowings	130.21	29.03	10.71	148.53
Total	**216.00**	**51.77**	**43.04**	**224.73**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

Notes forming part of the Consolidated financial statements 1-44

As per our report of even date attached

For JMT & Associates
Chartered Accountants
Firm's Regn No: 104167W

For and on behalf of the Board of Directors

Jayesh J Shah
Partner
Membership No: 039910

Haridas Kanani
Chairman & Managing Director
DIN: 00185487

Dr. Harin Kanani
Managing Director
DIN: 05136947

Ketan Vyas
Chief Financial Officer

Unnati Kanani
Company Secretary and Compliance Officer
M. no. A35131

Place: Thane
Date: May 13, 2023

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

1. Corporate information

Neogen Chemicals Limited is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having Corporate Identity Number L24200MH1989PLC050919. Company has its registered office at Thane, Maharashtra. The Company is engaged in the business of manufacturing of eco - friendly speciality chemicals which are used in Pharmaceutical, Engineering & Agro-Chemical industries. Neogen has developed significant expertise in highly demanding field of Bromine Compounds, Lithium compounds & more recently advance intermediates for pharmaceutical industries & pesticides industries of world class standards. The principal place of business of the company are at Thane (HO), one unit of Factory at Mahape in Navi Mumbai and another unit of Factory at Karakhadi in District Vadodara, Gujarat & third site at Dahej SEZ, Gujarat is now operational for further expansion of business of Organic Chemistry & Lithium chemistry. The Company caters to both domestic and international markets. The Manufacturing facility is also having well equipped R & D and analytical labs. Neogen's Karakhadi, Vadodara Facility is ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 certified by Bureau Veritas Certification Holding SAS; Its Mahape, Navi Mumbai Facility is ISO 9001:2015 certified by Bureau Veritas Certification Holding SAS; and Dahej SEZ, Gujarat Facility is ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 Certified by Bureau Veritas Certification Holding SAS and GMP Certified by SGS .

2. Basis of preparation and Significant accounting policies

2.1 Basis of compliance

The accompanying consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act,2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act ,2013.

2.2 Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value;
- assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- defined benefit plans - plan assets measured at fair value;

Current and non-current classification

- All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III to the Act. Deferred tax assets and liabilities are classified as non- current only. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules,2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III of the Companies Act 2013, unless otherwise stated.

2.3 Functional and presentation currency

These consolidated Financial Statements are presented in Indian rupees, which is also the Company's functional currency. All amounts have been reported in INR, unless otherwise indicated.

2.4 Basis of measurement

The consolidated Financial Statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- Net defined benefit (assets) / liabilities that are measured at fair value of plan assets less present value of defined benefit obligations

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

2.5 Use of estimates and judgements

The preparation of the consolidated Financial Statements in accordance with Ind AS requires use of judgements, estimates and assumptions, which affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised prospectively.

This note provides an overview of the areas where there is a higher degree of judgement or complexity. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation. The areas involving critical estimates or judgements are :

- Useful life of intangible asset - Note 2.6 (c)
- Defined Benefit obligation - Note 2.6 (q) (iii)
- Current Tax expense and current tax payable - Note 2.6 (m)
- Deferred tax assets for carried forward tax losses - Note 2.6 (m)
- Impairment of financial assets - Note 2..6 (b)

Estimates and judgements are regularly revisited

Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the company.

2.6 Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements is as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

a) Investments in subsidiaries , associates and joint ventures

The investments in subsidiaries, associates and joint ventures are carried in these financial statements at historical 'cost', except when the investment or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to P & L.

b) Property, plant and equipment

Recognition and initial measurement

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Major shut down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset. It includes professional fees and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy based on Ind AS 23 - Borrowing costs. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of item can be measured reliably. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognized as interest expense and not included in cost of asset.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Depreciation and amortization estimated useful life and residual value

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than free hold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in which case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Description of Asset Class	Useful life as per Schedule II
Buildings	30 years
Plant and machinery	20 years
M.S. Structure & FRP Gratings	20 years
Effluent Treatment Plant	20 years
Safety Equipment's	20 years
Quality Control Instruments & R & D Equipment's	10 years
Office equipment's	5 years
I T Equipment's	3 years
Furniture and fixtures	10 years
Vehicles	8 years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term, if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term. Leasehold improvements are amortized over the period of lease which ranges from 1 to 99 years.

The company reviews the residual value, useful lives and depreciation method annually and if, expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the restated consolidated statement of profit and loss when the asset is derecognized.

c) Intangible assets

Recognition and initial measurement

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Where intangible asset is acquired in a business combination, it is measured at its acquisition date fair value.

Internally generated intangible asset is recognised as an asset in the books only and only when the company develops an identifiable intangible asset and the following criteria are satisfied:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- There is an ability to use or sell the software
- It can be demonstrated how the software will generate probable future economic benefits

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

- Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- The expenditure attributable to the software during its development can be reliably measured

Directly attributable costs that are capitalised as part of the intangible asset include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Useful life and amortisation

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight-line basis over the useful lives of the asset from the date of capitalisation as below:

- Computer software 3-5 years
- Non-compete fees 1-3 year(s)

The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

Intangible assets acquired in a business combination viz. Goodwill, Patents, Copyrights and Brands do not have definite useful life and thus, are not amortised. However, these assets are tested for impairment on an annual basis. These are further tested for impairment upon any indication of impairment subsequent to annual testing.

De recognition

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal .Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized. The Company has elected to continue with carrying value of all its intangible assets recognised as on transition date, measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

Impairment

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss

Goodwill and intangible assets that do not have definite useful life are not amortised and are tested at least annually for impairment. If events or changes in circumstances indicate that they might

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

be impaired, they are tested for impairment once again.

d) **Inventory**

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

- Raw material cost includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition.
- Stores and spares cost include cost of purchases and other costs incurred in bringing the inventories to their present location and condition.
- In case of work in progress at raw material cost plus direct conversion and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs.
- In case of finished goods-cost includes cost of direct material, labour, other direct cost and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs.
- In case of scrap of goods, the same are valued at net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value.

e) **Cash and cash equivalents**

Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

f) **Share Capital**

Ordinary Shares are classified as an equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options and buy back of ordinary shares are recognised as a deduction from equity, net of any tax effects.

g) **Foreign currency transactions**

The financial information is presented in Indian Rupee (`₹') which is also the functional currency of the Company, rounded off to nearest crores up to two decimals.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/expenses, as the case may be.

h) **Provisions and contingent liabilities**

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognized for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

i) Revenue Recognition

The company manufactures and sells a range of products to various customers. In case of contracts with customers, revenue is recognised when the significant risk and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods to the degree usually associated with the ownership, and the amount of revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable. Revenue recognised in relation to these contracts in excess of billing is recognised as a Contract Asset. In remaining cases revenue is recognised over Company's performance does not create an asset with alternative use to the Company and the entity has an enforceable right to payment for performance completed till date. Accumulated experience is used to estimate and provide for the discounts and returns and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in other current liabilities)is recognised for expected returns from the customer. Liability (included in other financial liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. Amounts disclosed as revenue are net of returns, discounts , volume rebates and net of goods and service tax. Incentives on exports are recognised in books after due consideration of certainty of utilisation / receipt of such incentives

j) Other income

a. Interest Income

Interest income is recognized on time proportion basis considering the amount outstanding and rate applicable. For all financial assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

b. Government grant

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the company will comply with the condition attached to them and (ii) the grant /subsidy will be received

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the years in which the Company recognises the related costs for which the grants are intended to compensate or when performance obligations are made.

Where the grant relates to an asset, it is recognized as deferred income and credited to income in equal amounts over the expected useful life of the related asset.

k) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard 19- Employee Benefits.

l) Borrowing costs

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalization of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption.

m) Income taxes

The income tax expense recognized in the financial statement of profit and loss comprises the sum of deferred tax and current tax not recognized in Other Comprehensive Income (OCI) or directly in equity.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax relating to items is recognized outside statement of profit and loss (i.e. in OCI or equity depending upon the treatment of underlying item).

Deferred tax liabilities are generally recognized in full for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside statement of profit and loss (in OCI or equity depending upon the treatment of underlying item).

Minimum Alternate Tax (`MAT') credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each financial statement of assets and liabilities date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income-tax during the specified period.

The Company has benefited from certain income tax incentives that the Government of India had provided for export of good or services from the units registered under the Special Economic Zones Act (SEZs), 2005. SEZ units which began the manufacturing of goods or provision of services on or after April 1, 2005 are eligible for a deduction of 100% of profits or gains derived from the export of goods or services for the first five years from the financial year in which the unit commenced the manufacturing of goods or provision of services and 50% of such profits or gains for further five years. Upto 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone Re-investment Reserve out of the profit for the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income tax Act, 1961

n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the financial year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the financial year is adjusted for events including a bonus issue.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

For the purpose of calculating diluted earnings per share, the net profit or loss for the year 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.

o) Lease

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities under financial liability in statement of financial position. (Refer Note 19)

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Land under perpetual lease is accounted as finance lease which is recognised at upfront premium paid for the lease and the present value of the lease rent obligation. The corresponding liability is recognised as a finance lease obligation. Land under non-perpetual lease is treated as operating lease.

Operating lease payments for land are recognised as prepayments and amortised on a straight-line basis over the term of the lease. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting done to the Chief Operating Decision Maker. The Company operates in a single operating segment . The board of directors is collectively the company's 'Chief Operating Decision maker' or 'CODM' within the meaning of -Ind AS 108.

Information about Major Customers

During the year ended 31st March 2023 and 31 March 2022 respectively, there was (one customer FY2022) who has contributed to 10% or more of the company's revenue. The company is not reliant on revenue from transactions with any single external customer.

q) Significant accounting judgements, estimates and assumptions

When preparing the financial information management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

Significant judgements:

(i) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized. The recognition of deferred tax assets and reversal thereof is also dependent upon management decision relating to timing of availment of tax holiday benefits available under the Income Tax Act, 1961 which in turn is based on estimates of future taxable profits.

(ii) Contingent liabilities

The Company is the subject of certain legal proceedings which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable, and the amount of the loss can be reasonably estimated.

(iii) Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

(iv) Allowance for doubtful debts

The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealer termination rates, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognized in the financial statements.

(v) Litigation

From time to time, the Company might be subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered

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probable that a payment will be made, and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances

Sources of estimation uncertainty:

(i) Provisions

At each consolidated statement of assets and liabilities date, basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from management's estimates.

(ii) Recoverability of advances/receivables

At each consolidated statement of assets and liabilities date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

r) Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree if any. Acquisition-related costs are expensed as incurred.

At the acquisition date , the identifiable assets acquired and the liabilities assumed if any are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred (bargain purchase), the company re-assesses whether it has correctly identified all of the assets acquired an all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) an accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

s) Investments is subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognized at cost as per Ind AS 27. Except where investment accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

t) Investment and other financial assets

a. Classification

The Company classifies its financial assets in the following measurement categories:

i. those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and

ii. those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

b. Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction cost of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

u) Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the assets and the cash flow characteristics of the assets. The Company classifies it's debt instruments into following categories:

i. Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent safety payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

ii. Fair value through profit and loss: Assets that do not meet the criteria for amortised cost are measured at fair value to the statement of profit and loss. Interest income from these financial assets is included in other income.

v) Short - term employee obligation

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled

w) Other long - term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period using the projected unit credit method. The benefits are discounted using the discount rates for Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

a. Post - employment obligations

The company operates the following post employment schemes

(a) defined benefits plans such as gratuity and leave encashment, and

(b) defined contribution plans such as provident fund etc.

b. Leave and gratuity obligations

The liability or asset recognised in the balance sheet in the respect of defined benefit pension and gratuity plans in the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan asset. The define benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligations.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retain earnings in the statement of changes in equity and in the balance sheet.

c. defined contribution plans

Defined contribution plans such as provident fund etc., are charged to the Statement of Profit and Loss as and when incurred.

d. Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for this benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the Company recognises cost for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

x) Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

y) Financial assets

a) Recognition and initial measurement

The Company initially recognises loans and advances, deposits and debt securities purchased on the date on which they originate. Purchases and sale of financial assets are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value. In the case of financial assets not recorded at FVTPL, transaction costs that are directly attributable to its acquisition of financial assets are included therein.

b) Classification of financial assets and Subsequent Measurement

On initial recognition, a financial asset is classified to be measured at –

- Amortised cost; or
- Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which IND AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, on sale/ disposal the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognised in statement of profit or loss. The net gain or loss recognised in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognised when:

- The Company's right to receive the dividends is established,

- It is probable that the economic benefits associated with the dividends will flow to the entity,

- The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Impairment

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months. If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous year, but determines at the end of a reporting year that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous year, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL and Interest income is recognised in profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

A Financial liabilities and equity instruments

a) Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of directly attributable transaction costs.

c) Financial liabilities

Financial liabilities are classified as measured at amortised cost or 'FVTPL'.

A Financial Liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

accounting requirements) or it is designated as such on initial recognition.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IND AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with IND AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

d) Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

e) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting financial instrument

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle financial asset and liability on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

3. Recent accounting pronouncements.

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into following amendments in the existing

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Accounting Standards which are applicable from April 01, 2023.

a) Ind AS 101 – First time adoption of Ind AS – modification relating to recognition of deferred tax asset by a first-time adopter associated with (a) right to use assets and related liabilities and (b) decommissioning, restoration and similar liabilities and corresponding amounts recognised as cost of the related assets.

b) Ind AS 102 – Share-based Payment – modification relating to adjustment after vesting date to the fair value of equity instruments granted.

c) Ind AS 103 – Business Combination – modification relating to disclosures to be made in the first financial statements following a business combination.

d) Ind AS 107 – Financial Instruments Disclosures – modification relating to disclosure of material accounting policies including information about basis of measurement of financial instruments.

e) Ind AS 109 – Financial Instruments – modification relating to reassessment of embedded derivatives.

f) Ind AS 1 – Presentation of Financials Statements – modification relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.

g) Ind AS 8 – Accounting Policies, Change in Accounting Estimates and Errors – modification of definition of 'accounting estimate' and application of changes in accounting estimates.

h) Ind AS 12 – Income Taxes – modification relating to recognition of deferred tax liabilities and deferred tax assets.

i) Ind AS 34 – Interim Financial Reporting – modification in interim financial reporting relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.

The Company is evaluating the amendments and the expected impact, if any, on the Company's financial statements on application of the amendments for annual reporting periods beginning on or after April 01, 2023.

Notes Accompanying Consolidated Financial Statements

for the year ended March 31, 2023

4a. Property, plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended 31 March 2023 and 31 March 2022

(Rs. in Crores)

Description	Gross Block				Accumulated depreciation				Net carrying amount	
	Balance as at 1 April 2022	Additions	Deletions / discarded / adjustments	Balance as at 31 March 2023	Balance as at 1 April 2022	Charge for the year	Deletions / discarded / adjustments	Balance as at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Freehold Land	28.06	-	-	28.06	-			-	28.06	28.06
Leasehold Land	9.05	-	-	9.05	0.71	0.15	-	0.86	8.19	8.34
Factory buildings	64.53	13.69	(0.01)	78.21	3.14	2.14	(0.00)	5.28	72.93	61.39
Plant & Machineries	166.88	49.62	0.17	216.67	11.67	8.21	0.02	19.90	196.77	155.21
M.S.Structure & FRP Grattings	5.56	1.72	0.01	7.29	1.73	0.41	(0.00)	2.14	5.15	3.83
Quality Control Instruments	8.37	2.78	-	11.15	1.38	0.82	-	2.20	8.96	6.99
R & D Equipments	2.65	0.96	-	3.61	0.81	0.26	-	1.07	2.53	1.84
Effulent Treatment Equipments	7.67	-	(0.01)	7.66	0.45	0.38	(0.00)	0.83	6.83	7.22
Safety Equipments	3.64	0.41	0.01	4.06	0.23	0.20	(0.00)	0.43	3.63	3.41
Office Equipments	1.86	0.74	-	2.60	0.66	0.38	-	1.04	1.56	1.20
I .T Equipments	2.70	0.84	0.01	3.55	1.55	0.63	0.00	2.18	1.37	1.15
Motor Car	0.73	0.45	0.01	1.19	0.29	0.11	0.00	0.40	0.79	0.44
Furniture & Fixtures	3.46	0.18	-	3.64	0.75	0.33	-	1.08	2.56	2.71
Total	**305.17**	**71.38**	**0.19**	**376.74**	**23.39**	**14.01**	**0.02**	**37.42**	**339.32**	**281.78**

Description	Gross Block				Accumulated depreciation				Net carrying amount	
	Balance as at 1 April 2021	Additions	Deletions / discarded / adjustments	Balance as at 31 March 2022	Balance as at 1 April 2021	Charge for the year	Deletions / discarded / adjustments	Balance as at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Freehold Land	28.06	-	-	28.06	-	-	-	-	28.06	28.06
Leasehold Land	9.05	-	-	9.05	0.55	0.16	-	0.71	8.34	8.50
Factory buildings	17.90	46.63	-	64.53	1.67	1.47	-	3.14	61.39	16.23
Plant & Machineries	61.48	105.43	(0.03)	166.88	6.15	5.58	(0.06)	11.67	155.21	55.33
M.S.Structure & FRP Grattings	5.51	0.05	-	5.56	1.35	0.38	-	1.73	3.83	4.16
Quality Control Instruments	3.48	4.89	-	8.37	0.90	0.60	(0.12)	1.38	6.99	2.58
R & D Equipments	2.35	0.30	-	2.65	0.58	0.23	-	0.81	1.84	1.77
Effulent Treatment Equipments	0.65	7.02	-	7.67	0.21	0.24	-	0.45	7.22	0.44
Safety Equipments	0.51	3.13	-	3.64	0.11	0.12	-	0.23	3.41	0.40
Office Equipments	1.12	0.74	-	1.86	0.40	0.26	-	0.66	1.20	0.72
I .T Equipments	1.69	1.01	-	2.70	1.01	0.56	(0.02)	1.55	1.15	0.68
Motor Car	0.73	-	-	0.73	0.20	0.09	-	0.29	0.44	0.53
Furniture & Fixtures	2.63	0.83	-	3.46	0.49	0.27	(0.01)	0.75	2.71	2.14
Total	**135.17**	**170.03**	**(0.03)**	**305.17**	**13.64**	**9.96**	**(0.21)**	**23.39**	**281.78**	**121.53**

*Certain property, plant and equipment are pledged against borrowings, the details relating to which have been described in Note 18a

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

4(b) Right of Use Assets

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Opening	7.90	-
Additions	6.31	7.90
Deletions / discarded / adjustments	(3.20)	-
	11.01	**7.90**
Less: Accumulated Amortization		
Opening balance	4.71	3.05
Charge for the year	1.89	1.66
Deletions	(2.31)	-
	4.29	**4.71**
Net Carrying Amount	**6.72**	**3.19**

5. Capital Work in Progress

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Opening	10.62	114.65
Additions	98.14	66.03
Capitalised during the year	(72.92)	(170.06)
Closing	**35.84**	**10.62**

CWIP aging schedule as on 31st March, 2023

(Rs. in Crores)

CWIP	Amount in CWIP For a period of		Total
	Less than 1 year	1-2 years	
Projects in progress*	35.84	-	35.84

CWIP aging schedule as on 31st March , 2022

(Rs. in Crores)

CWIP	Amount in CWIP For a period of		Total
	Less than 1 year	1-2 years	
Projects in progress*	10.26	0.36	10.62

* Project in progress consists amount of Rs 1.32 crores of intangible assets (software) under capital work in progress

Note: There were no assets/projects forming part of CWIP, which have become overdue compared to their original plans or where costs are exceeded compared to original plans.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

6. Intangible assets

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
SOFTWARE and CONSULTANCY		
Opening	0.36	0.46
Additions	1.55	0.03
Deletions / discarded / adjustments*	-	(0.13)
	1.91	**0.36**
Less: Accumulated Amortization		
Opening balance	0.20	0.13
Charge for the year	0.30	0.07
Deletions	-	-
	0.50	**0.20**
Net Carrying Amount	**1.41**	**0.16**

* Reclassified to property, plant and equipment under plant & machinery

7. Non-current financial assets - Investments (measured at cost)

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in Partnership Firm - Dhara Fine Chem Industries	0.75	0.97
Total	**0.75**	**0.97**

8. Non-current other financial assets

(Unsecured, considered good)

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits	7.47	8.48
Total	**7.47**	**8.48**

9. Other non-current assets

(Unsecured, considered good)

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	3.71	1.60
Prepaid expenses	2.75	-
Total	**6.46**	**1.60**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

10. Inventories

(valued at lower of cost and net realisable value)

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
- Raw materials*	32.03	36.38
- Work in Progress*	190.94	141.18
- Finished goods*	58.89	11.91
- Stores & Spares	5.57	2.75
- Fuel	0.26	0.13
- Packing	5.27	2.24
Total	**292.97**	**194.59**

* Hypotheciated with Banks for Working Capital Facilities

11. Current Investments

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Quoted Investment in Growth mutual funds	-	60.57
Unquoted Investment in State Government bonds	-	5.17
Unquoted Investment in Inter Corporate loans	76.06	15.02
	76.06	**80.76**
Aggregate amount of quoted investments	-	60.18
Market value of quoted investments	-	60.57
Aggregate amount of unquoted investments	76.06	20.19
Aggregate amount of impairment in value of investments	-	-

12. Trade Receivables*

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good, secured	2.15	1.96
Considered good, unsecured	175.22	107.54
Trade receivable which have significant increase in risk	0.90	0.21
Trade receivable, credit impaired	-	-
Less: Loss allowance	(0.90)	(0.21)
Total	**177.38**	**109.50**

* Hypothecated with Banks

Notes to Consolidated Financial Statements
for the year ended March 31, 2023

Trade Receivable Ageing schedule as on 31st March, 2023

(Rs. in Crores)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 6 months	6 months - 1 year	1-2 years	More than 2 years	
Undisputed trade receivables - considered good	85.93	6.07	1.93	-	93.94
Undisputed trade receivable which have significant increase in risk	-	-	0.25	0.65	0.90
Undisputed trade receivable, credit impaired	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-
Disputed trade receivable which have significant increase in risk	-	-	-	-	-
Disputed trade receivable, credit impaired	-	-	-	-	-
Total	**85.93**	**6.07**	**2.18**	**0.65**	**94.84**
Less: Loss Allowance	-	-	(0.25)	(0.65)	(0.90)
Total current trade receivables	**85.93**	**6.07**	**1.93**	**-**	**93.94**

Note: Amount not due is Rs.83.44 crores

Trade Receivable Ageing schedule as on 31st March, 2022

(Rs. in Crores)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 6 months	6 months - 1 year	1-2 years	More than 2 years	
Undisputed trade receivables - considered good	20.57	2.33	0.06	-	22.95
Undisputed trade receivable which have significant increase in risk	-	-	-	0.58	0.58
Undisputed trade receivable, credit impaired	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-
Disputed trade receivable which have significant increase in risk	-	-	-	-	-
Disputed trade receivable, credit impaired	-	-	-	-	-
Total	**20.57**	**2.33**	**0.06**	**0.58**	**23.53**
Less: Loss Allowance	-	-	-	(0.21)	(0.21)
Total current trade receivables	**20.57**	**2.33**	**0.06**	**0.37**	**23.32**

Note: Amount not due is Rs. 86.18 crores

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

13a. Cash and cash equivalents

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with banks :		
- in current account	18.03	32.66
Cash in hand	0.19	0.14
Total	**18.22**	**32.80**

13b. Bank balances other than those disclosed in Note 13a above

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
- in deposit accounts held as margin money against Bank Guarantee & Letter of credit	2.48	12.42
Unclaimed dividend	0.00	0.00
Total	**2.48**	**12.42**

14a. Loans

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Loan to employees	0.36	0.24
Total	**0.36**	**0.24**

* Refer Note 38 - Related Party Disclosures

14b. Other Current financial assets

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(Measured at Amortised Cost)		
Loans and Advances to employees	0.04	0.14
Advances to related parties	0.48	-
Contract assets	33.58	36.18
(Asset measured at Fair Value through Profit or loss)		
Derivative Asset for Forwards Contracts	(0.14)	3.91
Total	**33.95**	**40.23**

15. Other current assets

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances to Trade Creditors	27.45	5.06
Balances with Government Authorities	21.33	12.80
Prepaid expenses	5.63	4.06
Total	**54.41**	**21.92**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

16. Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Shares	(Rs. in Crores)	No of Shares	(Rs. in Crores)
Authorised				
Equity Shares of Rs.10/- each	2,50,00,000	25.00	2,50,00,000	25.00
10% Optionally Convertible Preference Shares of Rs.100/- each.	5,00,000	5.00	5,00,000	5.00
9.80% Fully Reedemable Cummulative Preference Shares of Rs.100/- each	20,00,000	20.00	20,00,000	20.00
		50.00		**50.00**
Issued, Subscribed and Fully Paid up				
Equity Shares of Rs.10/- each fully paid-up	2,49,39,316	24.94	2,49,39,316	24.94
	2,49,39,316	**24.94**	**2,49,39,316**	**24.94**

** On transition to Ind AS as per Ind As 109 the same has been considered under Long Term Borrowings.

16.1 The reconciliation of the number of shares outstanding is set out below:-

(Rs. in Crores)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Shares	(Rs. in Crores)	No of Shares	(Rs. in Crores)
At the beginning of the year				
Equity Shares outstanding at the beginning of the year	2,49,39,316	24.94	2,33,34,606	23.33
Add: Issued during the year		-		-
Conversion of OCPS to Equity		-		-
Equity shares alloted	-	-	16,04,710	1.60
At the end of the year				
Equity Shares outstanding at the end of the year	**2,49,39,316**	**24.94**	**2,49,39,316**	**24.94**

16.2 Rights, Preferences & Restriction of each class of shares

(a) The Company has only one class of equity shares having a face value of Rs. 10 per share. Each Shareholder is eligible for one vote per share.

During the FY2022, the company issued 16,04,710 equity shares of Rs 10/- each on preferential basis at a premium of Rs @ 1392.12/- per share to the identified investors and the shares were alloted on January 6, 2022 and listed at BSE on January 14,2022 and at NSE on January 13, 2022.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

16.3 Details of Equity shares held by each equity shareholder holding more than 5% shares:

Class of Shares / Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with Voting Rights				
Mr. Haridas Kanani	1,19,00,078	47.72%	1,19,00,078	47.72%
Dr. Harin H Kanani	20,00,000	8.02%	20,00,000	8.02%
SBI Mutual Fund under its various Schemes	17,92,807	7.19%	17,69,339	7.09%
Axis Mutual Fund under its various schemes	17,81,325	7.14%	17,95,455	7.20%

16.4 Details of Equity shares held by promoters and promoter group at the end of the year

Shares held by promoters and promoter group at the end of the year						
Promoter Name	Entity Type	As at March 31, 2023		As at March 31, 2022		% Change during the year*
		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Mr. Haridas Kanani	Promoters	1,19,00,078	47.72%	1,19,00,078	47.72%	0.00%
Dr. Harin H Kanani	Promoters	20,00,000	8.02%	20,00,000	8.02%	0.00%
Beena Haridas Kanani	Promoter Group	1,00,309	0.40%	1,00,309	0.40%	0.00%
Pratik Kishor Malia	Promoter Group	1,300	0.01%	2,233	0.01%	0.00%
Malia Harshida Kishor	Promoter Group	2,000	0.01%	2,000	0.01%	0.00%
Vanita Madhwani	Promoter Group	2,000	0.01%	2,000	0.01%	0.00%
Asha Deepak Dalal	Promoter Group	1,990	0.01%	1,990	0.01%	0.00%
Charulata Bharatkumar Reshamwala	Promoter Group	1,062	0.00%	1,062	0.00%	0.00%
Amritlal Thakarsi Kanani	Promoter Group	1,000	0.00%	1,000	0.00%	0.00%
Arun Krishnalal Gandhi	Promoter Group	1,000	0.00%	1,000	0.00%	0.00%
Rashmikant Krishnalal Gandhi	Promoter Group	1,000	0.00%	1,000	0.00%	0.00%
Pallika Haridas Kanani	Promoter Group	9,98,000	4.00%	9,98,000	4.00%	0.00%

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

17. Other Equity

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
General Reserve	3.50	3.50
Retained Earnings (including other comprehensive income)	169.98	126.70
Securities Premium	276.64	276.64
Capital Reserve on Business Combination	7.20	7.20
Special Economic zone Re-investment reserve account	0.26	0.26
Total	**457.58**	**414.30**
General Reserve		
Opening balance	3.50	3.50
Add: Additional during the year	-	-
Closing balance	**3.50**	**3.50**
Retained Earnings		
Opening balance	126.70	88.17
Add: Profit/(loss) for the year	49.97	44.63
Other comprehensive income /(loss) (net of taxes)	0.28	(0.28)
Less:		
Dividend on Equity Shares	6.86	5.25
Others	0.10	0.57
Special Economic zone Re-investment reserve account	-	-
Closing balance	**169.98**	**126.70**
Securities Premium		
Opening balance	276.64	60.56
Add: during the year	-	216.08
Closing balance	**276.64**	**276.64**
Special Economic zone Re-investment reserve account		
Opening balance	0.26	0.26
Add : Transferred from Profit/ (loss) for the year	-	-
Closing balance	**0.26**	**0.26**

Nature	Purposes of other Reserves
General Reserve	This represents accumulated free reserves of the company
Retained Earnings	All the profit or losses made by the company are transferred to statement of P & L from cosolidated statement of profit & losses
Capital Redemption Reserve-FRCPS	This reserve represents provision made out of current year profit for the purpose of redemption of fully redeemable preference shares
Capital Redemption Reserve-OCPS	This reserve represents provision made out of current year profit for the purpose of redemption of optionally convertible preference shares
Capital Reserve on Business Combination	This represents the capital reserve on account of business combination purchase of unit of Solaris Chemtech industries ltd.
Securities Premium	Securities premium account is created when shares are issued at a premium. The reserve can be utilised in accordance with the provisions of the Companies Act , 2013

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

18. Borrowings

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured (at amortised cost)		
Term loans from Banks and Financial Institutions*	129.08	121.52
Total	**129.08**	**121.52**

* Refer Note 40 for Company's exposure to liquidity risk and interest rate risk

18a.

(Rs. in Crores)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non - current	Current	Non - current	Current
Loans				
Term Loan	129.08	28.93	121.52	27.01
Working Capital		204.20		76.20
Total	**129.08**	**233.13**	**121.52**	**103.21**

Particulars	As at March 31, 2023		As at March 31, 2022		Security
	Non - current	Current	Non - current	Current	
Loan outstanding at year end	129.08	28.93	121.52	27.01	First Pari passu charge on all immovable properties and movable assets both present and future located at Mahape, Karakhadi and Dahej SEZ
Terms of repayment	Installment of 1-3 years Rs. 72.68 crores, 3-5 years Rs.45.01 crores, above 5 years Rs. 11.39 crores		Installment of 1-3 years Rs. 97.93 crores, 3-5 years Rs.23.59 crores		

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Working capital loans from banks		
Rupee loan	200.81	-
Foreign currency loan	3.40	76.20
Total	**204.21**	**76.20**

Working capital loans of Rs 150.20 crores (Rs. 76.20 crores as at 31 March 2022) are secured by:

i) First Pari passu charge by way of hypothecation of stocks of raw materials, finished goods, work-in-process and book debts / receivables of the Company, both present and future.

ii) First Pari passu charge on movable properties and immovable properties forming part of the fixed/blocked assets of the Company, both present and future except such properties as may be specifically excluded and except GECL facility from HDFC Bank Limited wherein Second Pari Passu charge is created on movables and immovables.

Working Capital Loans of Rs. 54.00 Crores (Nil as at 31 March 2022) are unsecured.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

19. Other Non - Current Financials Liabilities

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Retention Money (measured at amortised cost)	2.00	2.00
Other Non - Current Financials Liabilities	1.76	1.80
Total	**3.76**	**3.80**

20. Long-term provisions

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits (Refer Note 39)		
Gratuity	0.94	1.38
Compensated Absences	3.71	2.66
Total	**4.65**	**4.04**

21. Deferred Tax Liabilities (Net)*

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Tax effect of items constituting deferrred tax (assets) / liabilities		
Provision for employee benefits	(1.96)	(1.76)
Long term borrowing	-	(0.24)
Property, Plant & Equipment	28.11	21.09
Provision for doubtful debts	(0.26)	-
MAT credit	(6.87)	(8.48)
Total	**19.02**	**10.61**

* Inclusive of Other comprehensive Income Tax

22. Current financial liabilities - Borrowings

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
(at amortised cost) *		
Current maturities of long-term debt	28.93	27.01
Loans repayable on demand -Banks**	155.32	76.20
Cash credit facilities**	48.89	-
Total	**233.13**	**103.21**

* Refer Note 40 for Company's exposure to liquidity risk and interest rate risk

** Working Capital loans of Rs. 54.00 Crores (Nil as at 31 March 2022) are unsecured.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

23. Trade payables

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Due to Micro, Small and Medium Enterprises*	4.37	6.15
Due to other than Micro, Small and Medium Enterprises	152.18	92.73
Total	**156.56**	**98.88**

* The Company has compiled list of suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 on the basis of confirmation received from parties. Based on current information/confirmations available with the company, overdues payable to suppliers who are registered under the relevant Act as at 31st March, 2023 & 31st March, 2022 are as below;

The disclosure as per Micro, Small and Medium enterprises development Act, 2006 (MSMED Act 2006)

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
a) (i) Principal amount unpaid as on March 31	2.17	-
a) (ii) Interest amount due as on March 31	0.07	-
b) Total interest paid on all delayed payments during the year under the provision of the Act	-	-
c) Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this act	-	-
d) Interest accrued but not due	-	-
e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

Trade Payables Ageing schedule as on 31st March , 2023

(Rs. in Crores)

Particulars	Outstanding for following periods from due date of payment			Total
	Less than 1 year	1-2 years	2-3 years	
(i) M S M E	-	-	-	-
(ii) Others	71.12	0.34	0.03	71.49
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-
Total	**71.12**	**0.34**	**0.03**	**71.49**

Note: Amount not due is Rs.85.07 crores

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Trade Payables Ageing schedule as on 31st March , 2022

(Rs. in Crores)

Particulars	Outstanding for following periods from due date of payment			Total
	Less than 1 year	1-2 years	2-3 years	
(i) M S M E	-	-	-	-
(ii) Others	22.97	1.25	0.01	24.23
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-
Total	**22.97**	**1.25**	**0.01**	**24.23**

Note: Amount not due is Rs. 74.65 crores

24. Other Current financial liabilities

(measured at Amortised Cost)

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Others payables	6.58	3.01
Salary payable	5.57	2.78
Other Deposits	0.03	2.28
Deferred revenue income	0.23	1.80
Unpaid dividend	0.00	0.00
Total	**12.41**	**9.87**

* Refer Note 40 for Company's exposure to liquidity risk and interest rate risk

25. Other current liabilities

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payables (includes TDS, PF, WCT, Others)	1.54	2.11
Total	**1.54**	**2.11**

26. Short-term provisions

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits (Refer Note 39)		
Gratuity	1.84	1.50
Compensated Absences	0.24	0.37
Total	**2.08**	**1.87**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

27. Leases

(Rs. in Crores)

Particulars	As at March 31, 2023 Amount	As at March 31, 2022 Amount
Lease commitments as at beginning of year	4.02	5.74
Add/(less): contracts reassessed as lease contracts	6.31	-
Add/(less): adjustments on account of extension/termination	(3.03)	(1.72)
Lease liabilities as at end of year	7.30	4.02
Current lease liabilities	2.27	2.07
Non current lease liabilities	5.03	1.95

27.1 (i) As Lessee

(A) dditions to right of use assets

Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property.

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment owned	-	-
Right-of-use assets, except for investment property	6.31	-

(B) Carrying value of right of use assets at the end of the reporting period

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Right-of-use assets, except for investment property		
Office premises at Baroda	0.09	0.15
Warehouse at Navi Mumbai	0.95	1.83
Office premises at Thane	5.68	1.21
	6.72	**3.19**

(C) Maturity analysis of lease liabilities

(Rs. in Crores)

Maturity analysis – contractual undiscounted cash flows	As at March 31, 2023	As at March 31, 2022
Less than one year	2.27	2.07
One to five years	5.03	1.95
More than five years	-	-
Total undiscounted lease liabilities	**7.30**	**4.02**
Lease liabilities included in the statement of financial position at the year end	-	-
Current	2.27	2.07
Non-Current	5.03	1.95

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(D) Amounts recognised in profit or loss

(Rs. in Crores)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest on lease liabilities	0.52	0.49
Variable lease payments not included in the measurement of lease liabilities	-	-
Income from sub-leasing right-of-use assets	-	-
Expenses relating to short-term leases	1.97	2.22
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-	-

(E) Amounts recognised in the statement of cash flows

(Rs. in Crores)

Particulars	As at March 31, 2023	As at March 31, 2022
Total cash outflow for leases	5.19	4.62

27.1 (ii) As Lessor

(A) Operating Lease

The Company has not entered into operating leases on its office buildings.

(B) Finance Lease

The Company has no finance leases for various items of plant and machinery.

28. Revenue from operations

(Rs. in Crores)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Sale of products Comprises Manufactured goods of Chemicals	660.48	474.94
Other Operating Revenue	25.71	12.31
Total revenue from operations	**686.18**	**487.25**

29. Other income

(Rs. in Crores)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest from banks on Fixed Deposits	0.27	0.19
Unrealised Gain on fair valuation of Quoted Investment	-	0.39
Interest income-others	3.56	0.36
Other Non Operating Income:		
Interest on loan from Partnership firm	0.04	0.05
Others	0.58	0.08
Total	**4.45**	**1.07**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

30. Cost of Materials Consumed

(Rs. in Crores)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Opening stock	36.38	27.40
Purchases	480.91	352.75
	517.29	**380.15**
Less: Closing stock	32.03	36.38
Cost of raw material consumed	**485.26**	**343.77**

31. Changes in inventories of finished goods and work in progress

(Rs. in Crores)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Opening Stock :		
Finished Goods	11.91	5.62
Work-in-Process	141.18	78.67
Less:		
Closing Stock:		
Finished Goods	58.89	11.91
Work-in-Process	190.94	141.18
Changes In Inventories:		
Finished goods	(46.99)	(6.29)
Work-in-Process	(49.76)	(62.51)
Changes in inventories of finished goods and work in progress	**(96.75)**	**(68.80)**

32. Employee benefits expense

(Rs. in Crores)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Salaries, wages and bonus	38.19	25.36
Contribution to provident and other funds (refer note 39)	5.31	4.55
Staff welfare	3.32	1.59
Total	**46.82**	**31.50**

33. Finance costs

(Rs. in Crores)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest expenses on borrowings	23.18	17.22
Interest on leases	0.52	0.58
Other finance cost and bank charges	5.24	1.28
	28.94	**19.08**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

34. Other expenses

(Rs. in Crores)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Conversion Charges	12.82	8.02
Contract Labour charges	12.26	8.56
Fuel & Power	31.23	20.30
Quality Control Expenses	5.65	4.10
Research and Development Expenses	5.66	4.70
Consumption of Packing Material	5.81	5.88
Other Production Expenses	30.40	20.95
Exhibition Expenses	3.09	0.76
Other Marketing Expenses	2.85	0.99
Clearing Charges	4.75	4.49
Provision for doubtful debts	0.69	-
Sea & Air Freight (Export) Expenses	8.19	2.53
Other Selling & Distribution Expenses	0.15	2.35
Professional Fees	7.27	4.33
Miscellaneous Expenses	0.07	0.17
Other Admin Expenses	7.20	5.28
CSR and CER Expenses	1.12	0.78
Total	**139.23**	**94.19**

35. Other Comprehensive Income

(Rs. in Crores)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Items that will not be reclassified to profit or loss		
(i) Remeasurements of the defined benefit plans (net of tax)	0.39	(0.40)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.11)	0.12
Total	**0.28**	**(0.28)**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

36. Earnings per Share

Particulars	As at March 31, 2023	As at March 31, 2022
Profit attributable to equity shareholders*	49.97	44.63
Weighted average number of equity shares for calculation of basic and diluted earnings per share (Nos.)	2,49,39,316	2,49,39,316
Nominal value per share (Rs.)	10	10
Earnings per share (face value of Rs. 10)		
Basic	20.03	18.70
Diluted	20.03	18.70

*Profit figures are ₹ in crores

37. Contingent Liabilities and Commitments

(Rs. in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
(I) Contingent Liabilities		
Contingent liability for Letters of Credit issued by the Bank and Bank Guarantee for Excise,Customs etc.		
(i) Letter of credit / Bank Guarantee	9.65	6.53
(ii) Bill discounted / Cheques purchased	2.87	14.10
Total	**12.52**	**20.63**
(II) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	14.64	52.45

38. Related Party Transaction

(A) Relationships :

In accordance with the requirements of Indian AccountIng Standard (Ind AS-24) on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by management are as follows:

(a) Wholly owned subsidiary Company

Neogen Ionics Limited (with effect from March 29, 2023)

(b) Where Joint control exists :

Dhara Fine Chem Industries (Partnership Firm in which Company is holding 90% Share)

(c) Key Management Personnel & Directors:

Particulars	Designation
Key Managerial Personnels (KMP's)	
Haridas Kanani	Chairman and Managing Director
Dr. Harin Kanani	Managing Director
Shyamsunder Upadhyay	Whole time Director
Ketan Vyas	CFO
Unnati Kanani	Company Secretary

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Particulars	Designation
Directors	
Anurag Surana	Non- Executive and Non-Independent Director
Sanjay Mehta	Independent Director
Hitesh Reshamwala	Independent Director
Prof. Ranjan Kumar Malik	Independent Director
Avi Sabavala	Independent Director

(d) Relatives of key management personnel and their enterprises, where transaction have taken place.

Particulars	Name of Interested Director
Kagashin Global Network Private Ltd	Anurag Surana
OCS Services (India) Private Limited	Hitesh Reshamwala

(e) Other Related Parties :

Nil

(B) Transactions with related parties:

(Rs. in Crores)

Particulars	March 31, 2023	March 31, 2022
Relatives of key management personnel and their enterprises		
Professional Fees/SEIS Script		
Kagashin Global Network (P) Ltd	1.05	0.96
OCS Services (India) Private Limited	-	0.69
Reimbursement of Travelling Exps		
Kagashin Global Network Private Ltd	0.35	0.01
Directors and Key Management Personnel		
Sitting Fees paid to directors		
Sanjay Mehta	0.03	0.03
Hitesh Reshamwala	0.03	0.03
Avi Sabavala	0.02	0.03
Prof. Ranjan Kumar Malik	0.02	0.02
Payment made to KMP's		
Remuneration	3.87	2.49
Commission	0.72	-
Balances o/s at the year end		
Relatives of key management personnel and their enterprises;		
Balance payable towards services	0.27	0.77

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

39. Employee Benefit Expenses

i Defined Contribution Plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Statutory Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions.

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
The Company has recognized the following amounts in the Statement of Profit and Loss for the year:		
Employers' Contribution to Provident Fund	2.35	1.89
Employers' Contribution to Employees' Pension Scheme, 1995	0.56	0.54
Total	**2.91**	**2.43**

ii Defined Benefit Plan

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Gratuity Plan:

(a) Asset/(Liability) recognized in consolidated statement of assets and liabilities

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Present value of obligation at end of the year	(4.04)	(3.91)
Fair value of Plan Assets	1.26	1.03
Net assets/(liability) recognized in consolidated statement of assets and liabilities as provision	**(2.78)**	**(2.88)**

(b) Amount recognized in the consolidated statement of profit and loss is as under:

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Current Service Cost	0.54	0.37
Net Interest Cost	0.21	0.15
Expense Recognized in the Income Statement	**0.75**	**0.52**

(c) Amount recognized in other comprehensive income as under:

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Actuarial (Gain)/Loss for the year on defined benefit obligation	(0.36)	0.40
Actuarial (Gain)/Loss for the year on plan assets	(0.04)	0.06
Net (Income)/Expense Recognized in the Income Statement	**(0.40)**	**0.45**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(d) Movement in liability recognized in the Consolidated statement of assets and liabilities as under:

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Present Value of defined benefit obligation as at the start of the year	3.91	3.20
Current Service Cost	0.54	0.37
Interest Cost	0.29	0.22
Actuarial loss/(gain) recognized during the year	(0.36)	0.40
Benefits paid	(0.34)	(0.28)
Present Value of defined benefit obligation as at the end of the year	**4.04**	**3.91**

(e) Movement in plan assets recognized in the Consolidated statement of assets and liabilities as under:

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Fair Value of plan assets at beginning of year	1.03	1.07
Interest Income	0.08	0.07
Expected return on plan assets - %	7.49%	7.29%
Employer's Contribution	0.45	0.22
Benefits Paid	(0.34)	(0.28)
Actuarial (Gain)/Loss on plan asset	0.04	(0.06)
Fair Value of plan assets at end of year	1.26	1.03
Actual Return on Plan assets, Excluding Interest Income	**(0.04)**	**0.06**

(f) Breakup of Actuarial (Gain)/Loss on Defined Benefit Obligation:

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Actuarial (Gain)/Loss on arising from change in demographic assumption	-	(0.00)
Actuarial (Gain)/Loss on arising from change in financial assumption	(0.07)	(0.08)
Actuarial (Gain)/Loss on arising from change in experience adjustments	(0.29)	0.48
Total Actuarial (Gain)/Loss	**(0.36)**	**0.40**

(g) Actuarial Assumption:

Description	As at March 31, 2023	As at March 31, 2022
Expected Return on Plan Assets	7.49%	7.29%
Discount Rate	7.49%	7.29%
Future Salary Increase	6.00%	6.00%
Rate of Employee Turnover - (service of more than 5 years)	2.00%	2.00%
Rate of Employee Turnover - (service of upto 5 years)	6.00%	6.00%
Expected Average remaining working lives of employees (years)	16	16

(h) Sensitivity analysis for gratuity liability:

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Impact of the change in discount rate		
Present value of obligation at the end of the year	4.04	3.91
- Impact due to increase of 1 %	(0.32)	(0.27)
- Impact due to decrease of 1 %	0.37	0.31
Impact of the change in Salary increase		
Present value of obligation at the end of the year	4.04	3.91
- Impact due to increase of 1 %	0.31	0.28
- Impact due to decrease of 1 %	(0.29)	(0.25)
Impact of the change in Employee Turnover		
Present value of obligation at the end of the year	4.04	3.91
- Impact due to increase of 1 %	0.03	0.02
- Impact due to decrease of 1 %	(0.03)	(0.03)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(i) Maturity Profile of defined benefit obligation: (from the fund)

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Within next 12 months	0.17	0.66
Between 1-5 years	1.47	0.94
Beyond 5 years	7.52	6.35

(j) Category of Plan Assets:

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Insurance Fund	1.26	1.03
Percentage of present obligation covered under Insurance Fund	[31.25%]	[26.31%]
Total	**1.26**	**1.03**

(iii) Other long-term employee benefits

Compensated Absences:

Provision in respect of leave encashment benefits has been made based on actuarial valuation carried out by an independent actuary at the Balance sheet date using Projected Unit Credit method. During the year following is recognized as expense in statement of profit & loss a/c.

(Rs. in Crores)

Description	As at March 31, 2023	As at March 31, 2022
Expense/(Income) to be recognized in Profit & Loss A/c	0.92	1.01
Total	**0.92**	**1.01**

40. Financial Risk Management Framework

A Capital Market

For the purpose of the entity's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the company. The primary objective of the entity's capital management is to maximise the shareholder value. The entity manages its capital structure and make adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the entity may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The entity monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The entity's policy is to keep an optimum gearing ratio.

B Financial Risk Management

The Company's activities primarily expose it to various risks such as Market Risks, Credit Risk and Liquidity Risk. Those are explained below:

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

i) Market Risk

Market Risks arise due to Changes in Interest rates, Foreign Exchange rates and changes in Market prices. These are explained below:

Interest Rate Risks

The Company borrows funds in Indian Rupees, to meet short term funding requirements. Interest on Short term borrowings is subject to floating interest rate and are repriced regularly and hence the Company is exposed to Interest rate risks. However, since the borrowings are not significant, the Company does not see any major risk.

If the interest rates had been 1% higher / lower and all other variables held constant, impact on the Company's profit for the year ended 31st March, 2023 will not be significant.

Foreign Currency Risks

The entity has international transaction and is expected to foreign currency risk arising from foreign currency transaction (Exports & Imports)

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency.

The company as per its overall strategy uses forward contracts and swap to mitigate its risks associated with fluctuations in foreign currency and such contracts are not designated as hedge under Ind AS 109.

a Exposure in foreign currency - Unhedged

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 and Speculation purposes.

The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise on balance sheet date is as under:

(Rs. in Crores)

Particulars	Nature of Foreign currency	As at March 31, 2023		As at March 31, 2022	
		Amt in foreign currency	Amt in INR	Amt in foreign currency	Amt in INR
Trade Receivables & Other financial assets	USD	-	-	0.03	2.78
Borrowings	USD	0.03	2.75	0.93	70.52
Borrowings	EURO	0.01	0.61	0.07	5.68
Trade Payable and other financial liabilities	EURO	-	-	0.01	0.84

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Rs. in Crores)

Particulars	As at March 31, 2023 Effect on profit before tax /pre - tax equity	As at March 31, 2022 Effect on profit before tax /pre - tax equity
Trade Receivables & Other financial assets		
Change in Euro rate (+/- 5%)	-	0.14
Borrowings, Trade Payables and other financial liabilities		
Change in USD rate (+/- 5%)	(0.14)	(3.53)
Change in Euro rate (+/- 5%)	(0.03)	(0.33)

Currency Risk

The company is exposed to the exchange rate risk as a significant portion of our revenues and expensditure are denominated in foreign currencies. We import certain raw materials the price of which we are required to pay in foreign currency, which is mostly the U.S Dollar or Euro. Products that we export are paid for in foreign currency, which together acts as natural hedge. Any appreciation/depreciation in the value of the Rupees against U.S dollar, Euro , or other foreign currencies would Increase / decrease the Rupee value of debtors/ creditors. To a certain extent the Company uses foreign exchange forward contracts to minimise the risk.

The carrying amount of the Company's hedged Foreign currency exposure at the end of the reporting periods are as follows:

(Rs. in Crores)

Particulars	Nature of Foreign currency	As at March 31, 2023		As at March 31, 2022	
		Amt in foreign currency	Amt in INR	Amt in foreign currency	Amt in INR
Trade Receivables & Other financial assets	USD	0.46	37.48	0.17	12.69
Trade Receivables & Other financial assets	EURO	0.03	2.42	0.03	2.70
Borrowings	USD	0.03	2.75	0.93	70.52
Borrowings	EURO	0.01	0.61	0.07	5.68
Trade Payable and other financial liabilities	USD	0.78	65.59	0.45	34.64
Trade Payable and other financial liabilities	EURO	(0.01)	(0.79)	0.01	0.84

(Rs. in Crores)

Particulars	As at March 31, 2023 Effect on profit before tax	As at March 31, 2022 Effect on profit before tax
Trade Receivables & Other financial assets		
Change in USD rate (+/- 5%)	1.87	0.63
Change in Euro rate (+/- 5%)	0.12	0.13
Borrowings, Trade Payables and other financial liabilities		
Change in USD rate (+/- 5%)	(3.42)	(5.26)
Change in Euro rate (+/- 5%)	(0.01)	(0.33)

Price Risks

The Company does not have much exposure to price risk due to annual contracts and pass through mechanism for imports

Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the entity.

The entity's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortized cost.

The entity continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk arises from cash and cash equivalents, trade receivables, investments carried at amortized cost and deposits with banks and financial institutions.

None of the financial instruments of the Company result in material concentrations of credit risk. The company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

Liquidity Risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The entity's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the entity's liquidity position and cash and cash equivalents on the basis of expected cash flows. The entity takes into account the liquidity of the market in which the entity operates.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments

Particulars	Balance As at March 31, 2023	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long term Borrowings	158.01	28.93	72.68	45.01	11.39
Short term borrowing*	204.20	204.20			
Trade Payable	156.56	156.56			
Statutory dues payable	1.54	1.54			
Other Liabilities	6.58	6.58			

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Particulars	Balance as on 31 March 2022	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long term Borrowings	148.53	27.01	97.93	23.59	-
Short term borrowing*	76.20	76.20			
Trade Payable	98.88	98.88			
Statutory dues payable	2.11	2.11			
Other Liabilities	3.01	3.01			

* Short term borrowing includes current maturity of long term borrowings of Rs.27.01 crores

41. Operating Lease

The Company has taken office premises, factory land under operating lease. These are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free deposits in accordance with the agreed terms. These Lease have terms of between 1years to 5 years.

The following rent expenses recognized:

(Rs. in Crores)

Year Ended	March 31, 2023	March 31, 2022
Within one year	1.97	2.76

42. Operating Segment Disclosure

The company is in the business of Manufacturing of speciality Chemicals and accordingly has one reportable business segment

Geographical Information

(Rs. in Crores)

Particulars		March 31, 2023	March 31, 2022
Revenue from External Customers	India	354.86	270.85
	Overseas includes Deemed Export	331.32	216.40
	Total	**686.18**	**487.25**

43. Additional Regulatory Information Required by Schedule III

a) All the title deeds of Immovable properties (other than properties where the Company is the lessee and lease agreements are duly executed in favour of the lessee) are held in the name of the company and the properties are not held in joint name.

b) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

c) The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

d) The Company has not revalued its intangible assets and accordingly the revaluation as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.

e) The company has not granted loans or advances to its promoters, directors and KMPs and for related parties disclosures refer note 38.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

f) The company has borrowings from banks on the basis of security of current assets and the reconciliation and reasons of material discrepancies are given below

Quarter ended	Particulars	Amount as per books of account of the Company (after Accounting Impact)	Amount as reported in the quarterly return / statement	Amount of difference
31 March 2023	Trade receivables	177.38	177.75	(0.37)
	Inventories	281.86	303.58	-
	Other current assets	21.72		
31 December 2022	Trade receivables	221.41	219.81	1.60
	Inventories	294.76	307.68	-
	Other current assets	12.92		
30 September 2022	Trade receivables	164.12	161.65	2.47
	Inventories	281.55	308.37	-
	Other current assets	26.82		
30 June 2022	Trade receivables	185.64	171.60	14.04
	Inventories	238.75	272.84	-
	Other current assets	34.09		

Reason for differences:

There was no material discrepancies between amount reported in the quarterly return and amount as per books of account. However, there was some immaterial discrepancies due to following reason;

- The company has to submit its data to bank within stipulated time lines. Accordingly, the data prevailing as on these reporting dates into books of accounts are submitted to banks for managing compliances and borrowing facility usage.
- Amount as per books of account are after due verification, limited review by Statutory auditors and corrective entries. This generally happens only after the due dates of data submission to bank have passed.

Due to the above facts, there was an identified differences in data submitted to banks and data as per books of accounts.

g) Wilful defaulter

The company is not declared a wilful defaulter by any bank or financial institution or other lender

h) Details of benami property held

No proceedings have been initiated on or are pending against the comoany for holding benami property under the Benami Transactions

i) Compliance with number of layers of companies

The company does not have any layers prescribed under clause (87) of section 2 of the Companies Act, 2013.

j) Utilisation of borrowed funds and share premium

The company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

k) Relationship with struck off companies

The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956 except following;

Amount of Transaction (in Crores)

Name of the Struck off company	Nature of transaction	For the year ended March 31, 2023	For the year ended March 31, 2022	Relationship with Struck off company
Chemene Bombay Private Limited	Storage and warehousing charges	1.73	0.70	NA

l) Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

m) Valuation of PP&E, intangible asset and investment property

The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

n) ANALYTICAL RATIOS

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% Variance
Current Ratio	Current Assets	Current Liabilities	1.60	2.26	-29.24%
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.75	0.51	46.74%
Debt Service Coverage Ratio	PAT + Depreciation & Amortisation + Interest	Principal repayment of debt + interest payments	1.37	2.63	-48.08%
Return on Equity Ratio	Net Profit after tax	Average Shareholder's Equity	10.36%	10.18%	1.75%
Inventory turnover Ratio	Sale of Products	Average Inventory	2.81	3.19	-11.67%

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% Variance
Trade Receivables turnover ratio	Sale of Products	Average Trade Receivables	4.78	5.18	-7.69%
Trade Payable turnover Ratio	Net Credit	Average Trade Payables	3.77	4.28	-11.95%
Net Capital turnover Ratio	Net Sales	Average Working Capital	2.64	2.81	-6.26%
Net Profit Ratio	Net Profit	Net Sales	7.28%	9.18%	-20.67%
Return on Capital Employed	EBIT	Tangible Net Worth + Total Debt + Deferred Tax Liability	11.57%	11.48%	0.82%
Return on Investment	Income Earned from Investments made	Investments made	10.27%	16976%	-99.94%

Reason for variance of more than 25%

Particulars	Remarks
Current Ratio	Previous year (FY 21-22) , company had done fund raise and proceeds of the same were deployed in working capital and hence the ratio was higher, in the current financial year (FY 22-23), the funds were utilised in working capital to meet the growing demands of the business
Debt- Equity Ratio	This ratio has increased due to increase in borrowings for the purpose of incurring Capital Expenditure and Working capital to meet the support growth of business and ongoing expansion projects.
Debt Service Coverage Ratio	One of the term loan has been fully pre-paid during the current financial year has resulted into lower DSCR.
Return on Investment	The company in the previous had utilised funds raised through preferential allotment of equity shares into short term investment instruments during the previous year, due to this returns were on higher side. The company has earned normal return on its investment during the current year.

o) Corporate social responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are Water Management Programmes , environmental sustainability and agriculture development; Promoting education amongst Children; promoting health care including preventive health care and sanitation and Disaster Management; Contribution towards Combating COVID Pandemic. Supporting Women Empowerment Projects; and Rural Development Projects. A CSR committee has been formed by the company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(Rs. in Crores)

	Particulars	As at March 31, 2023	As at March 31, 2022
i)	Amount required to be spent by the company during the year	0.95	0.77
ii)	Amount of expenditure incurred	0.96	0.78
iii)	Shortfall at the end of the year	-	-
iv)	Total of previous years shortfall	-	-
v)	Reason for shortfall	NA	NA
vi)	Nature of CSR activities	Water Management Programmes , environmental sustainability and agriculture development; Promoting education amongst Children; promoting health care including preventive health care and sanitation. Supporting Women Empowerment Projects; and Rural Development Projects	

p) The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year

q) The Company has assessed the possible impact of COVID-19 on its financial statements based on the internal and external information and concluded no adjustments are required in these consolidated financial statements. The Company continues to monitor changes in future economic conditions.

44. (i) Rupees in crores are rounded off nearest to two decimals and totals of notes, schedules may vary due to said rounding off

(ii) Previous period figures have been regrouped / rearranged/recasted wherever necessary, to conform to current period presentation

Other notes to Accounts & the accompanying notes are an integral part of Consolidated Financial Statements

As per our report of even date attached

For JMT & Associates
Chartered Accountants
Firm's Regn No: 104167W

For and on behalf of the Board of Directors

Jayesh J Shah
Partner
Membership No: 039910

Haridas Kanani
Chairman & Managing Director
DIN: 00185487

Dr. Harin Kanani
Managing Director
DIN: 05136947

Ketan Vyas
Chief Financial Officer

Unnati Kanani
Company Secretary and Compliance Officer
M. no. A35131

Place: Thane
Date: May 13, 2023

Notice of 34th Annual General Meeting

Notice is hereby given that the 34th Annual General Meeting ("**the AGM**") of the members of **Neogen Chemicals Limited ("the Company")** will be held on **Tuesday, September 5, 2023, at 5.00 p.m.** IST through Video Conferencing ('VC') / Other Audio-Visual Means ('OVAM') to transact the following businesses:

Ordinary Business:

1) To receive, consider and adopt the:

a) Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with Reports of the Board of Directors ("**the Board**") & Auditors' thereon; and

"**RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2023, and the report of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

b) Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 together with Report of the Board of Directors ("**the Board**") & Auditors' thereon.

"**RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended March 31, 2023, and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted.

2) To declare a final dividend on equity shares of the Company for the financial year ended March 31, 2023.

"**RESOLVED THAT** a final dividend, of Rs. 3 on each fully paid-up equity share of a face value of Rs. 10 each of the Company for the FY 2022-23, as recommended by the Board of Directors, be and is hereby declared and approved for the financial year ended March 31, 2023 and the same be paid out of the profits of the Company."

3) To appoint a director in place of Mr. Anurag Surana (DIN: 00006665), Non-Executive and Non-Independent Director who retires by rotation and being eligible offers himself for re-appointment.

"**RESOLVED THAT** Mr. Anurag Surana (DIN: 00006665), who retires by rotation and being eligible has offered himself for re-appointment be and is hereby re-appointed a Director of the Company."

Special Business:

4) Re-Appointment of Mr. Haridas Kanani, as a Chairman and Managing Director of the Company and to fix his Remuneration:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 152, 196, 197,198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), Articles of Association of the Company, and on recommendation of the Nomination and Remuneration committee and approval of the Board of Directors of the Company, the consent of the members of the company be and is hereby accorded for the re- appointment and terms of remuneration of Mr. Haridas Kanani (DIN: 00185487) as a Chairman and Managing Director of the Company for a further term of 5 years starting from August 11, 2023 to August 10, 2028, not liable to retire by rotation, on such terms and conditions including remuneration as set out in the agreement, the abstract of which is given in explanatory statement annexed to this Notice, and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment, with authority to the Board of Directors (hereinafter referred to as "**the Board**" which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/ or to recommend/decide from time to time the remuneration (including annual increments, perquisites and incentives along with the performance bonus and commission) payable to Mr. Haridas Kanani during his tenure subject to the same not exceeding the then existing limits specified under Section 197, read with Schedule V of the Companies Act, 2013 (including any amendments, modifications made hereinafter in this regard) and SEBI LODR and in such manner as may be agreed to between the Board and Mr. Haridas Kanani without any further reference to the members in General Meeting;

RESOLVED FURTHER THAT the Board/Committee(s) of the Board of the Company, any of the Directors, Chief Financial Officer or the Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things (including the power to sub-delegate) as they may in their absolute discretion consider necessary, desirable or expedient including without limitation, making application, filing of requisite forms/ documents with the Registrar of Companies and/ or such other authorities as may be necessary for the said purpose; issuing clarification and make submissions to various authorities; to sign, seal, execute and submit the necessary documents, letters, deeds and agreement to the concerned authorities; to resolve and settle any questions/difficulties that may arise with respect to the said re- appointment of Mr. Haridas Kanani as a Chairman and Managing Director and to authorize such person as may be deemed necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit in the best interest of the Company, without being required to seek any further consent or approval of the shareholders of the Company and that the decision of the Board shall be final and conclusive."

5) Re-Appointment of prof. Ranjan Kumar Malik as an Independent Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT,** pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act"), Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulation') [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, Prof. Ranjan Kumar Malik (DIN: 08221989), whose present term of office as an Independent Director expires on October 5, 2023, and who has given his consent for the re-appointment and has submitted a declaration that he meets the criteria for independence under Section 149 of the Act and Listing Regulations and who is eligible for re-appointment, in respect of whom Notice has been received from a Member under Section 160 of the Act signifying the intention to propose his candidature for the office of Independent Director, be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years with effect from October 6, 2023 to October 5, 2028 and whose office shall not be liable to retire by rotation;

RESOLVED FURTHER THAT pursuant to the provisions of Section 149 and 197 of the Companies Act, 2013 read with Schedule IV of thereof (including any statutory modification(s) or re-enactment thereof, for the time being in force), Prof. Ranjan Kumar Malik (DIN: 08221989), Independent Director of the Company be paid such sitting fees, for attending the meeting(s) of the Board or any Committee thereof, if constituted, as may be approved by Board and mentioned in the Letter of Appointment and he may also be paid a commission of such amount not exceeding in aggregate one (1%) percent of the net profits of the Company computed in the manner referred to in Section 198 of the Companies Act, 2013, within the limits prescribed under the Act and Rules thereunder and as approved by the Board of Directors of the Company, and reimbursement of any expenses for participation in the board and other meetings.

RESOLVED FURTHER THAT the Board/Committee(s) of the Board of the Company, any of the Directors, Chief Financial Officer or the Company Secretary, if any of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things (including the power to sub-delegate) as they may in their absolute discretion consider necessary, desirable or expedient including without limitation, making application, filing of requisite forms/ documents with the Registrar of Companies and/ or such other authorities as may be necessary for the said purpose; issuing clarification and make submissions to various authorities; to sign, seal, execute and submit the necessary documents, letters, deeds and agreement to the concerned authorities; to resolve and settle any questions/difficulties that may arise with respect to the said appointment of Prof. Ranjan Kumar Malik (DIN: 08221989) as an Independent Director and to authorize such person as may be deemed necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit in the best interest of the Company, without being required to seek any further consent or approval of the shareholders of the Company and that the decision of the Board shall be final and conclusive."

6) Re-Appointment of Mrs. Avi Sabavala as an Independent Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT,** pursuant to the provisions of sections 149, 150, 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act"), Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015('Listing Regulation') [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, Mrs. Avi Sabavala (DIN: 08246256), whose present term of office as an Independent Director expires on October 5, 2023, and who has given her consent for the re-appointment and has submitted a declaration that she meets the criteria for independence under Section 149 of the Act and Listing Regulations and who is eligible for re-appointment, in respect of whom Notice has been received from a Member under Section 160 of the Act signifying the intention to propose her candidature for the office of Independent Director, be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years with effect from October 6, 2023 upto October 5, 2028 and whose office shall not be liable to retire by rotation;

RESOLVED FURTHER THAT pursuant to the provisions of Section 149 and 197 of the Companies Act, 2013 read with Schedule IV of thereof (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mrs. Avi Sabavala (DIN: 08246256), Independent Director of the Company be paid such sitting fees, for attending the meeting(s) of the Board or any Committee thereof, if constituted, as may be approved by Board and mentioned in the Letter of Appointment and he may also be paid a commission of such amount not exceeding in aggregate one (1%) percent of the net profits of the Company computed in the manner referred to in Section 198 of the Companies Act, 2013, within the limits prescribed under the Act and Rules thereunder and as approved by the Board of Directors of the Company, and reimbursement of any expenses for participation in the board and other meetings.

RESOLVED FURTHER THAT the Board/Committee(s) of the Board of the Company, any of the Directors, Chief Financial Officer or the Company Secretary, if any of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things (including the power to sub-delegate) as they may in their absolute discretion consider necessary, desirable or expedient including without limitation, making application, filing of requisite forms/ documents with the Registrar of Companies and/ or such other authorities as may be necessary for the said purpose; issuing clarification and make submissions to various authorities; to sign, seal, execute and submit the necessary documents, letters, deeds and agreement to the concerned authorities; to resolve and settle any questions/difficulties that may arise with respect to the said appointment of Mrs. Avi Sabavala (DIN: 08246256) as an Independent Director and to authorize such person as may be deemed necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit in the best interest of the Company, without being required to seek any further consent or approval of the shareholders of the Company and that the decision of the Board shall be final and conclusive."

7) Ratification of Remuneration payable to Cost Auditor:

To consider and if thought fit, to pass the following resolution with or without modifications as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of section 148(3) of the Companies Act, 2013, read with Companies (Cost Records and Audit Rules), 2014, the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 (including any statutory enactment, amendments or modifications thereto from time to time) and on recommendation of the Audit committee and approval of the Board of Directors of the Company, the members of the Company hereby ratifies and approves the appointment of Kishore Bhatia & Associates, Cost Accountants, with Firm Registration Number- 00294, as the Cost Auditors of the Company, to verify and review the cost records and conduct the audit of the cost records of the Company for the financial year ending on March 31, 2024, at a remuneration of Rs. 3,30,000/- (Rupees Three Lakhs Thirty Thousand) plus applicable taxes and reimbursement of out-of-pocket expenses, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, matters and things as may be necessary to give effect to the above resolution."

8) Increasing the borrowing powers under section 180(1) (C) of the Companies Act, 2013 up to Rs. 1000 Crores:

To consider and if thought fit, to pass the following resolution with or without modifications as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of section 180(1)(c) and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) to borrow any sum or sums of money from time to time as it may consider fit for the purpose of the business of the Company from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be so borrowed together with monies already borrowed by the Company from the Company's Bankers (apart from the temporary loans obtained or to be obtained from the Company's Bankers' in the ordinary course of business) may at any time exceed the aggregate of the Paid-up Capital of the Company, free reserves and securities premium account, (that is to say, reserves not set apart for any specific purpose), provided, however that the total amount so borrowed by the Company and outstanding at any one time shall not exceed the sum of **Rs. 1000 crores (Rupees One Thousand Crores)** and that the Board be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

9) Creation of security on the properties of the Company, both present and future, in favour of lenders:

To consider and if thought fit, to pass the following resolution with or without modifications as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of section 180(1)(a) and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) for creation of charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and / or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the Lender(s), Agent(s) and Trustee(s) (together "**the Lenders**"), for securing the borrowings availed / to be availed by the Company by way of loan(s) (in foreign currency and / or rupee currency)/ financial assistance or financial indebtedness availed by the Company from time to time, (including without limitation, the due payment of the principal and/ or together with interest, at the respective agreed rates, additional interest, compound interest, accumulated interest, liquidated damages, commitment charges, remuneration of the agent(s), trustee(s), prepayment premium, all other costs, charges and expenses and all other monies payable by the Company) (together, the "Financial Indebtedness") in terms of the financing documents, or any other documents, entered into or to be entered into between the Company and any Lender(s) in respect of the Financial Indebtedness on such terms and conditions as may be agreed between the Company and any Lender(s) provided that the maximum extent of the Financial Indebtedness secured by the assets of the Company does not exceed **Rs. 1000 crores (Rupees One thousand crores**) at any time as approved under Section 180(1)(c) of the Act;

RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank prior / pari passu / subservient with / to the mortgages and / or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the concerned parties;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

10) Alteration / Reclassification of the authorised Share Capital and consequent alteration of Memorandum of Association of the Company.

To consider and if thought fit, to pass the following resolution with or without modifications as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 13, 61 and all other applicable provisions, if any, under the Companies Act, 2013, (including any amendment thereto or re-enactment thereof) the existing Authorised Share Capital of the Company of Rs. 50,00,00,000/- (Rupees Fifty Crores) divided into 2,50,00,000 (Two Crores Fifty Lacs) Equity Shares of Rs. 10 each; 20,00,000 (Twenty Lakh) 9.8% Fully Redeemable Cumulative Preference Shares of Rs. 100 each; and 5,00,000 (Five Lakh) 10% Cumulative Optionally Convertible Preference Shares of Rs. 100 each be and is hereby reclassified **TO** the Authorised Share Capital of the Company of Rs. 50,00,00,000/- (Rupees Fifty Crores) divided into 4,00,00,000 (Four Crores) Equity shares of Rs. 10 (Rupees Ten) each and 10,00,000 (Ten Lakhs) Preference shares of Rs. 100 (Rupees Hundred) each."

"**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 13, 61 and all other applicable provisions, if any, under the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), the approval of the members of the Company, be and is hereby accorded to alter/ amend/ reclassify the Memorandum of Association of the Company by substituting the existing Clause V thereof with the following new Clause V as under:

******V. The Authorised Share Capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crores) divided into

i. 4,00,00,000 (Four Crores) Equity shares of Rs. 10 (Rupees Ten) each aggregating to Rs. 40,00,00,000/- (Rupees Forty Crores); and

ii. 10,00,000 (Ten Lakhs) Preference shares of Rs. 100 (Rupees Hundred) each aggregating to Rs. 10,00,00,000/- (Rupees Ten crores).

The Company has power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or contributors in such manner as may be permitted by the Act.

RESOLVED FURTHER THAT the Board/Committee(s) of the Board of the Company, any of the Directors, Chief Financial Officer or the Company Secretary, if any of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things (including the power to sub-delegate) as they may in their absolute discretion consider necessary, desirable or expedient including without limitation, making application, filing of requisite forms/ documents with the Registrar of Companies and/ or such other authorities as may be necessary for the said purpose; issuing clarification and make submissions to various authorities; to sign, seal, execute and submit the necessary documents, letters, deeds and agreement to the concerned authorities; to resolve and settle any questions/difficulties that may arise with respect to the said alteration / reclassification of the authorised share capital and consequent alteration of memorandum of association and to authorize such person as may be deemed necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit in the best interest of the Company, without being required to seek any further consent or approval of the shareholders of the Company and that the decision of the Board shall be final and conclusive."

11) To authorize issuance of securities through permissible modes of fund-raising

To consider and if thought fit, to pass the following resolution with or without modifications as a **Special Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 23, 41, 42, 62(1)(c), 71, 179 and other applicable provisions, if any, of the Companies Act, 2013, read with the rules framed thereunder, including the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules and regulations made thereunder (including any amendment(s), statutory modification(s) and/or re-enactment(s) thereof for the time being in force), (the "**Companies Act"),** the provisions of the Memorandum of Association and the Articles of Association of the Company, all other applicable laws, rules and regulations, including the provisions of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"), Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**"), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended ("**SEBI ILDS Regulations**"), the Foreign Exchange Management Act, 1999, ("**FEMA**") including any amendment(s), statutory modification(s), variation(s) or re-enactment(s) thereof, or the rules and regulations issued thereunder, and the circulars or notifications issued thereunder including the Master Directions on External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019, as amended from time to time and the Master Direction on Reporting under Foreign Exchange Management Act, 1999 dated January 1, 2016, as amended, the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as amended (together the "**ECB Guidelines**"), the Companies (Issue of Global Depository Receipts) Rules, 2014, the Depository Receipts Scheme, 2014, as amended (the "2014 Scheme"), the Framework for issue of Depository Receipts dated October 10, 2019 issued by the Securities and Exchange Board of India ("**SEBI**") and as amended from time to time, the extant consolidated Foreign Direct Investment Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce, Government of India, as amended and replaced from time to time and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004, including any amendments, statutory modification(s) and / or re-enactment(s) thereof, and such other applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications issued/ to be issued thereon by the Government of India **("GOI"),** Ministry of Finance (Department of Economic Affairs), Department for Promotion of Industry and Internal Trade, Ministry of Corporate Affairs ("**MCA**"), the Reserve Bank of India ("**RBI**"), SEBI, BSE Limited **("BSE")** and National Stock Exchange of India Limited ("**NSE**"), and together with BSE Limited ("**BSE**"), the ("**Stock Exchanges**") or any other stock exchange where the equity shares of face value of Rs. 10/- (Rupees ten only) each ("**Equity Shares**") of the Company are listed (together the "**Stock Exchanges**"), and/ or any other relevant law/ guideline(s) and/or any other regulatory/ statutory authorities under any other applicable law, from time to time (hereinafter singly or collectively referred to as the "**Authorities**"), to the extent applicable and subject to the term(s), condition(s), modification(s), consent(s), permission(s) sanction(s) and approval(s) of any of the Appropriate Authorities and guidelines and clarifications issued thereon from time to time and subject to such terms, conditions and modifications as may be prescribed by any of the Authorities while granting any such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall deemed to mean and include any committee(s) duly constituted/ to be constituted by the Board, from time to time, to exercise its powers including powers conferred by this resolution), the approval of the Members of the Company be and is hereby accorded to raise funds upto an extent of **Rs. 500,00,00,000 (Rupees Five Hundred Crore)** by way of issue, offer and allotment (including with provisions for reservations on firm and/or competitive basis, or such part of issue and for such categories of persons as may be permitted) such number of Securities (as defined hereinafter) including equity shares, fully/ partly convertible/ non-convertible instruments including debenture warrants, convertible warrants, securities convertible into equity shares or any other equity based instruments, or debt securities including but not limited to Non-Convertible Debentures (**NCDs**) or Compulsory Convertible Debentures (**CCDs**) or Bonds or Foreign Currency Convertible Bonds (**FCCBs**) or Global Depository Receipts (**GDR**) or American Depository Receipts (**ADR**) or any other eligible securities or any combination thereof (collectively referred to as "**Securities**"), with or without premium, in one or more tranche, including by way of a public issue, rights issue, preferential issue or a private placement (including a qualified institutions placement (**the "QIP")** in accordance with Chapter VI of the SEBI Regulations), **or through any other permissible mode** or any combination thereof of any of the above, to the eligible investors whether Indian or foreign, that may be permitted to invest in such issuance of Securities, (whether institutions and/or incorporated bodies and/or trusts or otherwise)/ foreign portfolio investors/mutual funds/pension funds/ venture capital funds/ banks/ alternate investment funds/Indian and/or multilateral financial institutions, insurance companies, qualified institutional buyers (the "**QIBs**") and any other category of persons or entities who/which are authorised to invest in Securities of the Company as per extant regulations/guidelines or any combination of the above as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are members of the Company (collectively called the "**Investors**"), for cash consideration, in Indian/ foreign currency, at such price or prices, (whether at prevailing market price or at permissible discount or premium to market price in terms of applicable regulations) and on such terms and conditions at the Board's absolute discretion including the discretion to determine the categories of Investors, considering the prevailing market conditions and other relevant factors wherever necessary, to whom the offer, issue and allotment of Securities shall be made to the exclusion of others, including making of calls and manner of appropriation of application money or call money, in respect of different class(es) of Investor(s) and/or in respect of different Securities, deciding of other terms and conditions like number of securities to be issued, face value, number of Equity Shares to be issued and allotted on conversion/redemption/ extinguishment of debt(s), rights attached to the warrants, terms of issuance, period of conversion, fixing of record date or book closure dates, if any, as the Board may in its absolute discretion decide, in each case, subject to the applicable laws and on such terms and conditions as may be deemed appropriate by the Board of Directors, subject to the receipt of necessary approvals, including the approval of the members of the Company at a general meeting or through postal ballot and such other regulatory/ statutory approvals as may be required, at an issue price as determined by the Board in accordance with the pricing guidelines prescribed under SEBI Regulations and pursuant to the provisions under the Act;, by way of an offer document/ prospectus or such other document, in India or abroad, such number of Equity Shares of the face value of Rs.10 (Rupees ten only) each and aggregating up to **Rs. 500 Crore** (**Rupees Five Hundred Crore only**) (inclusive of premium amount, if any), whether at a discount (subject to Section 53 of the Companies Act, 2013) or premium to the market price, from time to time in one or more tranches, including but not limited to one or more of the existing shareholders/members, employees of the Company, qualified institutional buyers within the meaning prescribed under SEBI ICDR Regulations ("**QIBs**") pursuant to a qualified institutions placement ("**QIP**"), through a placement document and at such price and such terms and conditions as may be determined in accordance with the relevant provisions of SEBI ICDR Regulations or such other entities, authorities or any other category of investors who are authorized to subscribe to the equity shares of the Company as per the extant regulations/guidelines, as deemed appropriate by the Board, and/or any securities convertible or exchangeable into such number of Equity Shares, including but not limited to convertible debentures and/or preference shares (compulsory and/ or optionally, fully and/or partly) and/or warrants with or without non-convertible debentures with the rights exercisable by the warrant holders to exchange such warrants with Equity Shares and/or foreign currency convertible bonds ("**FCCB**") and/or debentures/non-convertible debt instruments along with warrants / convertible debentures / securities and/or foreign currency exchangeable bonds ("**FCEB**") which are convertible or exchangeable into equity shares at the option of the Company, by way of public issuance or private placement including qualified institutions placement ("**QIP**") or any other method permitted under applicable laws, and/or preference shares and/or global depository receipts ("**GDRs**") and/or American depository receipts ("**ADRs**") and/or any other financial instruments/securities convertible into and/or linked to Equity Shares (including warrants (detachable or not), or otherwise, in registered or bearer form) (all of which are hereinafter referred to as "**Securities**"), secured/un-secured, listed on recognized stock exchanges in India or abroad, whether Rupee denominated or denominated in one or more permissible foreign currencies, and/or any combination of any of the aforementioned Securities in one or more tranches and/or one or more issuances simultaneously or otherwise for aggregating up to **Rs. 500 crore** (Rupees Five Hundred Crore only) or its equivalent in any other currency(ies) (inclusive of such premium as may be fixed on such Securities), through one or more public issue(s), rights issue(s), private placement(s), QIP pursuant to Chapter VI of SEBI ICDR Regulations, and/or any combination thereof or any other method as may be permitted under applicable laws to one or more eligible investors, in the course of domestic or international offerings, through issue of prospectus and/or letter of offer and/or placement document and/or offering circular and/or other permissible/ requisite offer documents to any eligible person, including QIBs, foreign/ resident investors (whether institutions, banks, incorporated bodies, mutual funds, individuals, trustees, stabilizing agent or otherwise), venture capital funds (foreign or Indian), alternative investment funds, foreign portfolio investors, public financial institutions, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, pension funds, insurance companies, provident fund with minimum applicable corpus and/or any other categories of persons or entities who are authorized to invest in the Securities of the Company as per extant regulations/ guidelines or any combination of the above as may be deemed appropriate by the Board/committee in its absolute discretion and, whether or not such investors are Members of the Company, (collectively referred to as the "**Investors**"), at such price or at a discount or premium to market price, as may be permitted under applicable laws, with authority to retain over subscription up to such percentage as may be permitted under applicable regulations, in such manner and on such terms and conditions as the Board may determine and without requiring any further approval or consent from the members at the time of such issue and allotment, considering the prevailing market conditions and other relevant factors, where necessary in consultation with the lead managers, merchant bankers, underwriters, guarantors, financial and / or legal advisors, depositories, registrars and other agencies, and as may be deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of Investors, considering the prevailing market conditions and other relevant factors wherever necessary, to whom the offer, issue and allotment of Securities shall be made to the exclusion of others, including making of calls and manner of appropriation of application money or call money, in respect of different class(es) of Investor(s) and/or in respect of different Securities, deciding of other terms and conditions like number of securities to be issued, face value, number of Equity Shares to be issued and allotted on conversion/ redemption/extinguishment of debt(s), rights attached to the warrants, terms of issuance, period of conversion, fixing of record date or book closure dates, if any, as the Board may in its absolute discretion decide, in each case, subject to the applicable laws and on such terms and conditions as may be deemed appropriate by the Board of Directors, subject to the receipt of necessary approvals, including the approval of the members of the Company at a general meeting or through postal ballot and such other regulatory/ statutory approvals as may be required, at an issue price as determined by the Board in accordance with the pricing guidelines prescribed under SEBI Regulations and pursuant to the provisions under the Act.

"**RESOLVED FURTHER THAT** such issue, offer or allotment shall be by one or more of the following modes, i.e., by way of public issue, rights issue, and/ or on a private placement basis, including QIP, with or without over-allotment option and that such offer, issue, placement and allotment be made as per the applicable and relevant laws/guidelines, as the Board may deem fit.

"**RESOLVED FURTHER THAT** in accordance with the provisions of the SEBI ICDR Regulations, SEBI Listing Regulations and 1993 Scheme, as applicable, the relevant date for determining the price of the Securities to be issued by way of QIP/FPO/rights issue/ FCCBs/ FCEBs or any other permissible mode shall be the date of the meeting in which the Board decides to open the proposed issue or such other date, as may be prescribed in accordance with applicable laws."

"**RESOLVED FURTHER THAT**, if the Company proposes to issue and allot any Securities by way of QIP pursuant to and in terms of Chapter VI of the SEBI ICDR Regulations and SEBI Listing Regulations:

1. the issue and allotment of Securities by way of QIP shall be completed within 365 days from the date of passing of this resolution or such other time as may be allowed under the Companies Act and/or the SEBI ICDR Regulations, from time to time;

2. the "**relevant date**" for determination of the floor price of the Equity Shares to be issued shall be:

    a. in case of allotment of Equity Shares in a QIP, the date of meeting in which the Board decides to open the issue, and/or

    b. in case of allotment of eligible convertible securities in a QIP, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as may be determined by the Board.

3. the QIP shall be made at such price not less than the price determined in accordance with the pricing formula provided under the SEBI ICDR Regulations ("QIP Floor Price"), and the price determined for a QIP shall be subject to appropriate adjustments in accordance with the provisions of the SEBI ICDR

Regulations, as may be applicable and the Board, at its absolute discretion, may offer a discount of up to 5% (five per cent) or such other discount as may be permitted under applicable law for any of Securities.

4. the issue and allotment of fully paid-up Securities, except as may be permitted under the SEBI ICDR Regulations, the ECB Guidelines, the 1993 Scheme and other applicable laws (or any combination of the Securities as decided by the Board), shall only be to QIBs within the meaning of Chapter VI of the SEBI ICDR Regulations and no allotment shall be made, either directly or indirectly, to any person who is a promoter or any person related to promoters in terms of the SEBI ICDR Regulations.

5. the allotment to a single QIB in the proposed QIP issue will not exceed 50% of the total issue size or such other limit as may be permitted under applicable law as well as the minimum number of allottees specified in SEBI regs shall be complied with.

6. no partly paid-up Equity Shares or other Securities shall be issued/allotted.

7. The Company shall not undertake any subsequent QIP until the expiry of two weeks from the date of the QIP to be undertaken pursuant to this special resolution.

8. The tenure of the convertible or exchangeable Eligible Securities issued through the QIP shall not exceed sixty months from the date of allotment

9. the Securities shall not be eligible to be sold for a period of one year from the date of allotment, except on the recognized Stock Exchanges, or except as may be permitted under the SEBI ICDR Regulations from time to time."

"**RESOLVED FURTHER THAT** in case of issue of Equity Shares, by way of QIP as per Chapter VI of SEBI ICDR Regulations, the prices determined for the QIP shall be subject to appropriate adjustments if the Company, pending allotment under this resolution:

a. makes an issue of Equity Shares by way of capitalization of profits or reserves, other than by way of dividend on shares;

b. makes a rights issue of Equity Shares;

c. consolidates its outstanding Equity Shares into a smaller number of shares;

d. divides its outstanding Equity Shares including by way of stock split;

e. re-classifies any of its Equity Shares into other securities of the issuer; and

f. is involved in such other similar events or circumstances, which in the opinion of the concerned stock exchange, requires adjustments.

"**RESOLVED FURTHER THAT** the Board be and hereby authorized to enter into any arrangement with any agencies or bodies for the issue of GDRs and / or ADRs represented by underlying equity shares in the share capital of the Company with such features and attributes as are prevalent in international / domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and / or international practice and regulations and under the norms and practices prevalent in the domestic / international capital markets and subject to applicable laws and regulations and the Articles of Association of the Company."

"**RESOLVED FURTHER THAT** in pursuance of the aforesaid resolution the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing Securities of the Company, if any, and the Equity Shares, issue and allotted pursuant to and in terms of this resolution shall rank pari passu in all respects with the then existing Equity Shares of the Company."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized, in consultation with the merchant banker(s), advisors and / or other intermediaries as may be appointed in relation to the issue of Securities, to do all such acts, deeds, matters and take all such steps as may be necessary including without limitation to sign and execute all deeds, documents, undertakings, agreements, papers and writings as may be required in this regard including without limitation, the private placement offer letter (along with the application form), information memorandum, offering circular, disclosure documents, subscription or purchase agreement, escrow agreement, trust deed, agency agreement, placement document, placement agreement and any other documents as may be required, and to settle all questions, difficulties or doubts that may arise at any stage from time to time, and to engage, appoint all intermediaries including without limitation consultants, lead managers, co-lead managers, managers, merchant bankers, advisors, counsels, bankers, escrow agent, depository, custodian, registrar, trustee, etc, and to enter into and execute all such agreements/arrangements/ memorandum of understanding with them, as may be considered necessary or appropriate to finalize, approve and issue any document(s), including but not limited to prospectus and/ or letter of offer and/or circular, documents and agreements including filing of such documents (in draft or final form) with any Indian or foreign regulatory authority or Stock Exchanges and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds, as it may in its absolute discretion deem fit."

"**RESOLVED FURTHER THAT** such of those equity shares as are not subscribed to may be disposed of by the Board, in its absolute discretion, in such manner, as the Board may deem fit and as permissible under relevant laws/guidelines."

"RESOLVED FURTHER THAT the Board be and hereby authorized to enter into any arrangement with any agencies or bodies for the issue of GDRs and / or ADRs represented by underlying equity shares in the share capital of the Company with such features and attributes as are prevalent in international / domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and / or international practice and regulations and under the norms and practices prevalent in the domestic / international capital markets and subject to applicable laws and regulations and the Articles of Association of the Company."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers, herein conferred, to Executive Directors and / or Chief Financial Officer and / or Company Secretary & Compliance Officer or any other Senior Executive of the Company and/or to any committee of the Board, which may be/have been constituted to exercise its powers including the powers conferred by this Resolution."

"**RESOLVED FURTHER THAT** the Board or duly constituted committee, thereof is authorised to open one or more bank accounts in the name of the Company, as may be required, subject to requisite approvals, if any, and to give such instructions including closure thereof as may be required and deemed appropriate by the Board."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee(s) of the Board, Director(s), Chief Financial Officer, Company Secretary or Officer(s) of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as they may in their absolute discretion consider necessary, desirable or expedient including without limitation, application to Stock Exchanges, filing of requisite documents with the Registrar of Companies, MCA, Stock Exchanges, Depositories, RBI, GOI, SEBI and/ or such other Authorities as may be necessary for the purpose, issuing clarification on the offer, issue and allotment of the Securities and listing of Securities at the Stock Exchanges as per the terms and conditions of Listing Regulations and other applicable Guidelines, Rules and Regulations, to execute the necessary documents and enter into contracts, arrangements, agreements, documents (including appointment of agencies, intermediaries and advisor for the Issue, offer and allotment of Securities), to resolve and settle any questions/difficulties that may arise with respect to the offer, issue and allotment of the said Securities, including making an offer to the Proposed Allottee's, utilization of issue proceeds, signing of all deeds and documents as may be required, and to authorize all such person as may be deemed necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit, and that the decision of the Board shall be final and conclusive and all actions taken by the Board in connection with any matter(s) referred to or contemplated in this resolution are hereby approved, ratified and confirmed in all respects."

RESOLVED FURTHER THAT the Board be and is hereby authorized to further delegate all or any of the power herein conferred and to authorize and empower any committee and / or director(s) and / or officer(s) of the Company, to execute and deliver, for and on behalf of the Company, any and all other documents or instruments or filings with any authorities and doing or causing to be done any and all acts or things as the committee / director(s) / officer(s) may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing, or in connection with the issuance of Equity Shares, and any documents or instruments so executed and delivered or acts and things done or caused to be done by the committee / director(s) / officer(s) shall be conclusive evidence of the authority of the committee / director(s) / officer(s) and the Company in doing so and to represent the Company before any Authorities, as they may deem fit and proper for the purposes of giving effect to above resolutions and settle any questions or difficulties that may arise;

RESOLVED FURTHER THAT all actions taken by the Board or Committee(s) duly constituted for this purpose in connection with any matter(s) referred or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

By order of the Board of Directors
For **Neogen Chemicals Limited**

Unnati Kanani
Company Secretary &
Compliance Officer
Membership No.: A35131

Place: Thane
Date: August 5, 2023

Regd. Office Address:
Office No. A-1002 10th Floor Dev Corpora
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Khopat, Thane 400601
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Email: investor@neogenchem.com
Website: www.neogenchem.com
CIN No.:L24200MH1989PLC050919

Notes

1. Pursuant to the General Circular numbers 10/2022 dated December 28, 2022, 02/2022 and 03/2022 dated May 5, 2022, 21/2021 dated December 14, 2021, 02/2021 dated January 13, 2021, 20/2020 dated May 5, 2020, 19/2021 dated December 8, 2021, 17/2020 dated April 13, 2020, 14/2020 dated April 8, 2020 issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/ HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/CMD1/CIR/ P/ 2020/79 dated May 12, 2020 and circular no. SEBI/HO/CFD/ CMD2/ CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "**the Circulars**"), and in compliance with the provisions of the Companies Act, 2013 ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015 ("Listing Regulations") companies are allowed to hold AGM through video conferencing (VC) or OAVM (other Audio Video Means), without the physical presence of members at a common venue. In compliance with the Circulars, the AGM of the members of the Company is being held through VC or OAVM. Hence Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM forms part of these notes. Further, in accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Guidance/Clarification dated April 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

2. In terms of Section 102 of the Companies Act, 2013 ("**the Act**") and Secretarial Standard on General Meetings, an explanatory statement setting out the material facts concerning special business under item no. 4 to 11 to be transacted at the AGM is annexed and forms part of this Notice.

3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice

4. Since the AGM will be held through VC/ OAVM in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice and accordingly the facility for appointment of proxies by the members will not be available and physical attendance of Members has been dispensed with. Participation of members through VC/OAVM will be counted for the purpose of determining quorum for the AGM as per section 103 of the Act.

5. Members who have questions or seeking clarifications on the Annual Report or on the proposals as contained in this Notice are requested to send e-mail to the Company on investor@neogenchem.com on or before 5.00 p.m. on Monday, September 4, 2023 to enable the Company to compile and provide replies at the meeting. The Company will be able to answer only those questions at the meeting which are received in advance as per the above process.

6. The Company will allot time for members to express their views or give comments during the meeting. The members who wish to speak at the meeting need to register themselves as a speaker by sending an e-mail from their registered e-mail ID mentioning their name, DP ID and Client ID / Folio number and mobile number, on e-mail ID- investor@neogenchem.com on or before 5.00 p.m. on Monday, September 4, 2023. Depending on the availability of time, the Company reserves the right to restrict the number of speakers at the meeting.

7. Institutional/ Corporate members are encouraged to attend and vote at the AGM through VC/ OVAM. Institutional/ Corporate members intending to appoint their authorized representatives to participate and vote at the meeting are requested to send a scanned certified true copy of the board resolution /authority letter/ power of attorney etc. together with attested specimen signature of the duly authorized representative(s) in PDF format by an email marked to the Company at investor@neogenchem.com , to the Scrutinizer at devendracs@gmail.com with a copy to the Registrar and Share Transfer Agent of the Company i.e. Link Intime India Private Limited ("**the RTA**") at rnt.helpdesk@linkintime.co.in/instameet@linkintime.co.in

8. The Register of Directors & Key Managerial Personnel and their Shareholdings maintained under Section 170 and Register of Contracts or Arrangements in which directors are interested under Section 189 of the Act and all the documents referred to in notice, will be available for inspection by the members in electronic mode from the date of circulation of this Notice up to the date of AGM, i.e. Tuesday, September 5, 2023. Members seeking to inspect such documents can send their requests via an email to the Company at investor@neogenchem.com on or before 5.00 p.m. on Friday, August 25, 2023.

9. All communications including Notice of the AGM, Annual Report 2022-23 and instructions for e-voting, are being sent by an electronic mode to those members whose email address are registered with the Company/ Depository Participant (s) and physical copy of the Notice of the AGM along with the Annual Report 2022-23 is being sent by the permitted modes to those Members whose e-mail addresses are not registered. A copy of the Annual Report along with the Notice convening the AGM will be available on the Company's website https://neogenchem.com/annual-reports-2/ and the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the website of RTA at https://instavote.linkintime.co.in.

   Those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated with their DP to enable servicing of notices/ documents/ Reports and other communications electronically to their e-mail address in future.

10. At the 30th AGM held on September 20, 2019, the Members approved appointment of JMT & Associates, Chartered Accountants (Firm Registration No. 104167W), as Statutory Auditors of the Company to hold office for a further period of five consecutive years from the conclusion of that 30th AGM till the conclusion of the 35th AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this AGM.

11. The final dividend of Rs. 3 per equity share of face value of Rs. 10 each for the F.Y. 2022-23, as recommended by the Board of Directors in its meeting held on Saturday, May 13, 2023, if approved at the AGM, will be paid to those members whose name appears in the Register of Members of the Company as on Friday, August 25, 2023 i.e. Cut-off date (Record Date) or those, whose names appear as beneficial owners as on Friday, August 25, 2023 as per lists to be furnished by the depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be delivered to their registered addresses depending on the availability of the postal facility. To avoid delay in receiving the dividend, members are requested to update their KYC along with their Bank Details with their depositories (where shares are held in dematerialized mode) to receive the dividend directly into their bank account on the payout date.

    Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend Warrants / Demand Drafts will be dispatched to the registered address of the shareholders who have not updated their bank account details.

To avoid loss of Dividend Warrants/Demand Drafts in transit and undue delay in receipt of dividend warrants, the Company provides the facility to the Members for remittance of dividend directly in electronic mode through National Automated Clearing House (NACH).

Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of shareholders and the company would be required to deduct tax at source (TDS) from the dividend paid to the shareholders at a prescribed rates. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act.

The rate of TDS as per the Income Tax Act, 1961 (I-T Act), would depend upon the status of the recipient and is explained herein below:

I) For Resident Individuals:

Tax is required to be deducted at source under Section 194 of the IT Act, at 10% on the amount of dividend where shareholder(s) have registered their valid Permanent Account Number (PAN) and at a rate of 20% for cases wherein:

- the shareholder(s) do not have PAN / have not registered their valid PAN details in their account.
- the shareholder(s) have not linked their Aadhaar with their PAN within the due date as prescribed by the Income Tax Department, rendering the PAN as invalid.
- the shareholder(s) have not filed their Income Tax returns for FY 2020-21 and 2021-22 and the aggregate of TDS and tax collected at source in his/her case is Rs. 50,000 or more, in each of these two previous years.

However, no tax shall be deducted on the dividend payable to a resident individual if:

- The total dividend to be received by them during Financial Year 2023-24 does not exceed Rs. 5,000;
- The members provide Form 15G (applicable to any person other than a HUF, Company or a Firm) / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act and the Company may at its sole discretion reject the form if it does not fulfill the requirement of law.
- Exemption certificate is issued by the Income-tax Department, if any.

Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above. The format of Form 15G and Form 15H are available on the website of the RTA at https://www.linkintime.co.in/client-downloads.html under the "General TAB".

II) Resident Non-Individuals:

No tax shall be deducted on the dividend payable to the following resident non-individuals, where they provide details and documents as below:

- **Insurance Companies**: Self-attested copy of valid IRDAI registration certificate needs to be submitted along with self-attested copy of PAN and a declaration that it has full beneficial interest with respect to the shares owned by it.
- **Mutual Funds**: Self-declaration that they are specified in Section 10 (23D) of the IT Act along with self-attested copy of PAN card and SEBI registration certificate.
- **Alternative Investment Fund (AIF):** "AIF established/incorporated in India - Self-declaration that its income is exempt under Section 10 (23FBA) of the IT Act and they are governed by SEBI regulations as Category I or Category II AIF along with self-attested copy of the PAN card and SEBI registration certificate".
- **Recognized Provident Fund:** No TDS is required to be deducted as per Circular No.18/2017, subject to specified conditions. Self-attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the Act, or self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees' Provident Funds Act, 1952 needs to be submitted.
- **Approved Superannuation Fund:** No TDS is required to be deducted as per Circular No.18/2017, subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part B of Fourth Schedule to the Act needs to be submitted.
- **Approved Gratuity Fund:** No TDS is required to be deducted as per Circular No.18/2017, subject

to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part C of Fourth Schedule to the Act needs to be submitted.

- **National Pension Scheme:** No TDS is required to be deducted as per Section 197A(1E) of the Act along with a self-declaration in this respect.
- **Government (Central/State):** No TDS is required to be deducted as per Section 196(i) of the Act along with a self-declaration in this respect.
- **Any other entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to TDS exemption needs to be submitted) along with copy of PAN card and self-declaration in this respect.

In the case where the shareholders provide certificate under Section 197 of the IT Act for lower / NIL withholding of taxes, rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

III) For Non-Resident Shareholders (Other Than Foreign Portfolio Investors/ Foreign Institutional Investors):

Taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% plus applicable surcharge and health and education cess of 4% on dividend income making effective rate of TDS as under:

Particulars	Surcharge Rate	Effective TDS rate
Dividend Income not exceeding Rs. 50,00,000	Nil	20.80%
Dividend Income exceeds Rs. 50,00,000 but does not exceed Rs. 1,00,00,000	10%	22.88%
Dividend Income exceeding Rs. 1,00,00,000	15%	23.92%

In case of shareholders, being foreign companies, the IT Act provides mandate for withholding tax at the rate of 20% plus applicable surcharge and health and education cess of 4% on dividend income making effective rate of TDS as under:

Particulars	Surcharge Rate	Effective TDS rate
Dividend Income not exceeding Rs. 1,00,00,000	Nil	20.80%
Dividend Income exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000	2%	21.27%
Dividend Income exceeding Rs. 10,00,00,000	5%	21.84%

However, as per Section 90 of the IT Act, non-resident shareholders (including foreign companies) have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) read with Multilateral Instrument (MLI) provisions between India and the country of tax residence of the member if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with Multilateral Instrument (MLI) provisions, non-resident shareholders will have to provide the following documents and self-declarations in the prescribed format (which is available on the website of RTA at https://www.linkintime.co.in/client-downloads.html) under the "General TAB"), certifying on the following points:

- In case of FPI / FII, copy of SEBI registration certificate.
- Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member.
- Copy of Tax Residency Certificate (TRC) for the FY 2022-23 or later issued by the Tax / Government authority of the country of tax residence, duly attested by member valid for the relevant financial year.
- Self-declaration in Form 10F containing therein information to be provided under section 90(5)/ 90A (5) of the IT Act, if not so covered in TRC (Valid for the relevant financial year).
- Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty. In any case, the amounts paid/payable to the Shareholder are not attributable or effectively connected to the PE or fixed base, if any, which may have got constituted otherwise.
- Self-declaration of beneficial ownership by the non-resident shareholder and that affairs of the

shareholder are not arranged with the main or principal purpose of obtaining any tax benefits, directly or indirectly, under the Tax Treaty.

- Self-declaration by the shareholder that the arrangement of the shareholder is not covered under impermissible avoidance arrangement.
- The shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company.
- The shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner.
- The shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company.
- Self-declaration by the shareholder regarding the satisfaction of the place of effective management (POEM), principal purpose test, GAAR, Simplified Limitation of Benefit test (wherever applicable), as regards the eligibility to claim recourse to concerned Double Taxation Avoidance Agreements.
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member

IV) In Case Of Foreign Institutional Investors / Foreign Portfolio Investors:

Tax will be deducted under Section 196D of the IT Act @ 20% plus applicable surcharge and health and education cess of 4% on dividend income making effective rate of TDS as under:

Particulars	Surcharge Rate	Effective TDS rate
Dividend Income not exceeding Rs. 50,00,000	Nil	20.80%
Dividend Income exceeds Rs. 50,00,000 but does not exceed Rs. 1,00,00,000	10%	22.88%
Dividend Income exceeds Rs.1,00,00,000 but does not exceed Rs.2,00,00,000	15%	23.92%
Dividend Income exceeds Rs.2,00,00,000 but does not exceed Rs.5,00,00,000	25%	26.00%
Dividend Income exceeding Rs. 5,00,00,000	37%	28.50%

For the purpose of withholding tax, it may not be possible to consider applicable DTAA benefits, if any, in case of FPI/FII since the provisions of IT Act do not provide so.

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non- Resident shareholder.

Please note that the Company in its sole discretion reserves the right to call for any further information and/ or to apply domestic law for TDS.

V) Section 206 Ab Of The Act

Rate of TDS @10% u/s 194 of the Act is subject to provisions of Section 206AB of Act (effective from July 1, 2021) which introduces special provisions for TDS in respect of non-filers of income-tax return. As provided in Section 206AB, tax is required to be deducted at higher of following rates in case of payments to specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Where Sections 206AA and 206AB are applicable i.e. the specified person has not submitted the PAN as well as not filed the return; the tax shall be deducted at the higher of the two rates prescribed in these two sections.

The term 'specified person' is defined in sub section (3) of Section 206AB who satisfies the following conditions:

- A person who has not filed the income tax return for two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under Section 139(1) of the I-T Act has expired; and
- The aggregate of TDS and TCS in his case is Rs. 50,000 or more in each of these two previous years.

The non-resident who does not have a permanent establishment is excluded from the scope of a specified person.

The Central Board of Direct Taxes (CBDT) has recently prescribed the functionality for determining whether a person fulfils the conditions of being a 'Specified Person' or not. Accordingly, the Company will verify from the above functionality provided by CBDT whether any Shareholder of the Company qualifies as a 'Specified Person' prior to applying the relevant TDS rates.

To summarise, dividend will be paid after deducting the tax at source as under:

i. NIL for resident shareholders receiving dividend upto Rs. 5000 or in case Form 15G/ Form 15H (as applicable) along with self-attested copy of the PAN card is submitted.

ii. 10% for other resident shareholders in case a copy of the PAN card is provided/ available.

iii. 20% for resident shareholders if a copy of PAN card is not provided/ not available.

iv. Tax will be assessed on the basis of documents submitted by the non-resident shareholders.

v. 20% plus applicable surcharge and cess for non-resident shareholders in case the relevant documents are not submitted.

vi. Lower/ NIL TDS on submission of self-attested copy of the valid certificate issued under Section 197 of the Act.

The aforesaid rates will be subject to the applicability of Section 206AB of the Act.

In terms of Rule 37BA of Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed by the Rules.

The aforementioned documents (duly completed and signed) are required to be furnished by the respective shareholders no later than Friday, August 25, 2023, 5:00 PM IST to the RTA of the Company by sending an email at rnt.helpdesk@linkintime.co.in with a copy to the Company at investor@neogenchem.com in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction/ Tax withholding matters shall be considered after Friday, August 25, 2023, 5:00 PM. IST. The Company will arrange to email a soft copy of TDS certificate to you at your registered email ID post completion of activities.

Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, option is available to you to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible. **No claim shall lie against the Company for such higher taxes deducted.**

Shareholders holding Equity Shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

In case, the dividend income is assessable to tax in the hands of a person other than the registered Shareholder as on the Record Date, the registered shareholder is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person no later than Friday, August 25, 2023, 5:00 PM IST. No request in this regard would be accepted by the Company/RTA after the said date or payment of dividend.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Shareholder(s), such Shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

All communications/ queries in this respect should be addressed to the RTA by sending an email at rnt.helpdesk@linkintime.co.in

Above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences.

Shareholders should consult with their own tax advisors for the tax provisions that may be applicable to them.

12. Members wishing to claim dividends that remain unclaimed for the financial year 2018-19, 2019-20, 2020-21 and 2021-22 are requested to correspond with the RTA at rnt.helpdesk@linkintime.co.in, or with

the Company Secretary, at the Company's registered office or may write at investor@neogenchem.com. Members are requested to note that dividends which remains unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account of the Company, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Shares on which a dividend remains unclaimed for seven consecutive years shall also be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules. It may be noted that, no claim shall lie against the Company in respect of individual amounts of dividends remaining unclaimed and unpaid for a period of seven years from the date it became first due and duly transferred to IEPF Fund for payment and the concerned shareholder could approach IEPF Authority to release of any such unclaimed dividend.

The Ministry of Corporate Affairs (MCA), Government of India, through its Circular No. 17/2012 dated July 23, 2012 has directed companies to upload on the company's website information regarding unpaid and unclaimed dividend. Pursuant to the said IEPF Rules, the Company has uploaded the details of unpaid and unclaimed dividend on its website at https://neogenchem.com/unclaimed-unpaid-dividend/

SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. The shareholders are requested to update their PAN with the Company / RTA and depositories (in case of shares held in demat mode).

13. All correspondence relating to transfer and transmission of shares, sub-division of shares, issue of duplicate share certificates, change of address, dematerialization of shares, payment of dividend etc. will be attended to and processed at the office of the RTA at C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai, Maharashtra, 400083, Phone No. +91 22 49186000 Email- lochan.chavan@linkintime.co.in Contact Person – Lochan Chavan, Associate.

    SEBI vide its notification dated January 24, 2022, has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or its RTA, for assistance in this regard.

    Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR- 4 to RTA.

14. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the RTA's website https://linkintime.co.in/client-downloads.html. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.

15. Members holding shares of the Company are requested to notify immediately any change in their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc. to the Company/ RTA and in prescribed Form ISR-1 available at https://linkintime.co.in/client-downloads.html and and other forms pursuant to SEBI Circular No. SEBI/HO/ MIRSD/ MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, in case if the shares are held in physical forms and to their respective Depository Participant(s) in case the shares are held in Demat form.

PROCEDURE FOR REGISTRATION OF E-MAIL ADDRESS AND BANK DETAILS BY SHAREHOLDERS

a) **For Temporary Registration for Demat shareholders:**

   The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Private Limited. The members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail id. In case of any query, a member may send an e-mail to Link Intime India Private Limited, Registrar and Transfer Agent ("RTA") at rnt.helpdesk@linkintime.co.in.

b) **For Permanent Registration for Demat shareholders:**
It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP).

c) **Registration of Bank Details for Demat shareholders:**
Members holding shares in electronic forms are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are advised only to the respective Depository Participant of the Members.

d) **Registration of Bank Details for physical shareholders:**
The Members of the Company holding Equity Shares of the Company in physical form and who have not registered their bank details can get the same registered with Link Intime India Private Limited,. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, e-mail id along with the copy of the cheque leaf with the first named shareholder's name imprinted in the face of the cheque leaf containing bank name and branch, type of account, bank account number, MICR details and IFSC code to the RTA. In case of any query, a member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in

16. In the case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

17. The Register of Members of the Company shall remain closed from Saturday, August 26, 2023 to Tuesday, September 5, 2023 (both days inclusive).

Voting through electronic mode:

1. In compliance with the provisions of Section 108 of the Act and Rule 20 & 21 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Rules, 2015 (including any statutory modification(s), clarification(s), exemption(s), re-enactment(s) or substitution(s) thereof for the time being force), Regulation 44 of Listing Regulations and Secretarial Standard on General Meetings (SS–2) issued by Institute of Company Secretaries of India, the Company is pleased to provide e-voting facility to its members to cast their right to vote electronically from the place other than venue of the AGM ("remote e-voting") and Remote E-voting during the AGM using an electronic voting system provided by the RTA for all the members of the Company to enable them to cast their vote electronically, on the business items set forth in the notice of the AGM and the business may be transacted through such remote e-voting. For voting electronically, the process and manner for generating/receiving the password and cast vote(s) in a secure manner, instructions are provided in the process for e-voting forming part of this notice.

2. The facility of e-voting during the AGM will be available only to the members who have not casted their vote through remote e-voting during the E-voting period. Members who have cast their vote by remote e-voting prior to AGM may participate in the AGM through VC/OVAM but shall not be entitled to cast their vote again.

3. The voting on the proposals contained the Notice of AGM will be conducted as under:

   a. The members who have registered their email addresses with the Company / their depository can cast their vote through remote e-voting or through the e-voting during the AGM using the process mentioned below for e-voting through electronic system means.

   b. The members who are holding shares in physical form and who have not registered their email ID with the Company, can write to rnt.helpdesk@linkintime.co.in by providing their name and folio number and obtain default PAN (if PAN is not registered with the Company) for the purpose of e-voting at RTA portal and exercise their vote either through remote e-voting or e-voting during the AGM. The credentials will be provided to the members after verification of all details.

4. The remote e-voting period commences on Saturday, September 2, 2023 at 9:00 A.M. and ends on Monday, September 4, 2023 at 5:00 P.M. During this period, the Members holding shares in the Company, as on the cut-off date being Friday, August 25, 2023 may cast their vote by electronic means in the manner and process set out herein below.

   a. The voting rights of members shall be in proportion to their shares held in the paid up equity share capital of the Company as on the cut-off date i.e. Friday, August 25, 2023. A person whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of e-voting as well as voting through e-voting during the AGM.

   b. Once the vote on resolution is cast by Members through remote e-voting, he/she/it shall not be allowed to change it subsequently.

   Any person who acquires shares of the Company and becomes a member of the Company after the dispatch of the Notice through electronic means and holding shares as on the cut- off date i.e. Friday, August 25, 2023 may refer to the Notice of AGM of the Company, posted on Company's website https://neogenchem.com/annual-reports-2/ for detail procedure with regards to remote e-voting and will have to login at the portal of respective depositories for e-voting (namely **NSDL IDeAS or CDSL Easi / Easiest**) with which they are holding securities in demat mode and If the user is not registered for NSDL IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com / SecureWeb/IdeasDirectReg.jsp and in case if the user is not registered for CDSL Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasinew/home/login. In case of any queries or technical issues regarding login through depository contact **NSDL helpdesk** by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 and **CDSL helpdesk** by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22- 23058542-43 and for queries/ technical issues relating to Insta Vote e-voting, members may refer the Frequently Asked Questions ('FAQs') and Insta Vote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000 providing details, such as, name of the Member, DPID / Client ID no. and name of the Company.

   Any person, who ceases to be a member of the Company as on the cut-off date and is in receipt of this Notice, shall treat this Notice for information purpose only.

5. The voting during the AGM will begin on Tuesday, September 5, 2023 at 5.00 p.m. and will end on completion of 30 minutes from the time of the conclusion of the AGM. Within this period, all members who are present at the AGM through VC facility and who have not exercized their vote through remote e-voting during the E-voting Period prior to AGM and are otherwise not barred from doing so, shall be allowed to e-vote during the AGM.

   The facility for e-voting during the AGM is available only to those members participating in the meeting through VC facility. If a member has exercised his / her vote during the AGM through e-voting but not attended the AGM through VC facility, then the votes casted by such member shall be considered invalid. If a member casts votes by both the modes, then voting done through remote e-voting shall prevail and vote cast through E-voting during the AGM shall be treated as invalid.

6. The Board of Directors has appointed Devendra Deshpande, Company Secretary, proprietor of DVD & Associates, Company Secretaries, Pune, as the Scrutinizer to scrutinize the remote e-voting and e-voting during the AGM process in a fair and transparent manner. The Scrutinizer shall submit his/her report, to the Chairman or any person authorized by him, on the votes cast in favour or against, if any, within 48 hrs from the conclusion of Meeting.

7. The results declared along with the consolidated Scrutinizer's Report and the recorded transcript of the meeting shall be uploaded at the website of the Company https://neogenchem.com/financial-performance/#all_tabl1 and on the website of the RTA at https://instavote.linkintime.co.in and the results shall simultaneously be communicated to the Stock Exchanges.

Process for e-voting:

The Company has signed an agreement with the **RTA** for facilitating e-voting to enable the members to cast their vote electronically. Each voter may follow the following steps while e-voting:

The instructions for members voting electronically are as under:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	• Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period. • If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	• Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on login icon & New System My easi Tab and then use your existing my easi Username & Password. • After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by the Company. On clicking the e-voting option the user will be able to see e-voting pge of the e-voting SP i.e. LINK IN TIME for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. • Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

<table>
<tr><th>Type of shareholders</th><th>Login Method</th></tr>
<tr><td>Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.</td><td>
1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in
2. Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -
A. User ID: Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 character DP ID followed by 8 Digit Client ID, shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
• *Shareholders/ members holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above
• Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
• Click “confirm” (Your password is now generated).
3. Click on ‘Login’ under ‘SHARE HOLDER’ tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’.
Cast your vote electronically:
1. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).
4. After selecting the desired option i.e. Favour / Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.
</td></tr>
</table>

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as **‘Custodian / Mutual Fund / Corporate Body’**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **‘Custodian / Mutual Fund / Corporate Body’** login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & e-voting service Provider is LINK INTIME, have forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

o Click on **‘Login’** under **‘SHARE HOLDER’** tab and further Click **‘forgot password?’**

o Enter **User ID,** select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'.**

- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.

- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.

- The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

  User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

  ➤ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

  ➤ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

  ➤ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022- 4886 7000 and 022- 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or Toll Free No. 1800 225533

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & e-voting service Provider is LINK INTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e- voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at https://instavote.linkintime.co.in, under **Help** section or may contact Link Intime INSTAVOTE helpdesk by sending an email to enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Cast your vote electronically

1. After successful login through at NSDL IDeAS or CDSL Easi / Easiest and selecting Link Intime as your e-voting service provider, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.

2. On the voting page, you will see "Resolution Description" and against the same the option "Favour / Against" for voting. Cast your vote by selecting appropriate option i.e. Favour / Against as desired.

   You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour / Against'.

3. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.

4. After selecting the appropriate option i.e. Favour / Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

5. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

6. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

7. Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

Instructions for Shareholders/ Members to Vote during the AGM through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercized their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"

2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.

3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Process and Manner for Attending the AGM through Instameet

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in

► Select the **"Company"** and **'Event Date'** and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/ Company.

► Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annex) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMeet website.

Shareholders/members, who will be present in the AGM through InstaMeet facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting facility during the meeting. Shareholders/Members who have voted through remote e-voting prior to the AGM will be eligible to attend/ participate in the AGM through InstaMeet. However they will not be eligible to vote again during the meeting.

Instructions for Shareholders/ Members to Speak during the AGM through InstaMeet:

1. Shareholders who would like to speak during the meeting must register by sending an e-mail from their registered e-mail ID mentioning their name, DP ID and Client ID / Folio number and mobile number, on e-mail ID- investor@neogenchem.com on or before 5.00 p.m. on Monday, September 4, 2023.

2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.

3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.

4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.

5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Shareholders / Members are encouraged to join the meeting through Tablets/Laptops connected through broad band for better experience. Shareholders/Members are required to use Internet with a good speed (Preferably 2 MBPS) (downstream) to avoid any disturbance.

In case shareholders/ members have any queries regarding login/ e-voting/ participating in the meeting through OAVM means, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

The following explanatory statement sets out all material facts in respect of Item no. 4 and 11 of the accompanying notice:

ITEM NO. 4

Re-appointment of Mr. Haridas Kanani, as a Chairman and Managing Director of the Company and to fix his remuneration:

Mr. Haridas Kanani (DIN: 00185487) was appointed as a Chairman and Managing Director of the Company w.e.f. August 11, 2018 for a term of 5 years ending on August 10, 2023.

The Board of Directors on recommendation being received from the nomination and remuneration committee of the Company had at its meeting held on August 5, 2023, subject to the approval of the Members' of the Company, approved the re-appointment of Mr. Haridas Kanani (DIN: 00185487) as a Chairman and Managing Director of the Company for a term of 5 years starting from August 11, 2023. The Company has received a notice under Section 160 from a member signifying his intention to propose the candidature of Mr. Haridas Kanani at the AGM.

Pursuant to the recommendation of Nomination and Remuneration Committee, Boards approval and pursuant to the provisions of the Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Act, if any, members' approval is sought for re- appointment of Mr. Haridas Kanani (DIN No. 00185487), as a Chairman and Managing Director of the Company for a term of 5 years with effect from August 11, 2023, at a remuneration (total CTC) of Rs. 1.5 crores per annum (including perquisites, incentives and Bonus) effective from April 1, 2023 and a commission @ 1% of the Net profits of the Company calculated as per section 198 of the Act, as approved by the Board on recommendation of the NRC of the Company pursuant to the overall ceilings laid down under the provisions of Sections 197 of the Act and as mentioned in the Agreement and such other terms and conditions as approved by the Board of Directors.

The Board of Directors (hereinafter referred to as "**the Board**" which term shall include the Nomination and Remuneration Committee ("**NRC**") of the Board) shall have the authority to alter and vary the terms and conditions of the said re-appointment and / or to recommend/decide from time to time the remuneration (including annual increments, perquisites, incentives, along with the performance bonus and commission payable) to Mr. Haridas Kanani, during his tenure as a Chairman and Managing Director subject to the same not exceeding the then existing limits specified under Section 197, read with Schedule V of the Act (including any amendments, modifications made hereinafter in this regard) and SEBI LODR and in such manner as may be agreed to between the Board of Directors and Mr. Haridas Kanani.

Brief particulars of the terms of his Re-appointment, Designation and Remuneration including minimum remuneration are set out hereunder:

1. **Tenure**
   Five years with effect from August 11, 2023, not liable to retire by rotation subject to approval of the members at this 34th AGM.

2. **Functions**
   Mr. Haridas Kanani (DIN No. 00185487) as a Chairman and Managing Director shall be responsible for

various business functions of the Company including manufacturing, research and development and process technology and general operation and management of the Company's manufacturing units. He shall also discharge such other responsibilities as may be entrusted to him by the Board and/ or NRC Committee of the Company, from time to time.

3. Remuneration

Subject to the overall limit on remuneration payable to all the managerial personnel taken together, the compensation payable to Mr. Haridas Kanani (DIN No. 00185487) as a Chairman and Managing Director shall comprise of three components viz. Fixed Salary & Benefits, Performance Bonus and Commission and they are mutually exclusive.

i) Fixed Salary & Benefits:

- The Fixed Salary shall be subject to deductions for income tax, contributions to provident fund, gratuity fund, superannuation fund, or annuity fund and all other statutory deductions required to be made by the Company, in accordance with applicable laws and company policies.
- The Fixed Salary is subject to annual increments, review and revision from time to time and in accordance with the policies of the Company. Any such review and revision of the Compensation shall be with the mutual agreement of the Parties and shall form part of this Agreement and shall be effective from April 1 each year, as may be approved by the NRC during his tenure as a Chairman and Managing Director and will be merit based and after taking into account his and Company's performance and will not be a matter of right, also it will be subject to the overall ceilings laid down in Section 197 read with Section 198, Schedule V and other applicable provisions of the Companies Act, 2013.
- Mr. Haridas Kanani shall be paid the amount of Rs. 0.72 crores per annum as a basic salary for FY 2023-24.
- Other benefits/ Pay**:** Rs. 0.65 crore per annum as other allowances such as house rent allowance, special allowance, conveyance, medical reimbursement, education etc.

ii) Performance Bonus:

- Performance Bonus will depend upon his consistent performance and Company's Performance. The Performance Bonus shall be in addition to Fixed Salary.
- The NRC will approve and recommend to the Board for approval the amount of Performance Bonus payable every year.
- Performance Bonus will be effective from April 1 each year, as may be approved by the NRC during his tenure as Chairman and Managing Director and will be merit based and after taking into account his and Company's performance and will not be a matter of right, also it will be subject to the overall ceilings laid down in Section 197 read with Section 198, Schedule V and other applicable provisions of the Companies Act, 2013. The NRC reserves the right to grant or withhold the Performance Bonus, as it may deem fit, in its sole discretion. The Performance Bonus will be paid as per the policy of the Company and payable in the subsequent financial year subject to deduction of Tax at Source or from the effective date as may be decided by the NRC in compliance with the applicable law or Policy of the Company.
- The Performance Bonus will be due and payable after the Audited Financials of the Company have been declared.

iii) Commission:

- Mr. Haridas Kanani would be paid a commission for Financial Year 2023-24 @ 1% of net profit calculated as per section 198 of the Act, as approved by the Board on recommendation of the NRC of the Company pursuant to the overall ceilings laid down under the provisions of Sections 197 of the Act and shall be due and payable after the adoption of Annual Accounts by the members of the Company in its general meeting.
- Mr. Haridas Kanani shall be paid Commission calculated with reference to the Net Profits of the Company on a yearly basis during his tenure as Managing Director, as may be approved by the NRC of the Company from time to time, subject to the overall ceilings laid down under the provisions of Sections 197 of the Companies Act, 2013 and Listing Regulations. When payable for part of the

year, the commission will be payable on pro-rata basis.

- The Commission shall be paid subject to deduction of tax at source and in compliance with the applicable law.

4. **Sitting Fees:**
Mr. Haridas Kanani shall not be paid any sitting fee for attending the meetings of the Board or Committee(s) thereof.

5. **Perquisites and other benefits:**
   - Medical Insurance and Medical expenses including Personal accidental and life insurance coverage for self and dependents as per Company policy.
   - The Company may take Key Man Insurance, or any other insurance policy as may be required from time to time.
   - Company shall take D & O Policy with the coverage as may be decided by the NRC.
   - Reimbursement of expenses incurred for travelling, boarding and lodging during business trips in accordance with the policy of the Company.
   - The Company may provide residential accommodation with water and electricity or pay house rent allowance as per its policy.
   - The Company shall provide car driver wages, fuel and maintenance to be used for Company's business as per its policy.
   - Reimbursement of phones, internet and other communication expenses at actuals as per the policy of the Company.
   - Re-imbursement of entertainment and other expenses actually and properly incurred for the business of the Company as well as other expenses incurred in the performance of duties on behalf of the Company.
   - Leave encashment as per the Company Rules.
   - All other perquisites as per Company's policy which Chairman and Managing Director is entitled to receive.

   Perquisites and allowances shall be evaluated as per the Income Tax Rules, 1961, wherever applicable and in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

   - Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
   - For the Provident Fund, the contribution will be payable as per the provisions of The Employees' Provident Funds & Miscellaneous Provisions Act, 1952 as amended from time to time.
   - For the purposes of Gratuity, Provident Fund and other like benefits, the service of the Chairman and Managing Director will be considered continuous service with the Company and change of designation or renewal of appointment will not be considered as any break in service.

6. **Remuneration for a part of the Year**
Remuneration for a part of the year shall be computed on pro-rata basis.

7. **Minimum Remuneration**
In the event of absence or inadequacy of profits in any financial year, the remuneration payable to Mr. Haridas Kanani as a Chairman and Managing Director shall be decided by the Nomination and Remuneration Committee and approved by the Board subject to the provisions of Companies Act, 2013 and such other approvals, if any, as may be required.

8. **Termination**
The agreement for appointment of Mr. Haridas Kanani as a Chairman and Managing Director may be terminated by either party giving to the other 90 days' prior notice in writing. In the event of termination of this appointment of Mr. Haridas Kanani as a Chairman and Managing Director by the Company, he shall be entitled to receive compensation in accordance with the provisions of the Act or any statutory amendment or re-enactment thereof.

All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the Chairman and Managing Director, unless specifically provided otherwise.

The information required by the Listing Regulations with the Stock Exchanges is given below:

Mr. Haridas Kanani is a Chairman and Managing Director of the Company and is now proposed to be re- appointed as a Chairman and Managing Director of the Company for a further term of 5 years starting from August 11, 2023. He oversees manufacturing, research and development and process technology and general operation and management of the Company's manufacturing units. He holds a bachelor's degree in chemical engineering from the Indian Institute of Technology, Mumbai and is a member of Indian Institute of Chemical Engineers (MIICHE) since December, 1981. He has previously worked with Excel Industries Limited. He then founded Chem Ocean Industries which was set up as one of India's first Bromine plants using indigenous technology at Navalakhi, Gujarat. Due to floods in 1976, the Bromine plant was destroyed. He then set up Chem Ocean Consultants which provided consultancy, technology and engineering technologies to set up Bromine plants to other companies. In 1985 he set up Prachi Chemicals to manufacture organic and inorganic Bromides. Later in 1989 he established Neogen Chemicals Private Limited and has since served on its Board as Chairman and Managing Director.

Mr. Haridas Kanani, a promoter shareholder holds 1,19,00,078 shares constituting 47.72% of the paid-up equity capital of the Company. Mr. Haridas Kanani is a member of the Corporate Social Responsibility Committee and Risk Management Committee of the Company.

Directorship in other Public Companies	Committee Membership
Neogen Ionics Limited (A WOS of the Company)	N.A.
Buli Chemicals India Private Limited (A WOS of the Company)	N. A.

Disclosure as required under Secretarial Standard 2 on General Meetings read with SEBI LODR is provided as an Annexure to the Notice.

The Company has received from Mr. Haridas Kanani consent in writing to act as a Chairman and Managing Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, intimation in Form DIR-8 to the effect that he is not disqualified in accordance with subsection (2) of Section 164 of the Act, declaration pursuant to Part I of Schedule V and a declaration that he has not been debarred from holding office of a Director by virtue of any Order passed by SEBI or any other such authority.

Mr. Haridas Kanani, being the appointee, and his relatives including Dr. Harin Kanani, Managing Director of the Company are/may be interested/ deemed to be interested in the resolution set out in Item No. 4 of the Notice. None of the other Directors, Managers, Key Managerial Personnel and/ or relatives of such directors, managers, Key Managerial Personnel of the Company are interested directly / indirectly in the resolution except directors to the extent of their Directorship and members to the extent of their membership in the Company.

An agreement entered into by and between the Company and Mr. Haridas Kanani dated August 5, 2023, will be open for inspection by members at the Registered Office of the Company on all working days between 11.00 a.m. and 4.00 p.m. up to the date of this 34th AGM.

Approval of the members is sought for re-appointment of Mr. Haridas Kanani, as a Chairman and Managing Director of the company for a term of 5 years with effect from August 11, 2023, not liable to retire by rotation and to fix his remuneration in terms of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Act and on terms and conditions as mentioned above.

In view of the above, the Board of Directors recommends the Special Resolution set out in Item No. 4 of the Notice for approval of the members.

ITEM NO. 5

Re-appointment of Prof. Ranjan Kumar Malik as an Independent Director:

Prof. Ranjan Kumar Malik (DIN no.- 08221989), was appointed as an Independent Director of the Company w. e. f. October 6, 2018, and his first term of appointment ends on October 5, 2023. The Board of Directors of the Company in their meeting held on August 5, 2023 has re-appointed him as an Independent Director of the Company for a second term of five consecutive years commencing from October 6, 2023 to October 5, 2028, not liable to retire by rotation, subject to approval of members at the 34th Annual General Meeting by way of a Special Resolution. Brief details of Prof. Ranjan Kumar Malik as stipulated under Regulation 36 (3) of Listing Regulations and SS-2 issued by the ICSI forms part of the Notice.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Prof. Ranjan Kumar Malik holds office as such upto October 5, 2023. In accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013, an Independent Director can be appointed/reappointed for a two consecutive term of 5 (Five) consecutive years and shall not be liable to retire by rotation.

Prof. Ranjan Kumar Malik has given the requisite declaration pursuant to Section 149 (7) of the Act, to the effect that he meets the criteria of independence as provided in Section 149 (6) of the Act. The Company has also received notice from a member as per the provisions of Section 160 of the Act, proposing his candidature for the office of Independent Director. Further, he is not disqualified from being appointed as director in terms of Section 164 of the Act and has given his consent to act as such. In terms of Regulation 25(8) of Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

In the opinion of the Board, Prof. Ranjan Kumar Malik fulfills the conditions specified in the Act, the Rules made there under and Listing Regulations for re-appointment as an Independent Director of the Company and he is Independent of the management. The Nomination and Remuneration Committee has also recommended his re-appointment as Independent Director for a second term of 5 (Five) consecutive years. The Board considers that his association would be of immense benefit to the Company, and it is desirable to avail the expertise of Prof. Ranjan Kumar Malik as an Independent Director. He is independent of the management and possesses appropriate skills, experience and knowledge. The Board recommends the Special Resolution as set out in Item No. 5 of the Notice for approval of the members.

Prof. Ranjan Kumar Malik, being the appointee, and his relatives are/may be interested/ deemed to be interested in the resolution set out in Item No. 5 of the Notice. None of the other Directors, Managers, Key Managerial Personnel and/ or relatives of such directors, managers, Key Managerial Personnel of the Company are interested directly / indirectly in the resolution except directors to the extent of their Directorship and members to the extent of their membership in the Company.

ITEM NO. 6

Re-appointment of Mrs. Avi Sabavala as an Independent Director

Mrs. Avi Sabavala (DIN no.- 08246256), was appointed as an Independent Director of the Company w. e. f. October 6, 2018, and her first term of appointment ends on October 5, 2023. The Board of Directors of the Company in their meeting held on August 5, 2023 has re-appointed her as an Independent Director of the Company for a second term of five consecutive years commencing from October 6, 2023 to October 5, 2028, not liable to retire by rotation, subject to approval of members at the 34th Annual General Meeting by way of a Special Resolution. Brief details of Mrs. Avi Sabavala as stipulated under Regulation 36 (3) of Listing Regulations and SS-2 issued by the ICSI forms part of the Notice.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mrs. Avi Sabavala holds office as such upto October 5, 2023. In accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013, an Independent Director can be appointed/reappointed for a two consecutive term of 5 (Five) consecutive years and shall not be liable to retire by rotation. In terms of Regulation 25(8) of Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties.

Mrs. Avi Sabavala has given the requisite declaration pursuant to Section 149 (7) of the Act, to the effect that he meets the criteria of independence as provided in Section 149 (6) of the Act. The Company has also received notice from a member as per the provisions of Section 160 of the Act, proposing her candidature for the office of Independent Director. Further, she is not disqualified from being appointed as director in terms of Section 164 of the Act and has given her consent to act as such.

In the opinion of the Board, Mrs. Avi Sabavala fulfills the conditions specified in the Act, the Rules made there under and Listing Regulations for re-appointment as an Independent Director of the Company and she is Independent of the management. The Nomination and Remuneration Committee has also recommended her re-appointment as Independent Director for a second term of 5 (Five) consecutive years. The Board considers that her association would be of immense benefit to the Company, and it is desirable to avail the expertise of Mrs. Avi Sabavala as an Independent Director. She is independent of the management and possesses appropriate skills, experience and knowledge. The Board recommends the Special Resolution as set out in Item No. 6 of the Notice for approval of the members.

Mrs. Avi Sabavala, being the appointee, and his relatives are/ may be interested/ deemed to be interested in the resolution set out in Item No. 6 of the Notice. None of the other Directors, Managers, Key Managerial Personnel and/ or relatives of such directors, managers, Key Managerial Personnel of the Company are interested directly / indirectly in the resolution except directors to the extent of their Directorship and members to the extent of their membership in the Company.

ITEM NO. 7

Ratification of remuneration payable to Cost Auditor:

The Board has on recommendation of the Audit Committee, at its meeting held on May 13, 2023, approved the appointment and remuneration of Kishore Bhatia & Associates, Cost Accountants, (FRN- 00294), as the Cost Auditors of the Company to conduct verification, review and audit of the cost records of the Company for the financial year ending on March 31, 2024 at a remuneration of Rs. 3,30,000 (Rupees Three lakhs Thirty Thousand) plus GST and out of pocket expenses, if any.

In terms of the provisions of Section 148 (3) of the Companies Act, 2013 ("**the Act**") read with Rule 14 (a) (ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be approved by the Board and subsequently ratified by the members of the Company. Kishore Bhatia & Associates, Cost Accountants, (FRN- 00294), have the necessary experience in the field of cost audit and have submitted a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

Considering the applicable provisions of the Act and Rules made thereunder, approval of the members of the Company is being sought by way of ordinary resolution as set out in Item No. 7 of the accompanying notice, for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2024.

The Board recommends the Ordinary Resolution as set out in Item No. 7 of the accompanying Notice for the approval by the Members.

None of the Directors/Key Managerial Personnel of the Company or their respective relatives are is/are in any way concerned or interested in the said resolution.

ITEM NO. 8

Increasing the borrowing powers under section 180(1) (C) of the companies Act, 2013 up to Rs. 1000 Crores:

Pursuant to Section 180 (1) (c) of the Companies Act, 2013, the Company cannot except with the consent of the shareholders in General Meeting, borrow moneys, apart from temporary loans obtained from Company's bankers in the ordinary course of business, in excess of the aggregate paid up capital, free reserves and securities premium account of the Company, that is to say reserves not set apart for any specific purpose.

In view of the growing business activities, it has become necessary to borrow funds to meet Company's increased expenditure and working capital requirement in line with increase in Company's business activities.

The consent of the members by passing special resolution under section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 is, therefore, sought to enable Board of Directors to borrow moneys as and when required, upto a limit of Rs. 1000 crore (Rupees One thousand Crore) (apart from temporary loans obtained from Company's bankers in the ordinary course of business).

Hence the proposed resolution is recommended for consideration of and approval by the shareholders of the Company and recommends the resolution as set out in Item No. 8 of the accompanying notice to be passed by the members by way of Special Resolution.

None of the Directors/Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the said resolution.

ITEM NO. 9

Creation of security on the properties of the Company, both present and future, in favour of lenders:

Pursuant to Section 180 (1) (a) of the Companies Act, 2013 the Board of Directors of the Company needs consent of the Shareholders by passing special resolution at the General meeting to mortgage, hypothecate, lease or create any charges on the present or future properties/assets of the Company. In view of growing business requirement, it is proposed to authorize Board of Directors to create charge on the properties of the Company to secure present and future borrowings subject to limit approved under Section 180 (1) (c) of the Companies Act, 2013.

Hence the proposed resolution is recommended for consideration of and approval by the shareholders of the Company and recommends the resolution as set out in Item No. 9 of the accompanying notice to be passed by the members by way of Special Resolution.

None of the Directors/Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the said resolution.

ITEM NO. 10

Alteration / Reclassification of the Authorised Share Capital and consequent alteration of Memorandum of Association of the Company.

The present authorised capital of the Company is Rs. 50,00,00,000 (Rupees Fifty Crores) divided into 2,50,00,000 (Two Crores Fifty Lacs) Equity Shares of Rs. 10 each; 20,00,000 (Twenty Lakh) 9.8% Fully Redeemable Cumulative Preference Shares of Rs. 100 each; and 5,00,000 (Five Lakh) 10% Cumulative Optionally Convertible Preference Shares of Rs. 100 each.

A separate proposal for issuance of securities through permissible modes of fund-raising upto Rs. 500 crores (Rupees Five Hundred Crores) has been submitted for the approval of Shareholders under item no. 11 of this Notice of 34th AGM of the Company.

As per the provisions of Sections 13 of the Companies Act, 2013, a Company can alter the Share Capital Clause of its Memorandum of Association and Articles of Association with the consent of Shareholders.

On Alteration/ reclassification of authorised capital, it would be necessary to amend Clause V of the Memorandum of Association of the Company. The Resolution seeks approval of Members to alter/ reclassify the Share Capital and to amend the said clause no. V of the Memorandum of Association of the Company.

The part of preference capital component of authorised capital is sought to be reclassified into equity shares and it is proposed that the existing Authorised Share Capital of the Company of Rs. 50,00,00,000 (Rupees Fifty Crores) divided into 2,50,00,000 (Two Crores Fifty Lacs) Equity Shares of Rs. 10 each; 20,00,000 (Twenty Lakh) 9.8% Fully Redeemable Cumulative Preference Shares of Rs. 100 each; and 5,00,000 (Five Lakh) 10% Cumulative Optionally Convertible Preference Shares of Rs. 100 each be reclassified **TO** the Authorised Share Capital of the Company of Rs. 50,00,00,000 (Rupees Fifty Crores) divided into 4,00,00,000 (Four Crores) Equity shares of Rs. 10 (Rupees Ten) each and 10,00,000 (Ten Lakhs) Preference shares of Rs. 100 (Rupees Hundred) each.

The Resolution requires approval of Members to alter/ reclassify the Share Capital and to amend the said Clause no. V in the Memorandum of Association of the Company.

Hence the proposed resolution is recommended for consideration of and approval by the shareholders of the Company and recommends the resolution as set out in Item No. 10 of the accompanying notice to be passed by the members by way of Special Resolution.

None of the Directors/Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the said resolution.

ITEM NO. 11

To auhtorise issuance of securities through permissible modes of fund-raising

The Company has been exploring opportunities for its growth, this would require sufficient resources including funds to be available and to be allocated, from time to time. The generation of internal funds may not always be adequate to meet all the requirements of the Company's growth plans. It would be therefore, prudent for the Company to have the requisite enabling approvals in place for meeting the fund requirements for funding the long term growth and expansion of its existing businesses, financing capital expenditure & working capital requirements; general corporate purposes; investment in subsidiaries; and all such other purposes as may be permitted under the applicable laws. This would also help the Company to take quick and effective action to capitalize on the opportunities as and when available.

The requirement of funds is proposed to be met from both equity and debt from the issuance of appropriate securities as defined in the resolutions and from both domestic and international markets. Prudence would require the funding to be structured with an appropriate mix of equity and debt to meet the objective of optimization of the cost as well as conservative financial management.

The Board of Directors, accordingly, at their meeting held on August 5, 2023 has recommended to the shareholders to give their consent through special resolution to the Board of Directors or any Committee of the Board including the Fund Raising Committee to raise funds through issuance of securities and / or Global Depository Receipts ("GDRs") and / or American Depository Receipts ("ADRs") and / or Foreign Currency Convertible Bonds ("FCCBs") and/or Convertible Bonds / Debentures non-convertible debt instruments along with warrants / securities or any equity based instrument(s) ("**Securities**") as may be appropriate to persons who may or may not be the existing shareholders through private placement and / or qualified institutions placement ("**QIP**") and / or rights issue and / or any other permitted modes at a price to be determined as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, as amended (the **"SEBI ICDR Regulations**") or as per other applicable rules and regulations, for raising of the funds aggregating up to Rs. 500 crores (Rupees Five Hundred crore only) or its equivalent in any other currency(ies) under section 62 read with section 179 of the Companies Act, 2013, as amended or other applicable laws. While no specific instrument or instruments of Securities has been identified at this stage, the Board may opt for the any combination of the Securities to be issued, issue price, timing and detailed terms and conditions of issuance etc. shall be finalized by the Board, in consultation with lead managers, merchant bankers, advisors and such other authorities and intermediaries, as may be required to be consulted by the Company in due considerations of prevailing market conditions and other relevant factors and in the best interest of the Company. Such issue shall be subject to the provisions of the Companies Act, 2013, as amended and rules made there under from time to time, the Memorandum and Articles of Association of the Company, SEBI ICDR Regulations, SEBI Listing Regulations and other applicable laws.

The enabling resolution is proposed to be passed as a special resolution pursuant to Sections 42 and 62(1)(c) of the Companies Act, 2013 which, read with Regulation 41(4) of the SEBI Listing Regulations. The said resolution, if passed, shall have the effect of allowing the Board on behalf of the Company to issue and allot the Securities on pro-rata basis to the existing shareholders or otherwise.

The Resolution further seeks to empower the Board of Directors to undertake a QIP as prescribed by SEBI ICDR Regulations. The Board of Directors may, in their discretion, adopt this mechanism as prescribed under Chapter VI of the SEBI ICDR Regulations for raising funds for the Company, without seeking fresh approval from the shareholders.

The objects of the Issue of Securities

It is proposed to take enabling resolution for issuance of Securities through permissible modes of fund-raising to meet the following objects:

a) funding the long term growth and expansion of its existing businesses,

b) financing capital expenditure & working capital requirements;

c) general corporate purposes;

d) investment in subsidiaries; and

e) all such other purposes as may be permitted under the applicable laws

Maximum amount to be raised / number of securities to be issued

The total amount to be raised, in one or more tranches, by the issuance of Securities through any of the modes or combination thereof as mentioned in the resolution would be up to Rs. 500 crore (Rupees Five Hundred Crore only), its equivalent in any other currency(ies).

Pricing

The pricing would be arrived at by the Board, depending on market conditions and in accordance with the SEBI ICDR Regulations, the 1993 Scheme or other applicable laws. In the event of a QIP pricing of the Equity Shares that may be issued to QIBs shall be freely determined subject to such price not being less than floor price calculated in accordance with Chapter VI of the SEBI ICDR Regulations, provided that the Company may offer a discount not exceeding 5% of the floor price or such other permissible limit as may be specified under Chapter VI of the SEBI ICDR Regulations.

Relevant Date

The relevant date for determining the issue price of the Securities by way of QIP/FPO/rights issue/ FCCB/ FCEB or by way of any other mode of issuance shall, subject to and in accordance with the SEBI ICDR Regulations and the 1993 Scheme, be:

a. in case of allotment of Equity Shares in a QIP or upon conversion of FCCBs pursuant to the 1993 Scheme, the date of meeting in which the Board or the committee of directors duly authorised by the board of directors decides to open the issue, and/or;

b. in case of allotment of eligible convertible securities in a QIP, either the date of the meeting in which the Board or the committee of directors duly authorised by the board of directors decides to open the issue of such convertible Securities or the date on which the holders of such convertible Securities become entitled to apply for the Equity Shares, as may be determined by the Board or the committee of directors duly authorised by the board of directors.

Change in Control

There would be no change in control pursuant to the said issue of Securities.

Listing

The Securities to be issued will be listed on one or more recognized stock exchanges in India and / or abroad.

Class or Classes of persons to whom the Securities will be offered

The Securities will be offered and issued to such Investors including QIBs who are eligible to acquire such Securities in accordance with the applicable laws, rules regulations and guidelines. The proposed allottees may be resident of India or abroad and whether or not such persons are members.

Intention of the Promoters, Directors, Key Managerial Personnel or Senior Management

The Promoters, Directors, KMPs or Senior Management shall not be eligible to subscribe to the proposed issue of Securities, except in accordance with Applicable Laws.

Transferability of Securities

The Securities shall not be eligible to be sold for a period of one year from the date of allotment, except on the recognized Stock Exchanges, or except as may be permitted under the SEBI ICDR Regulations from time to time.

Proposed time within which the allotment shall be completed

In case of the QIP, the allotment of the Securities shall be completed within a period of 365 days from the date of passing of resolution set out at item no 11 of this Notice.

The allotment to a single QIB in the proposed QIP issue will not exceed 50% of the total issue size or such other limit as may be permitted under applicable law.

The detailed terms and conditions for the offer will be determined in consultation with the Advisors, Merchant Bankers, Lead Managers and Underwriters and such other authority or authorities as may be required, considering the prevailing market conditions and other regulatory requirements for various types of issues including rights issue or QIP.

Pursuant to Section 62 of the Companies Act, 2013 and the SEBI Listing Regulations, whenever it is proposed to increase the subscribed capital of a company by a further issue and allotment of shares, such shares need to be offered to the existing members in the manner laid down in the said section unless the members decide otherwise in a General Meeting.

The equity shares to be allotted shall rank pari passu in all respects with the existing equity shares of the Company.

The Board, accordingly, recommends passing of the resolution as set out as Agenda No. 11 of this Notice for the approval of the members as Special Resolution.

None of the Directors, Key Managerial Personnel or Senior Management of the Company or their relatives is, whether directly or indirectly, concerned or interested, financial or otherwise, in the passing of the aforesaid resolution except to the extent of their shareholding, if any, in Company.

By order of the Board
For **Neogen Chemicals Limited**

Unnati Kanani
Company Secretary
Membership no. : A35131

Place: Thane
Date: August 5, 2023

Pursuant to Regulation 36 of Listing Regulations and Secretarial Standard–2 (SS-2) issued by the ICSI, details of Directors seeking appointment/re-appointment at the ensuing AGM are as follows:

Name of Director	**Mr. Anurag Surana**	**Mr. Haridas Kanani**
Designation	Non-Executive & Non-Independent Director	Chairman and Managing Director
DIN	00006665	00185487
Date of Birth	January 22, 1965	September 30, 1945
Age	58	77
Nationality	Indian	Indian
Original Date of Appointment	May 15, 2017	March 7, 1989
Qualification	Bachelor's degree in commerce with Honours from the University of Delhi	Btech (Chem), M.I.I.CHE
Experience	Over 27 years	Over 5 decades
Expertise in specific Professional areas	Mr. Anurag Surana is a Non-Executive Director of the Company. He has over 27 years' experience in the Specialty Chemical industry and is a known and reputed name in the chemical industry. He has a bachelor's degree in commerce with Honours from the University of Delhi. He founded and manages a consulting company Kagashin Global Network Private Limited, specialising in consulting with companies in the Specialty chemicals & agrochemical companies in India and abroad. He was earlier an executive director on the Board of PI Industries Limited. Mr. Surana is also on the board of other chemical companies like Privi Specialty Chemicals Ltd, Yasho Industries Limited Neogen Ionics Limited and Buli Chemicals India Private Limited.	Mr. Haridas Kanani is the Chairman and Managing Director of the Company and founder of the Company. He oversees manufacturing, research and development and process technology and general operation and management of the Company's manufacturing units. He holds a bachelor's degree in chemical engineering from the Indian Institute of Technology, Mumbai and is a member of Indian Institute of Chemical Engineers (MIICHE) since December, 1981. He has previously worked with Excel Industries Limited. He then founded Chem Ocean Industries which was set up as one of India's first Bromine plants using indigenous technology at Navalakhi, Gujarat. Due to floods in 1976, the Bromine plant was destroyed. He then set up Chem Ocean Consultants which provided consultancy, technology and engineering technologies to set up Bromine plants for other companies. In 1985 he set up Prachi Chemicals to manufacture organic and inorganic Bromides. Later in 1989 he established Neogen Chemicals Private Limited and has since served on the Board as Chairman and Managing Director.
Terms and conditions of Appointment/ Reappointment	Appointment as a Non-Executive and Non-Independent Director, liable to retire by rotation.	Re- appointment as a Chairman and Managing Director of the Company for a further term of 5 years commencing from August 11, 2023, not liable to retire for rotation.
Remuneration Proposed to be paid	Not Applicable	As per Agreement and detailed in Explanatory Statement to Item no. 4 above.
No. of Shares held in the Company	2,25,000	1,19,00,078

Name of Director	Mr. Anurag Surana	Mr. Haridas Kanani
List of Directorship held in other Companies as on March 31,2023	1. Privi Specialty Chemicals Limited 2. Neogen Ionics Limited (A WOS of the Company) 3. Yasho Industries Limited 4. Kagashin Global Network Private Limited 5. Buli Chemicals India Private Limited (A WOS of the Company)	1. Neogen Ionics Limited (A WOS of the Company) 2. Buli Chemicals India Private Limited (A WOS of the Company)
List of Chairmanship and Membership of Various committees in other listed companies (Including Neogen Chemicals Limited) as on March 31, 2023	**Committee Memberships:** **Audit Committee** 1. Yasho Industries Limited **Nomination and Remuneration Committee** 1. Neogen Chemicals Limited 2. Privi Specialty Chemicals Limited 3. Yasho Industries Limited **Corporate Social Responsibility Committee** 1. Neogen Chemicals Limited 2. Privi Specialty Chemicals Limited 3. Yasho Industries Limited **Risk Management Committee** 1. Neogen Chemicals Limited 2. Privi Specialty Chemicals Limited 3. Yasho Industries Limited **Stakeholders and Relationship Committee** 1. Yasho Industries Limited Mr. Anurag Surana is acting as a Chairperson of Nomination and remuneration Committee of Yasho Industries Limited.	**Committee Memberships:** **Corporate Social Responsibility Committee** 1. Neogen Chemicals Limited **Risk Management Committee** 1. Neogen Chemicals Limited Mr. Haridas Kanani is acting as a Chairperson of both the above mentioned committees of Neogen Chemicals Limited.
Relationship with other directors and key managerial personnel of the Company	No relationship as defined under the Companies Act, 2013 and/or Rules made thereunder.	Father of Dr. Harin Kanani, Managing Director of Neogen Chemicals Limited

Name of Director	Prof. Ranjan Kumar Malik	Mrs. Avi Sabavala
Designation	Independent Director	Independent Director
DIN	08221989	08246256
Date of Birth	October 30, 1949	January 27, 1958
Age	73	65
Nationality	Indian	Indian
Original Date of Appointment	October 6, 2018	October 6, 2018
Qualification	Bachelor's degree in Science (Chemical Engineering) with a gold medal from the University of Kanpur. He also has a Master's degree in Chemical Engineering from the Indian Institute of Technology (IIT)-Kanpur, and a Doctor of Philosophy (Ph.D.) degree from the University of Wisconsin-Madison, USA.	Bachelor's degree in Science (Honours) and a master's degree in Arts (Social Work) from the University of Delhi, Bachelor's degree in Law from the Maharaja Sayajirao University, Baroda, and a Diploma in Management from the Indira Gandhi National Open University.
Experience	Over 44 years	Over 40 years
Expertise in specific Professional areas	Prof. Ranjan Kumar Malik is an Independent Director in the Company. He has a Bachelor's degree in Science (Chemical Engineering) with a gold medal from the University of Kanpur. He also has a Master's degree in Chemical Engineering from the Indian Institute of Technology-Kanpur, and a Doctor of Philosophy (Ph.D.) degree from the University of Wisconsin-Madison, USA. He has been a Professor in the Department of Chemical Engineering, Indian Institute of Technology-Bombay at Mumbai for more than 30 years. He is currently an Adjunct Professor of Chemical Engineering with the Indian Institute of Technology-Bombay, Mumbai. He is also a life member of the Indian Institute of Chemical Engineers.	Mrs. Avi Sabavala is an Independent Director of the Company. She has a bachelor's degree in Science (Honours) and a master's degree in Arts (Social Work) from the University of Delhi. She also holds a bachelor's degree in Law from the Maharaja Sayajirao University, Baroda, and a diploma in Management from the Indira Gandhi National Open University. She is a well-known Corporate Trainer with wide experience in conducting various soft skill training programs for industrial personnel at all levels. She has wide experience in Business and Industry. She was President of Baroda Management Association (BMA) for the year 2016-17. In the year 2016-17, BMA won the Best Local Management Association Award from parent body – All India Management Association. Presently she is continuing to be on the Advisory Committee of Past Presidents. She has been past President of Vadodara Chamber of Commerce & Industry (VCCI) for 2 Terms i.e. 2010-12 & 2012-14. She is Professional Life member of All India Management Association (AIMA) and currently member of the Governing Council of AIMA.
Terms and conditions of Appointment/ Reappointment	Appointed as a Non-Executive, Independent Director, of the Company for 5 years, not liable to retire by rotation.	Appointed as a Non-Executive, Independent Director, of the Company for 5 years, not liable to retire by rotation.
Remuneration Proposed to be paid	Not Applicable	Not Applicable
No. of Shares held in the Company	0	0

Name of Director	Prof. Ranjan Kumar Malik	Mrs. Avi Sabavala
List of Directorship held in other Companies as on March 31,2023	Not Applicable	1. Munjal Auto Industries Limited 2. Indutch Composites Technology Private Limited
List of Chairmanship and Membership of Various committees in other listed companies (Including Neogen Chemicals Limited) as on March 31, 2023	Not Applicable	**Committee Memberships:** **Audit Committee** 1. Neogen Chemicals Limited **Corporate Social Responsibility Committee** 1. Neogen Chemicals Limited
Relationship with other directors and key managerial personnel of the Company	No relationship as defined under the Companies Act, 2013 and/or Rules made thereunder.	No relationship as defined under the Companies Act, 2013 and/or Rules made thereunder.

For other details such as number of meetings of the board attended during the year and remuneration drawn, please refer to the corporate governance report which is a part of this Annual Report.

NEOGEN
CHEMICALS LTD.

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