September 4, 2021

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 – 400 051 **Company Symbol: NEOGEN**

Sub: Submission of Annual Report for the financial year 2020-21 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 2020-21 including the Notice of 32nd Annual General Meeting (AGM). The 32nd AGM of the Company is scheduled to be held on Tuesday, September 28, 2021 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 the members whose email id is registered with the Company/Company's Registrar and Transfer Agent (Link Intime India Private Limited) /Depository Participant(s) 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 email address (ii) casting vote through remote e-voting and during the 32nd AGM iii) Dividend and Taxation of Dividend and (iii) attending the 32nd AGM through VC/OAVM has been set out in the Notes to the Notice of the 32nd AGM.

The members are provided with the remote e-voting facility to cast their votes electronically on the resolutions mentioned in the Notice of 32nd AGM, using the electronic voting platform provided by Link Intime India Private Limited. The Company has fixed Friday, September 17, 2021 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 32nd AGM or to attend the 32nd AGM.

The remote e-voting period commences on Saturday, September 25, 2021 at 9:00 A.M and ends on Monday, September 27, 2021 at 5:00 P.M. In addition, the facility to e-vote during the 32nd 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 32nd AGM will commence on Tuesday, September 28, 2021 at 5.00 p.m. and will end on completion of 30 minutes from the time of the conclusion of the 32nd AGM. The Register of Members and the Share Transfer books of the Company will remain closed from Monday, August 20, 2021 to Tuesday, September 28, 2021 (both days inclusive) for the purpose of the 32nd AGM.

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

Thanking you,
Yours faithfully,
For Neogen Chemicals Limited

UNNATI RAJESH KANANI
Digitally signed by UNNATI RAJESH KANANI
Date: 2021.09.04 19:08:04 +05'30'

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

NEOGEN
CHEMICALS LTD.

From Envisioning to Execution Amidst Adversity

ANNUAL REPORT | 2020-21

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To view this report online, please visit:
www.neogenchem.com

FY 2020-21 Performance Snapshot

Increase in total revenue from operations to
Rs. 33,641.55 lakhs
10%

Increase in EBITDA to
Rs. 6,436 lakhs
11%

Increase in PAT to
Rs. 3,144 lakhs
9%

Products developed by in-house R&D
224

Total workforce in R&D team
11.38%

From Envisioning to Execution Amidst Adversity

A few years back, we had set forth on a vision to consolidate our leadership position and graduate to the next orbit of growth. The intent was to be a company that sustainably creates, grows and delivers value. A tangible goal within this overall framework was to augment our production capacity by setting up a greenfield project at Dahej SEZ

As we were making strides towards our goal, FY 2020-21 brought disruptions due to COVID-19 pandemic. Initially we halted not knowing what it meant for a company like us. But soon we gathered ourselves and put ourselves on the path we had carved for ourselves with unwavering focus on executing our strategic intents and making a tangible progress towards realizing them.

We further strengthened our reputation as a trusted partner by ensuring sustained supplies to the pharmaceutical sector which was the need of the hour to support the nation's health infrastructure given the pandemic situation. We also undertook efforts to debottleneck processes for driving productivity.

We successfully augmented our capacity by implementing an initial trial production at our state-of-the-art greenfield Dahej SEZ facility for manufacturing value-added organic chemicals. This manufacturing facility is with world-class safety and productivity standards. Not only that, we also made headways in our newly seeded advanced intermediates and contract manufacturing business with several projects in our kitty by March 2021.

A quarter into FY 2021-22, we are poised to unfold a new growth story and scale greater heights to be one of the leading specialty chemical manufacturer that constantly innovates.

Neogen Chemicals Limited:

A Frontrunner in the Specialty Chemicals Space

Neogen Chemicals Limited is among India's leading manufacturers of bromine-based compounds, lithium and bromine salts and grignard chemicals. Our extensive R&D led portfolio of chemistries, robust quality of products and supply reliability makes us a dependable supplier of choice for our clients in India and globally in 28 countries.

Our business segments

Organic chemicals

Manufacturer of organic bromine-based compounds, advanced intermediates, specialty compounds and grignard reagents

Inorganic chemicals

Manufacturer of inorganic lithium and bromine salts

Custom synthesis and manufacturing

Developer and manufacturer of new processes and customized products

What sets us apart

1. Deep R&D capabilities
2. Well-equipped facilities
3. Rich customer mix and deep relations
4. Robust management
5. High entry barriers
6. Long-standing supplier relationships

1. Deep R&D capabilities

- State-of-the-art R&D facilities supported by an expert 37-member team (five senior personnel with doctorates in chemistry having 20+ years of experience) who spearhead our intellectual capital, to create tangible value for all our stakeholders
- Research-driven culture with sustained investments in R&D and involvement of senior leadership leading to superior technical know-how and process chemistry
- Diversified portfolio of 224 products
- Differentiated products of high quality and low cost, achieved through innovation

2. Well-equipped facilities

- 3 state-of-the-art manufacturing facilities
- Economies of scale: 2,56,400 litres of total Glass Lined Reactor capacity for manufacturing organic chemical and 2,400 MT per annum of inorganic chemical capacity
- ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 certified and follows current Good Manufacturing Practice prescribed by US FDA as applicable for KSMs and intermediates
- Dedicated quality control and quality assurance team monitoring the manufacturing process at all stages

3. Rich customer mix and deep relations

- A preferred and trusted supplier to leading domestic and international customers across 28 countries (USA, Europe, Japan and Middle East) with over three decades of supply, quality reliability and track record
- Catering to pharmaceuticals, agrochemicals, engineering, polymer, aroma chemicals, electronic chemicals, catalysts, among others
- 47% business from exports (including deemed exports)
- 88% of revenue was from our repeat customers of which 77% of revenue was from the customers associated with us for more than five years

4. Robust management

- 8-member board having diverse technical and financial expertise
- Promoters with chemical engineering background
- Capable senior management with experience of more than 25 years

5. High entry barriers

- Established player (in both international and domestic market) operating in a niche sector with very high entry barriers
- Ability to stay relevant and comply with the changing regulatory norms

6. Long-standing supplier relationships

- Three decades of operations with focus on maintaining long-standing relationship with suppliers
- Sustained engagement initiatives to keep the suppliers engaged

Towards the Next Orbit of Growth

The Dahej Facility

Capacity: 1,200 MT p.a. - Inorganic Chemicals and 1,26,000 litres of GLR capacity for Organic Chemicals (in phase one)	**Started initial trial commercial production at its organic facility at Dahej SEZ:** April 2021	**Game changer** Engaged in manufacture of higher-margin and value-added products	**Global standards of safety and engineering protocols**	**Revenue contribution to start from FY 2021-22**

Neogen successfully started with initial trial commercial production at its organic manufacturing facility at Dahej SEZ (Gujarat) in April 2021. This is the first time that we have built a plant with the most advanced safety and engineering standards.

In 2020, we embarked upon establishing this modern plant, the most ambitious project with the highest increase in our organic reactor capacity in our history. Despite all the disruptions caused by pandemic, including shortage of labour, lockdown and restrictions on movement, the entire Neogen team rallied around the project and ensured its completion and start of trial commercial production at its organic facility at Dahej SEZ by April 2021. All equipment including reactors have been installed. Further, we expect 75% of our Phase-2 reactors will come online sooner than planned by end of Q2/early Q3FY 22 and will further contribute to revenue partly in Q3FY22 and more significantly in Q4FY22.

The plant at Dahej SEZ with its international manufacturing infrastructure, safety and engineering standards will be a point of inflection for Neogen. It will enable us to deliver greater value addition through multi-stage processes and complex chemistry.

Towards the Next Orbit of Growth

Moving Deeper into Customer Value Chain

At Neogen, we are leveraging our skills to develop customized and value-added products involving complex chemistry

What this means?

- Deeper and long-term relations with customers
- Strengthened reputation as a manufacturer of complex chemical products
- New source of topline with higher margin and long-term visibility
- Value creation for all stakeholders

Our 3-way approach to move deeper into value chain

Custom synthesis

Leverage our in-house process know-how, manufacturing process and infrastructure to customize unique products for each customer.

Contract manufacturing

Take product and the technical specifications from customers under confidentiality agreements and undertake process development and scaling-up to develop products for them with high quality and cost-effectiveness.

Downstream value addition

Adding downstream products through multi step chemistry to manufacture value-added Advanced Intermediates for Pharmaceutical and Agrochemical application which have higher value.

>80%
of FY 2020-21 revenue from pharma and agro chemicals sector

Built capacity

Entered into a multi-year contract with Japanese Agro innovator and US Pharma innovator. The new capacity at Dahej SEZ will be effectively utilized towards manufacturing value-added products.

Chairman's Message

About Meeting Challenges

Dear Shareholders,

I am pleased to present our 32nd annual report for FY 2020-21. For over three decades, Neogen, has been supporting the Indian Chemical industry with its robust R&D led portfolio. Most of our products find usage in crucial sectors such as pharmaceutical and agriculture. Today, we are an organization with deep competencies having robust manufacturing and R&D capabilities and relentless focus on innovation in specialty chemicals. With capacity expansion, we are now building on these capabilities to rise to the next level and focus on moving up the value chain with value-added products, custom synthesis and manufacturing.

Speaking of FY 2020-21, this year was undoubtedly one of the most challenging in recent times as COVID-19 pandemic disrupted lives and livelihoods and triggered an unprecedented global crisis. I am happy to report that even in such times, after the initial pause to assess the environment, we remained resilient and maintained our growth trajectory performance alongside progressing on our key strategic programme. Neogen successfully started with initial trial commercial production at its organic manufacturing facility at Dahej SEZ (Gujarat) in April 2021. This plant opens a new era of growth and will be a game changer for us in terms of attracting new customers in the specialty chemistry segment. We also made good progress in the custom synthesis and manufacturing space and are now working on several new proposals. We hope to convert some of these into long-term clients.

In fulfilment of our responsibility towards the society, we continued to ensure the welfare of all our stakeholders. Our immediate priority was the safety of our people. We implemented additional safety measures even though it meant additional expenditure. We also ensured no lay-offs and took the responsibility of vaccinating all our people and some of their family members. We supported the communities by distributing PPE kits to hospitals, food packets to needy, sanitizer in surrounding villages and made contributions to the PM CARES Fund and police department. Living up to our reputation of reliability and commitment to customers, we ensured uninterrupted supply of products, some of which were in high demand given the pandemic. Even though the future impact of COVID-19 on our operations and financials remains uncertain, we are continuously monitoring the environment and have outlined measures to minimize its impact on our business.

Going forward, the Chemical Industry in India is headed for strong growth. There are strong tailwinds for the Indian Specialty Chemical Industry and various global majors are looking at India as an attractive destination.

Neogen with its market leadership, cost-efficient production capabilities and relentless focus on innovation, remains ideally positioned to benefit from the upcoming opportunities and long-term value migration happening in the Indian specialty chemicals industry. This is further supported by our forte in complex and specialized chemistries.

I would like to thank the members of our Board for their constant support and wise counsel. I would also like to express my gratitude to our entire team, whose hard work and dedication have contributed to our growth. I would like to express my appreciation for the abundant trust shown by our customers, shareholders and investors in our capabilities. With such backing, I am sure our commitment to deliver long-term values to the society as a whole will not be difficult to fulfil.

Neogen with its market leadership, cost-efficient production capabilities and relentless focus on innovation, remains ideally positioned to benefit from the upcoming opportunities and long-term value migration happening in the Indian specialty chemicals industry.

Warm Regards,

Haridas Kanani

Chairman and Managing Director

Managing Director's message

A Year of Resilience, Value Creation and Progress

Dear Shareholders,

What a year FY 2020-21 has been! The outbreak of COVID-19 pandemic across the globe and the subsequent lockdown and its socio-economic impact unleashed an unprecedented crisis on humanity. None of us - be it individuals or corporates - have been spared by it and yet, many have managed to survive.

I am glad to say that Neogen not only survived but also achieved the goals it had set out for itself at the beginning of the year. This was largely because >80% of our business comes from pharmaceutical and agrochemical sectors, the demand for which remained intact (both domestic and international) throughout the pandemic. More importantly, it was the resilience of the Company, concretized by the commitment of its management and dedication of its employees that we successfully achieved our goal.

Resilient performance

Though we initially faced some constraints with respect to logistics and manpower availability, the situation normalized by the end of Q1 FY 2020-21, and all our units were running at optimal utilization levels, in-line with positive demand from key end-user industries. We ensured all necessary health and safety measures as per regulatory guidelines for the safety of our people and ensured uninterrupted operations. On the financial front, we continued to register a robust performance in FY 2020-21.

While the demand was initially low for engineering sector in the beginning, by Q3 FY 2020-21 it returned to normal levels for most of our key products across organic and inorganic chemicals segment and a healthy order build-up was achieved from key end-user industries based on positive demand trends.

We ended FY 2020-21 with a 10% growth in revenues to Rs. 33,641.55 lakhs Organic chemical remained our primary business, contributing revenues of Rs. 27,356.30 lakhs, a 10% growth over FY 2019-20; 47% of the total revenue came from exports despite global trade disruption. This only exhibits a high level of trust our customers have on us. EBITDA grew by 11% to Rs. 6,435.83 lakhs and profit after tax by 9% to Rs. 3,143.59 lakhs. The profitability growth was despite a rise in expenses for additional safety measures as we kept other costs under control and maintained supply chain efficiencies. We bagged two long-term contracts, one each in agriculture and pharmaceutical space.

Unparalleled display of execution

We successfully started initial trial commercial production at our Greenfield Organic Chemical plant at Dahej SEZ. This was an extraordinary display of resilience by the entire Neogen team which despite all challenges, rallied around and met all the deadlines. I take this opportunity to thank and congratulate the entire Neogen family for its efforts.

With its state-of-the-art infrastructure, safety and engineering standards, the plant at Dahej SEZ will be a game changer for us. It will allow us to drive greater value addition through multi-stage processes and complex chemistries while meeting the standards required by Innovators and global MNCs.

A calibrated approach for growth

Neogen's world-class, cost-efficient manufacturing backed by focus on innovative process and product development along with resource readiness makes it a preferred partner in the global landscape. Many of our long-standing customers are looking to deepen relations in existing products and in complex chemistries through custom synthesis and manufacturing. We are engaged in taking advantage of this opportunity.

Neogen's world-class, cost-efficient manufacturing backed by focus on innovative process and product development along with resource readiness makes it a preferred partner in the global landscape.

Based on the new agreements signed, we had announced in Q3FY21 a second phase of capacity expansion programme at Dahej Plant, to be completed in FY 2021-22. The project will further enhance the capacity by 78,000 litres of GLR capacity of Organic Chemicals production and 32,000 litres of non-glass lined reactor capacity. It will fortify our position as a leading manufacturer of Bromine-based specialty chemicals and advanced intermediates and provide capacity for additional growth in FY 2022-23 and FY 2023-24. While the original target is to complete the same in Q4FY22, based on progress so far, the same is likely to be completed in Q3FY22.

Sustainable growth

Our focus on sustainability is evident through our strong people-centric culture, and our focus on compliance with stringent quality, environment and employee safety norms, all of which are validated through the various certifications we hold. Our new facility at Dahej SEZ is designed to deliver world-class health and safety performance along with commissioning of a zero liquid discharge system thus significantly reducing our water usage.

We are also committed to the growth and development of communities. We are supporting several projects aimed at improving agriculture infrastructure for farmers, building infrastructure in villages for improving water supply and facilitating education to children. This year, we additionally undertook distribution of food and foodgrains for those impacted by pandemic along with continuation of our commitment to fight malnutrition among children and enhancing mangrove cover in Navi Mumbai area.

We are in the process of implementing SAP S/4HANA ERP to ensure higher efficiency and transparency in operations.

Promises to keep

To conclude, I thank all the stakeholders for their unwavering support in these difficult times. As we scale up our operations and enter a new era, our endeavour to increase both, revenue and margins as also sustainable values, remain constant. Going forward, we would focus on strengthening our team size and capabilities, and relationships with customers to create long-term business opportunities. We would continue to be a research-led organization and with our innovative skills service for our customers with superior quality products and solutions and in doing so create long-term value for all our stakeholders.

Warm Regards,

Dr. Harin Kanani

Managing Director

A Responsible Corporate Citizen

At Neogen, we believe in inclusive development and sustenance of the communities near which we operate. Our support projects are focused on helping farmers to improve their livelihood, facilitating education of children, helping villages improve infrastructure and protecting biodiversity. During the pandemic, we also undertook activities to support communities that were impacted.

Supporting communities and labour during pandemic

The pandemic impacted the lives and livelihoods of many. We undertook to support communities in these difficult times. During the lockdown, we:

- Distributed food packets and foodgrain kits to the needy
- Contributed to PM CARES Fund for the government's fight against the pandemic
- Supported contract labour with an ex-gratia payment over and above their wages
- Distributed PPE kits to hospitals
- Distributed sanitizer in nearby villages and government offices
- Contributed for the welfare of police department staff for their selfless work during the pandemic

Empowering farmers

We supported Tapi Rachnatmak Trust, set up by young leaders and women members of Tapi, funding their endeavours to create impactful value for tribal communities in Tapi district. In FY 2020-21, the Trust installed 10 borewells in five villages of South Gujarat to facilitate irrigation in the region, benefiting 40 farmers. We also distributed 1,000 kgs of seeds for dangar (rice) to 200 farmers across 18 villages of South Gujarat for cultivating 400 acres of land. Further, 20 vermicompost beds were created in 4 villages covering 20 farmers which will reduce their dependence on chemical-based fertilizers and preserve the quality of their land.

In another initiative, we supported Bhasha Research and Publication Centre, Vadodara installed a borewell in Makhalia Village district Panchmahal. This will help improve irrigation facilities for small and medium scale Adivasi farmers in that area.

Village infrastructure development

We have undertaken several developmental works in Karakhadi village in Padra Taluka which has a population of 10,000 mainly dependent on agriculture sector. The rising population in the village has put stress on water availability for drinking and domestic use. We constructed a pipeline to increase water supply.

In Majatan village of Padra Taluka, we helped Village Sarpanch (head) in applying for a new common water storage tank and borewell under Gujarat Government's 'Swajaldhara' Scheme to tackle the challenge of shortage in potable water. Under this scheme, the Government grants a subsidy of 90% of the project cost against contribution of 10% from the village. We had contributed the 10% sum to initiate the approval of the project. It will benefit 950 households in getting uninterrupted potable water supply.

Facilitating education

Children are the future of the country, and their education is critical for the country's development. In FY 2020-21, we supported Vicharta Samuday Samarthan Manch for their hostel at Kakar village which provides accommodation to 160 children from nomadic communities. Seven staff members take care of the children. Further, we supported Shrimad Rajchandra Aatma Tatva Research Centre for sponsoring education of 10 children for a year and providing food for children.

Improving biodiversity

We supported United Way Mumbai in their Mission Mangroves project for plantation of 2,000 mangrove saplings at Ghatkopar Pumping station in this financial year and till date we have supported in planting of 10,000 saplings under the Mission Mangrove Project. Mangroves being salt-tolerant can grow in intertidal regions and serve as breeding, feeding and nursery grounds for commercial fish and crustaceans which is a source of livelihood to local population. They also protect coastlines and minimize disasters that may occur due to cyclones and tsunami apart from sucking in carbon dioxide. Until now, 1,27,625 mangrove saplings have been planted under the Mission Mangrove project.

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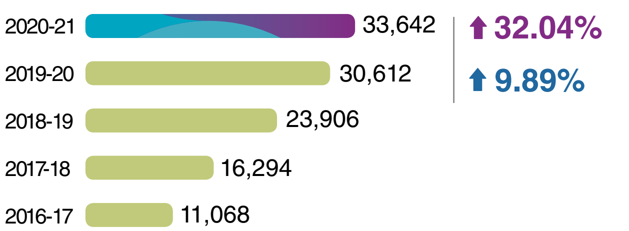
Performance Scorecard

Over the years, we have been recording a consistent growth backed by our ability to service our customers with superior quality and diverse innovation-led products. This approach has helped us grow in FY 2020-21 despite the adverse external environment.

Profit and loss indicators

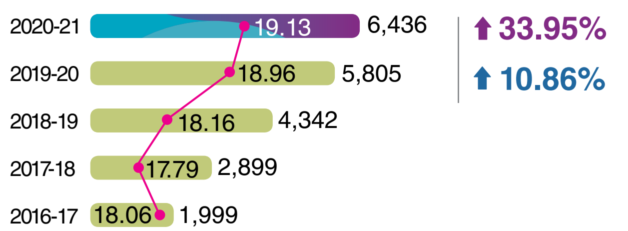
4-year CAGR Y-o-Y

Revenue (Rs. in Lakhs)



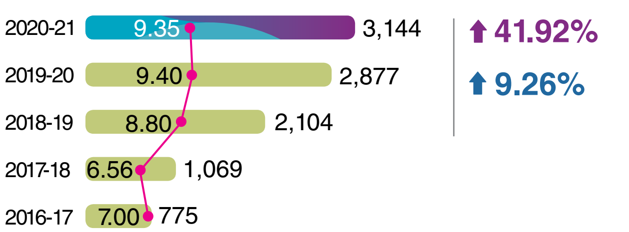
EBITDA and EBITDA margin

EBITDA (Rs. in Lakhs)
EBITDA Margin (%)



PAT and PAT margin

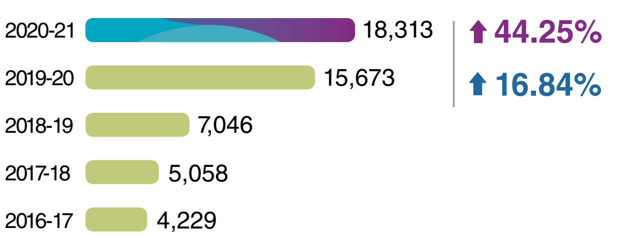
PAT (Rs. in Lakhs)
PAT Margin (%)



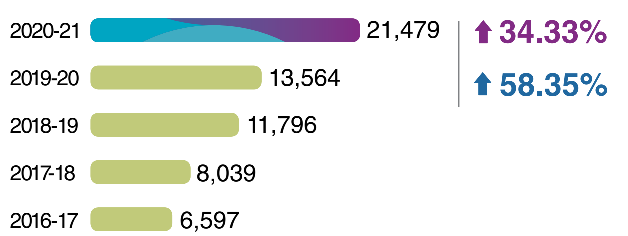
Balance sheet indicators

4-year CAGR Y-O-Y

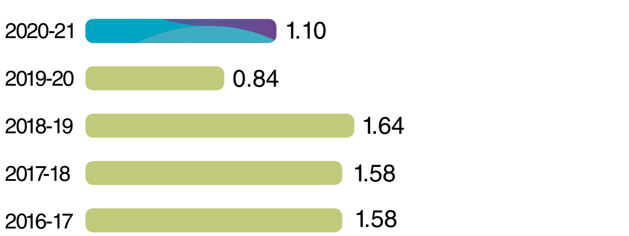
Net worth (Rs. in Lakhs)



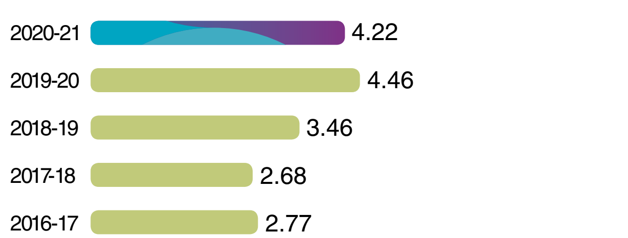
Net debt (Rs. in Lakhs)



Debt equity ratio (X)



Interest coverage ratio (X)



Corporate Information

Board of Director's

Haridas Kanani
Chairman and Managing Director

Dr. Harin Kanani
Managing Director

Shyamsunder Upadhyay
Executive 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 (w.e.f. October 10, 2020)

Unnati Kanani
Company Secretary & Compliance Officer

Mahesh Tanna
Chief Financial Officer (CFO)
(up to July 18, 2020)

Financial institutions & bankers

State Bank of India
Citibank N.A.
HDFC Bank Limited
DBS Bank India Limited

Registered Office

Neogen Chemicals Limited
Office No. D-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

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Directors' Report

The Members,

Your Directors have pleasure in presenting their 32nd (Thirty Second) Annual Report on the business and operations of the Company and the Audited Financial Statements for the Year ended March 31, 2021.

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

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Sales and Other Income	33,704.66	30,644.88	33,694.23	30,633.30
Total Expenses	29,272.64	26,523.61	29,272.64	26, 523.62
Profit Before Tax	**4,432.02**	**4,121.27**	**4,421.59**	**4,109.68**
Current Tax	1,037.00	1,148.50	1,037.00	1,148.50
Deferred Tax Liability	251.43	95.53	251.43	95.53
Profit After Tax	**3,143.59**	**2,877.24**	**3,133.16**	**2,865.65**
Other Comprehensive Income	**5.74**	**(52.59)**	**5.74**	**(52.59)**
Total Comprehensive Income	**3,149.33**	**2,824.65**	**3,138.90**	**2,813.06**

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

The Company reported a standalone revenue of Rs. 33,704.66 lakhs and consolidated revenue of Rs. 33,694.23 lakhs (including other income) in FY 2020-21 as compared to Standalone revenue of Rs. 30,644.88 lakhs and consolidated revenue of Rs. 30,633.30 lakhs (including other income) in the previous year thereby registered a growth of 10% on standalone and consolidated basis over the previous year. The standalone and consolidated Profit Before Tax (PBT) were Rs. 4,432.02 lakhs and Rs. 4,421.59 lakhs as compared to Rs. 4,121.27 lakhs and Rs. 4,109.68 lakhs respectively over the previous year. The standalone and consolidated Profit After Tax (PAT) stood at Rs. 3,143.59 lakhs and Rs. 3,133.16 lakhs as compared to Rs. 2,877.24 lakhs and Rs. 2,865.65 lakhs over the previous year.

Your Company started the FY 2020-21 on a strong note with notable growth in revenue and PAT despite lockdown across the country that resulted in loss of significant working hours. The organic chemicals business was running at close to optimal levels by the end of Q3FY21 while the inorganic business was gradually scaling up due to the expansion that got concluded in Q4FY20. Later your company also saw an encouraging incremental visibility in inorganic chemicals. Demand for all our key products across organic and inorganic chemicals had picked up and restored to normalized levels by Q3FY21 and we witnessed a healthy order build-up from key end-user industries based on positive demand trends. The Company ended FY 2020-21 by maintaining a growth momentum in line with the outlook. The Company registered a growth in its revenue in spite of capacity constraints mainly because of expanded margins and increased profits by driving demand across all key end-user industries while also maintaining supply chain efficiencies.

The Company expedited its construction activities at the Greenfield project for Organic Chemical production at Dahej SEZ. The equipment relating to production of Organic Products/Advanced Intermediates set up was completed and initial trial commercial production batches at its organic manufacturing facility at Dahej SEZ started in April 2021 which was close to the targeted deadline. This facility increased the current organic chemical capacity of 1.30 lakhs litres of GLR by 1.26 lakhs litres of GLR, resulting into a total installed reactor capacity of 2.56 lakhs litres of GLR capacity for organic production. The aggregate manufacturing capacity of Inorganic Chemicals was doubled to 2,400 MT p.a. after the commencement of its operations in

Feb 2020. The entire team at Dahej SEZ contributed towards the implementation of this project in the most challenging times with full dedication and focused approach. This new, state-of-the-art manufacturing infrastructure of international standard will be a game changer for the Company, allowing it to deliver greater value addition through multi-stage processes and complex chemistries.

Further we expect 75% of our Phase-2 reactors will come online sooner than planned by end of Q2/early Q3FY22 and will further contribute to revenue partly in Q3FY22 and more significantly in Q4FY22.

This is the first plant that Neogen has built from scratch and incorporated the most advanced safety and engineering standards which are required by Innovators and Global MNCs. This will help us in driving deeper engagements with these customers by leveraging manufacturing excellence and adhering to international safety and engineering protocols.

3. Responding to an Unprecedented Challenge Posed by the COVID-19 Pandemic:

The COVID-19 pandemic caused an unprecedented impact on the global economy during 2020-2021. It disrupted global trade and cross border transactions mainly because the lockdown in countries threw global supply chains in a disarray. However, both the pharmaceutical and agrochemical industries were declared essential commodities. With >80% of its revenue being derived from Pharma and agrochemical industries, Neogen fell under the essential services category and restarted its activity in April 2020 itself. As a result, the demand for specialty chemicals remained intact even during the pandemic. Neogen has robust, well-integrated operations, deep capabilities and a healthy balance sheet position which allowed it to overcome the near-term challenges and return to creating value in the long run. The Company undertook several changes in employee transport, adoption of work-from-home policy for its non- manufacturing employees, additional incentives for operations team and contract workers and COVID specific insurance benefits for employees and some of their family members were provided. In addition, systems were put in place to ensure proper sanitation and social distancing norms. With all the necessary precautions for the safety and security of its employees, Neogen not only resumed operations at its plants but also worked on keeping the greenfield project at Dahej SEZ on track and this project was completed with minimal delays.

The Company did not avail moratorium offered by the Reserve Bank of India for repayment of its debt obligations and continued to service its debt on time and the Company had adequate liquidity support for meeting its fund requirements.

The future impact of COVID - 19 on the operations and financials of the Company, however, remains uncertain and unpredictable due to extraneous circumstances. The Company is continuously monitoring the economic conditions and has outlined certain measures to combat the pandemic so as to minimize its impact on business.

4. Change in the Nature of Business:

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

5. Dividend:

The Board had recommended a final Dividend of Rs. 2 per equity share for the FY 2019-20, which was approved by the shareholders at its 31st Annual General Meeting held on September 28, 2020 amounting to Rs. 466.69 lakhs.

The Board of Directors ("Directors") of your Company had at its meetings held on October 10, 2020 reviewed and approved the Dividend Distribution Policy ("Policy") 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. The policy is made available on the website of the Company at https://neogenchem.com/wp-content/uploads/Dividend-Distribution-Policy.pdf

For the FY 2020-21, based on performance of the company, the board of the Company is pleased to recommend a final dividend of Rs. 2.25 (Two rupee twenty five paise) per equity share for the FY 2020-21, if the dividend as recommended by the Board is approved at the 32nd Annual General Meeting ("32nd AGM) the total outflow towards Dividend on equity share for the year under review would be Rs. 525.03 lakhs.

6. Reserves

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

7. Share Capital

Particulars	Opening Balance as on April 1, 2020	Closing Balance as on March 31, 2021
Equity shares:		
- Number of shares	2,33,34,606	2,33,34,606
- Amount	23,33,46,060	23,33,46,060
10% Cumulative Optionally Convertible Preference Shares:		
- Number of shares	0	0
- Amount	0	0
9.8% Fully Redeemable Cumulative Preference Shares:		
- Number of shares	0	0
- Amount	0	0

Further, in the year 2019, the Company had successfully made its Initial Public Offer (IPO) of 61,55,813 Equity Shares @ Rs. 215/- (including a share premium of Rs. 205/-) per equity shares of Rs. 10/- each and the Equity Shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on May 8, 2019.

Utilization of IPO Proceeds

The IPO proceeds were utilized as per the objects stated in the prospectus of the Company and there was no deviation/variation in utilization of funds raised through Public Issue and Offer for Sale. Further there was no outstanding/unutilized amount as at March 31, 2021.

a. **Buy Back of Securities**
The Company has not bought back any of its securities during the year under review.

b. **Sweat Equity**
The Company has not issued any Sweat Equity during the year under review.

c. **Bonus Shares**
The Company has not issued any Bonus shares during the year under review.

d. **Issue of Shares with Differential Rights**
The Company under the provision of Section 43 read with Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 [Chapter IV] has not issued any shares with Differential Rights.

8. Board of Directors and Key Managerial Personnel:

The directors of the Company as on March 31, 2021 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	Executive 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. At the 32nd AGM, Mr. Shyamsunder Upadhyay (DIN: 07274873), Executive Director, was eligible to retire by rotation but as appointment and change in designation of Mr. Shyamsunder Upadhyay (DIN: 07274873) as the Whole Time Director of the Company forms part of the agenda of 32nd AGM, Mr. Anurag Surana (DIN: 00006665), Non-Executive and Non-Independent Director, shall retire by rotation and being eligible, offers himself for reappointment.

A detailed profile of Mr. Shyamsunder Upadhyay and Mr. Anurag Surana 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 32nd AGM.

Key Managerial Personnel:

During the year under review Mr. Mahesh Tanna, resigned as a Chief Financial Officer of the Company with effect from July 18, 2020 and in his place Mr. Ketan Vyas, was appointed as the Chief Financial Officer of the Company with effect from October 10, 2020 as per the provisions of Section 203 of the Companies Act, 2013 ("the Act"), read with its applicable Rules and Regulation 30 of the Listing Regulations. Pursuant to SEBI Circular CIR/CFD/CMD/4/2015 dated 09 September, 2015. Mr. Ketan Vyas's brief profile is as under:

Mr. Ketan Vyas, aged 44 years, is a fellow member of the Institute of Chartered Accountants of India, MBA and has completed his Project Management Professional Certificate from (PMI) USA in the year 2013.

He has over 22 years of diverse experience in the field of Finance & Accounts, Taxation/ International Taxation across industries, Corporate Banking, Audits, Corporate & Commercial laws and other Regulatory and Statutory compliances. Prior to joining Neogen Chemicals Limited, he was associated as a Group Chief Financial Officer at Batliboi Limited and prior to that he has worked with various organizations namely Arcelor Mittal Projects India Private Limited, SGS India Private Limited, Integreon Managed Solutions, Dow Corning India Private Limited, Rhodia Chemicals India Private Limited and Amplas Polymers Private Limited, handling diverse Financial functions and Taxation of the Corporates.

His core expertise lies in Strategic Planning, Budgeting & Cost Control, Financial Reporting & Management, Process Re-engineering, System Integration and Solution Design.

Change in Designation:

Your Directors propose the appointment and change in designation of Mr. Shyamsunder Upadhyay (DIN: 07274873) from Executive Director to Whole Time Director of the Company subject to the approval of the shareholders, at the 32nd AGM of the Company, for a period of 3 years, starting from August 7, 2021 till August 6, 2024 and this proposal forms part of the agenda of the 32nd 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 Regulations; 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.

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, 2021. The said code is available on the website of the Company at https://neogenchem.com/wp-content/uploads/Code-of-Eithics-for-Directors-KMP-and-Other-Memebrs-of-Senior Management.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, 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 13, 2021.

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/wp-content/uploads/Familiarization-Programme-F.Y.-2020-21.pdf

9. 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 32nd AGM. Any member interested in obtaining a copy thereof, may write to the Company Secretary at investor@neogenchem.com.

10. 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 April 21, 2020, May 23, 2020, July 20, 2020, August 8, 2020, October 10, 2020, November 7, 2020 and February 13, 2021 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 23, 2020, July 20, 2020, August 8, 2020, October 10, 2020, November 7, 2020 and February 13, 2021 .

Stakeholders Relationship Committee Meetings:

The Stakeholders' Relationship Committee met once during the year on August 8, 2020.

Nomination and Remuneration Committee Meetings:

The Nomination and Remuneration Committee met thrice during the year, that is, on July 20, 2020, August 8, 2020 and October 10, 2020.

Corporate Social Responsibility (CSR) Committee Meeting:

The CSR committee met once during the year on August 8, 2020.

Risk Management Committee:

The Board of Directors ("Directors") of your Company have constituted a 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 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/Risk-Assessment-and-Management-Plan.pdf respectively.

Independent Directors meeting:

Independent Directors met once during the year under review on March 13, 2021

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

The Company does not have any subsidiary, any associate company or any holding company. 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. 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.

12. 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:

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 2021-22. 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.

The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed herewith as Annex - 2 to this Report. The Secretarial Auditors' Report for the financial year ended March 31, 2021 does not contain any qualification, reservation or adverse remark.

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 FY 2020-21 as per the provisions of the Act. The Cost Auditors' Report for the financial year ended March 31, 2021 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, 2022 at a remuneration of Rs. 2.75 lakhs subject to ratification of remuneration by the shareholders at the 32nd AGM by passing a resolution as set out in Item 4 of the notice of 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.

13. Management Discussion and Analysis Report:

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

14. Business Responsibility Report:

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

15. 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 suggests 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 a 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/Risk-Assessment-and-Management-Plan.pdf respectively. The Salient features of the Risk Assessment and Management Plan ("the policy") are:

- Identification and comprehensive management of risk.
- Risk management allows Neogen to prevent losses and capitalize on opportunities.
- Understanding risk and Neogen's appetite for risk will be key considerations in Neogen's decision making.
- Neogen aims to achieve a risk management culture through a series of risk management principles and policies.

16. 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 mechanisms. 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.

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/Whistle-Blower-Policy.pdf

17. 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/NRC-Policy-NCL.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, 2021, 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.

18. 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

19. 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".

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.

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 the 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 given any loan, has not provided any guarantee or security for any loan nor has made any investments during the Financial Year and therefore the provisions of Section 186 of the Act are not applicable to the Company.

The Company has granted loan to and holds investment in its Joint Venture Firm Dhara Fine Chem Industries (Partnership firm in which the Company holds 90% share). The said loans/ investments made to/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 loan given to and investment made by the Company is provided in the Financial Statements which may be read in conjunction with this report.

24. 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 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/Policy-on-Materiality-of-Related-Party-Transactions-and-Dealing-with-Related-Party-Transactions.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 sets 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.

25. 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.

26. 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.

27. Corporate Social Responsibility (CSR)

In accordance with the requirements of the provisions of Section 135 of the Act, the Company has constituted a 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/CSR-Policy.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. 59.33 lakhs as against the statutory requirement of Rs. 58.77 lakhs towards CSR activities 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 and preventive healthcare to combat COVID- 19. The salient features of the CSR policy along with the Report on CSR activities are given in **Annex - 5** to this Directors' Report.

28. 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, 2021 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.

29. 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.

30. Credit Rating

As on March 31, 2021, the Company had a short term credit rating of CRISIL A2+ (reaffirmed) and a long term rating of CRISIL A-/ Stable (reaffirmed) by CRISIL. The Intimation of Credit Rating is available at the website of the Company at https://neogenchem.com/wp-content/uploads/2021/01/Intimation-of-change-in-Credit-Rating.pdf

During the year under review, the outlook of CRISIL in respect of a long term rating was revised from "CRISIL BBB+/ Positive " to "CRISIL A-/ Stable", which was duly intimated to both the exchanges where the shares of the Company are listed, namely, BSE Limited and National Stock Exchange of India Limited and also uploaded at the website of the Company at https://neogenchem.com/wp-content/uploads/2021/01/Intimation-of-change-in-Credit-Rating.pdf

31. 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 2020-21 from DVD and Associates, Secretarial Auditor of the Company forms part of the Directors Report of the Company as Annex 2 and Annex 6 respectively.

32. 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.

33. 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, 2022.

34. 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/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 the 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.

35. 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

Haridas Kanani
Chairman & Managing Director
DIN: 00185487

Place: Vadodara
Date: August 7, 2021

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. 3.34 lakhs

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, 2021:

Sr. No	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1.	Haridas Kanani	17.02
2.	Dr. Harin Kanani	15.79
3.	Sanjay Mehta	0.82
4.	Hitesh Reshamwala	0.85
5.	Shyamsunder Upadhyay	15.79
6.	Anurag Surana	Not Applicable
7.	Prof. Ranjan Kumar Malik	0.58
8.	Avi Sabavala	0.76

II) The percentage increase in remuneration of each Director, CFO, CS or Manager if any for the financial year ending March 31, 2021:

Sr. No	Name of the Director, CFO, CS or Manager	% Increase over last Financial Year
1	Haridas Kanani	11%
2	Dr. Harin Kanani	15%
3	Sanjay Mehta	Not Applicable
4	Hitesh Reshamwala	Not Applicable
5	Shyamsunder Upadhyay	11%
6	Anurag Surana	Not Applicable
7	Prof. Ranjan Kumar Malik	Not Applicable
8	Avi Kersi Sabavala	Not Applicable
9	Mahesh Tanna (upto July 18, 2020)	Not Applicable
10	Ketan Vyas (w.e.f October 10, 2020)	Not Applicable
11.	Unnati Kanani	9%

III) The percentage increase / (decrease) in the median remuneration of employees in the financial year ending March 31, 2021: (16.08%)

IV) The number of permanent employees on the rolls of the Company as on March 31, 2021: 325

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 27.43% over the previous year and the average % increase in Managerial Remuneration (including proportionate salary of Mr. Mahesh Tanna, Ex- CFO and Mr. Ketan Vyas, CFO) was 13.67%. The average increase in the salary of Ms. Unnati Kanani, Company Secretary was 14.38%. 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 are no employees getting remuneration higher than that of the Chairman and Managing Director

IX) It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees

Dr. Harin Kanani, Managing Director is a son of Mr. 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

Haridas Kanani
Chairman & Managing Director
DIN: 00185487

Place: Vadodara
Date: August 7, 2021

Annex - 2

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
For the financial year ended March 31, 2021

[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 MH 400601 IN

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")

The Secretarial Audit was conducted for the period from April 1, 2020 to March 31, 2021, 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 below.

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 covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and 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 financial year ended on March 31, 2021 according to the provisions of the following list of laws and regulations as amended from time to time. These documents were examined on a computer using audio visual means because of the lockdown. The documents provided to us were treated as final for verification purposes as per the declaration given by the Management of the Company. The physical verification of certain documents was not possible due to lockdown conditions in India during the Audit period. 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 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.

(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 and 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 there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings and there are no discrepancies observed by us during the 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 **(Not applicable for the period under review)**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable for the period under review)**;

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

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable for the period under review)**;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2018 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 period under review)**;

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

(j) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**

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:

There are no other laws which are specifically applicable to the Company.

(vii) The Company has a Compliance Management System installed and 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 BSE Limited, National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations.

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

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.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

There are no 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.

FOR DVD & ASSOCIATES
Company Secretaries

Devendra Deshpande
FCS No. 6099 CP No. 6515
PR NO: 1164/ 2021
UDIN: F006099C000750590

Place: Pune
Date: August 7, 2021

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.

Annexure A

To,
The Members

Neogen Chemicals Limited
Office No, 1002 10th Floor Dev Corpora
Bldg Opp. Cadbury Co Pokhran Road 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 a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices 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 is the responsibility of management. Our examination was limited to the verification of procedures on a 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
FCS No. 6099 CP No. 6515
PR NO: 1164/ 2021
UDIN: F006099C000750590

Place: Pune
Date: August 7, 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 does not have any subsidiary Company and hence Part A is not applicable to the Company.

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 Joint Ventures	Dhara Fine Chem Industries
1. Latest audited Balance Sheet Date	March 31, 2021
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	Not Applicable
Amount of Investment in Associates/Joint Venture	Rs. 45 lakhs
Extend of Holding %	90%
3. Description of how there is significant influence	Company owns 90 % share in Dhara Fine Chem Industries.
4. Reason why the joint venture is not consolidated	Not applicable. The financial statements of Joint venture are consolidated under Equity Method of accounting of Investments.
5. Networth attributable to Shareholding as per latest audited Balance Sheet	Rs. 50.57 lakhs
6. Profit / Loss for the year	Rs. 42.59 lakhs
i. Considered in Consolidation	Rs. 38.33 lakhs
ii. Not Considered in Consolidation	Rs. 4.26 lakhs (attributable to 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

Jayesh Shah
Partner
Membership No. 039910

Place: Thane
Date: August 7, 2021

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

Haridas Kanani
Chairman and Managing Director
DIN: 00185487

Dr. Harin Kanani
Managing Director
DIN:05136947

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 equipments. • Installed Variable Frequency Drives (VFD) on large capacity Motors. • We have LEDs all over the plants and our air conditioning systems work without the use of a 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.
(ii)	the steps taken by the company for utilizing alternate sources of energy	Not Applicable
(iii)	the capital investment on energy conservation equipments.	Not Applicable

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)-	Not Applicable
	(a) the details of technology imported	Not Applicable
	(b) the year of import;	Not Applicable
	(c) whether the technology been fully absorbed	Not Applicable
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable
(iv)	the expenditure incurred on Research and Development	Rs. 7.31 Lakhs is capital expenditure Rs. 293.73 Lakhs is revenue expenditure.

(c) Foreign Exchange Earnings and Outgo

The foreign exchange earning was Rs. 7, 934.31 lakhs and outgo for the financial year were Rs. 8,941.49 lakhs for Import & Rs. 82.51 lakhs for expenditure in foreign currency.

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

Haridas Kanani
Chairman & Managing Director
DIN: 00185487

Place: Vadodara
Date: August 7, 2021

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 the 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, wellness, water, 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/CSR-Policy.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 area 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. Promoting plantation of Mangrove trees and spreading awareness through Mangrove awareness programmes;

   b. Water Management Programme in villages which includes contribution towards construction of Borewells and Tubewells;

   c. Distribution of seeds to the farmers, supporting vermiculture and providing vermicompost beds thereby ensuring environmental sustainability and agriculture development;

   d. Promoting education among children;

   e. promoting health care including preventive health care and sanitation and Disaster Management;

   f. Contribution towards Combating COVID Pandemic.

2. **Composition of CSR Committee:**

Sr. 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	1	1
2	Avi Sabavala	Independent Director	1	1
3.	Anurag Surana	Non-Executive and Non Independent Director	1	1

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/CSR-Policy.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 2020-21.

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**

Sr. 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	-
	Total	**0.56**	**-**

6. **Average net profit of the company as per section 135(5).** Rs. 2,938.34 lakhs

7. (a) **Two percent of average net profit of the company as per section 135(5):** Rs. 58.77 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. 58.77 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.)				
	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. 59.33 lakhs	Nil		Not Applicable		

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

(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	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - 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:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. 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 implemen-tation Direct (Yes/No)**	**Mode of Implementation - Through Implementing Agency**	
				State	**District**			**Name**	**CSR Registration number**
1.	COVID-19 Relief - Provided food grains to needy people due to COVID-19 pandemic	i	Yes	Maharashtra	Thane	1	No	V.K. Memorial Welfare Association	
2.	Contribution to PM CARES Fund	viii	No	Delhi	Delhi	1.45	Yes		
3.	Ex- Gratia Payment made to Temporary / Casual workers/ daily wage workers over and above the disbursement of wages specially for the purpose of fighting COVID -19	xii	Yes	Maharashtra and Gujarat	Mumbai, Vadodara and Dahej	36.84	Yes		
4.	Providing masks to Policemen and Distribution of COVID -19 Kits and Grocery Kits	i	Yes	Gujarat	Vadodara	1.32	Yes		
5.	Contribution towards setting up of water storage tank along with new borewell under "Swajaldhara" Scheme of Govt. of Gujarat	i & x	Yes	Gujarat	Vadodara	2.5	Yes		
6.	Water Distribution System by laying of Pipeline to connect Water Bore with overhead tank to cater to the water supply needs of villagers	i	Yes	Gujarat	Vadodara	2.97	Yes		
7.	Construction of Borewell in Panchmahal Region of Gujarat	i & x	Yes	Gujarat	Panchmahal	0.40	No	Bhasha Research and Publication Centre	CSR00006659
8.	Construction of Borewell in tribal villages in south Gujarat	i & x	Yes	Gujarat	Tapi	2.15	No	Tapi Rachnatmak Trust	CSR00011073
9.	Agriculture Development by distribution of Seed	iv	Yes	Gujarat	Tapi	1.50	No	Tapi Rachnatmak Trust	CSR00011073
10.	Agriculture Development by Providing vermicompost beds	iv	Yes	Gujarat	Tapi	1.20	No	Tapi Rachnatmak Trust	CSR00011073
11.	Promoting education amongst Children	ii	Yes	Gujarat	Banaskantha	3.00	No	Vicharta Samuday Samarthan Manch	CSR00001129
12.	Promoting education amongst Children by contributing towards a Project "Sponsor a Child"	ii	Yes	Maharashtra	Mumbai	1.80	No	Shrimad Rajchandra Aatma tatva Research Centre	CSR00009252
13.	Eradicating Hunger and Malnutrition by contributing towards a Project "Shree Raj Roti centre"	i	Yes	Maharashtra	Mumbai	0.60	No	Shrimad Rajchandra Aatma tatva Research Centre	CSR00009252
14.	Project Mission Mangroves	iv	Yes	Maharashtra	Mumbai	2.6	No	United Way Mumbai	CSR00000762
	TOTAL					**59.33**			

(d) **Amount spent in Administrative Overheads:** Nil

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

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** Rs. 59.33 lakhs

(g) **Excess amount for set off, if any:** Rs. 0.56 lakhs

Sr. No	articular	Amount (Rs. in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	58.77
(ii)	Total amount spent for the Financial Year	59.33
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.56
(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)]	0.56

9 (a) **Details of Unspent CSR amount for the preceding three financial years:** Not Applicable

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	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.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
Not Applicable							

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

(1) Sr. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project commenced	(5) Project duration	(6) Total amount allocated for the project (in Rs.)	(7) Amount spent on the project in the reporting Financial Year (in Rs)	(8) Cumulative amount spent at the end of reporting Financial Year (in Rs.)	(9) Status of the project-Completed / Ongoing
Not Applicable								

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 7, 2021

Annex - 6

ANNUAL SECRETARIAL COMPLIANCE REPORT OF NEOGEN CHEMICALS LIMITED FOR THE YEAR ENDED MARCH 31, 2021

We, DVD & Associates, have examined:

a. all the documents and records made available to us and explanation provided by NEOGEN CHEMICALS LIMITED ("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 March 31, 2021 ("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 thereunder 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 (Buyback of Securities) Regulations,2018; **[Not applicable during the review period]**

   e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations,2014; **[Not applicable during the review period]**

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

   g. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013; **[Not applicable during the review period]**

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

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 for the Company, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/circulars/ guidelines including specific clause)	Deviations	Observations/ (Regulations/ Remarks of the Practicing Company Secretary
		Not Applicable	

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued there under in so far as it appears from our examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under:

Sr. No	Action taken by	Details of violation	Details of action taken e.g. Fines, warning letter, debarment etc.	Observations/ remarks of the Practicing Company Secretary, if any.
			Not Applicable	-

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

Sr. No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended March 31, 2021 (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
		Not Applicable		

FOR DVD & ASSOCIATES
Company Secretaries

Devendra Deshpande
FCS No. 6099 CP No. 6515
PR NO: 1164/ 2021
UDIN: F006099C000396051

Place: Mumbai
Date: May 31, 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, 2021. 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 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 8 (Eight) Directors as on March 31, 2021, 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 perspective 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 Managing Director and 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 Actor 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 boardroom.

- 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 of 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 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 SEBI 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 SEBI Listing Regulations, the terms and conditions of their appointment are disclosed on the Company's website at https://neogenchem.com/wp-content/uploads/Terms-and-Conditions-for-Appointment-and-Familiarization-Programme-of-Independent-Directors.pdf. During the year under review, none of the Independent Directors of the Company resigned.

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 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.

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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 31st Annual General Meeting (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, 2021 are:

Composition of the Board and Directorship held during the FY 2020-21 and meetings Attended:

Name of Director	Category	Attendance of meeting during the FY 2020-21		Number of Directorships and Committee Chairpersonships/ Memberships as on March 31, 2021 (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	31st AGM	No. of Directorship*	Committee$ Chairperson	Committee$ Member		
Haridas Kanani	Promoter, Chairman & Managing Director	7	Yes	1 (chairperson)	0	0	Nil	1,19,00,078
Dr. Harin Kanani	Promoter & Managing Director	7	Yes	1	0	2	Nil	20,00,000
Anurag Surana	Non-Executive & Non-Independent Director	7	Yes	2	0	0	1) Privi Specialty Chemicals Limited-Independent Director^	2,25,000
Sanjay 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 Reshamwala	Non Executive Independent Director	7	Yes	1	0	1	Nil	36
Shyamsunder Upadhyay	Executive Director	7	Yes	1	0	1	Nil	80
Prof. Ranjan Kumar Malik	Non Executive Independent Director	7	Yes	1	1	1	Nil	0
Avi Sabavala	Non Executive Independent Director	7	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.

^ Appointed as an Independent Director of the Company w.e.f. August 13, 2020

@ Appointed as an Independent Director of the Company w.e.f. April 1, 2020

The Thirty first (31st) Annual General Meeting ('e-AGM') of the Company for the Financial Year ('FY') 2019-20 was held on September 28, 2020 through video conferencing ('VC')/other audio visual means ('OAVM') in accordance with the relevant circulars issued by the Ministry of Corporate Affairs ('MCA') and SEBI. All the Directors of the Company were present at the 31st AGM.

G) Board of Directors Meetings:

The Board of Directors met 7 (Seven) times, that is, on April 21, 2020, May 23, 2020, July 20, 2020, August 8, 2020, October 10, 2020, November 7, 2020 and February 13, 2021 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 Mr. 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 13, 2021 as required under the Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the SEBI Listing Regulations. All the Independent Directors had attended the meeting and it was chaired by Mr. 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/Familiarization-Programme-F.Y.-2020-21.pdf

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

During the year under review Mr. Mahesh Tanna, resigned as a Chief Financial Officer of the Company with effect from July 18, 2020 and in his place Mr. Ketan Vyas, was appointed as the Chief Financial Officer of the Company with effect from October 10, 2020 as per the provisions of Section 203 of the Companies Act, 2013 ("the Act"), read with its applicable Rules and Regulation 30 of the Listing Regulations. Pursuant to SEBI Circular CIR/CFD/CMD/4/2015 dated 09 September, 2015. Mr. Ketan Vyas's brief profile is as under:

Mr. Ketan Vyas, aged 44 years, is a fellow member of the Institute of Chartered Accountants of India, MBA and has completed his Project Management Professional Certificate from (PMI) USA in the year 2013.

He has over 22 years of diverse experience in the field of Finance & Accounts, Taxation/ International Taxation across industries, Corporate Banking, Audits, Corporate & Commercial laws and other Regulatory and Statutory compliances. Prior to joining Neogen Chemicals Limited, he was associated as a Group Chief Financial Officer at Batliboi Limited and prior to that he has worked with various organizations namely Arcelor Mittal Projects India Private Limited, SGS India Private Limited, Integreon Managed Solutions, Dow Corning India Private Limited, Rhodia Chemicals India Private Limited and Amplas Polymers Private Limited, handling diverse Financial functions and Taxation of the Corporates. His core expertise lies in Strategic Planning, Budgeting & Cost Control, Financial Reporting & Management, Process Re-engineering, System Integration and Solution Design.

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/Code-of-Eithics-for-Directors-KMP-and-Other-Memebrs-of-Senior-Management.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, 2021. A declaration to this effect duly signed by the Chairman and Managing Director.

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.

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/Whistle-Blower-Policy.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 23, 2020, July 20, 2020, August 8, 2020, October 10, 2020, November 7, 2020 and February 13, 2021.

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	6
3	Dr. Harin Kanani	Executive Director	Member	6	6
4	Avi Sabavala	Non-Executive Independent Director	Member	6	6

The representatives of the Statutory Auditors, Secretarial Auditors, Internal Auditors, Financial Advisors and CFO of the Company are invitees to the Audit Committee Meetings who attended the meetings.

The Company Secretary acts as the Secretary to the committee.

The previous Annual General Meeting held on September 28, 2020 was attended by Mr. 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 statements 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 SEBI 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 NRC Committee met thrice during the year, that is, on July 20, 2020, August 8, 2020 and October 10, 2020.

II. Composition and Attendance:

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

The representatives of the Auditors, Advisors, VP- HR and CFO of the Company are invitees to the NRC Committee Meetings who attended the meetings as and when needed.

The Company Secretary acts as the Secretary to the committee.

The previous E-Annual General Meeting held on September 28, 2020 was attended by Mr. 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 NRC 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/NRC-Policy-NCL.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 2020- 21 and number of shares held as on March 31, 2021 by the directors of the Company are as follows:

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

Name of the Director	Salary (Rs. in lakhs)	Contribution to Provident Fund	Pension	Other Perquisites	Ex-Gratia	Sitting Fees	Commission	Total (Rs. in lakhs)	No. of Shares Held
Haridas Kanani	56.40	0	0	0	0.50	0	0	56.90	1,19,00,078
Dr. Harin Kanani	52.31	0	0	0	0.50	0	0	52.81	20,00,000
Shyamsunder Upadhyay	52.31	0	0	0	0.50	0	0	52.81	80
Anurag Surana	0	0	0	0	0	0	0	0	2,25,000
Sanjay Mehta	0	0	0	0	0	2.75	0	2.75	2,580#
Hitesh Reshamwala	0	0	0	0	0	2.85	0	2.85	36
Prof. Ranjan Kumar Malik	0	0	0	0	0	1.95	0	1.95	Nil
Avi Sabavala	0	0	0	0	0	2.55	0	2.55	Nil

excludes shares held jointly as second holder.

VII. Remuneration to Managing Director:

At the time of appointment or re-appointment, the Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes NRC Committee and the Board of Directors) and the Managing Director within the overall limits prescribed under "the Act" and subject to approval of the Members of the Company in General Meeting.

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. The Company pays 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 the 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/Terms-and-Conditions-for-Appointment-and-Familiarization-Programme-of-Independent-Directors.pdf. and https://neogenchem.com/wp-content/uploads/Criteria-of-making-payments-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 NRC Committee shall consider the following:

- The relationship of 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 scorecard and other factors mentioned herein above, recommends the annual increment to the NRC 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 August 8, 2020

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 shall be the Compliance Officer as per Listing Regulations. The previous Annual General Meeting held on September 28, 2020 was attended by Prof. Ranjan Kumar Malik, the Chairman of Stakeholders Relationship Committee

iii) Roles and Objectives:

- 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.
- The Committee is responsible for satisfactory Redressal of Investors' complaints.
- 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, 2021 as reported under Regulation 13(3) of the Listing Regulations is as under:

Complaints pending as on April 1, 2020: Nil

Received during the year: Nil

Resolved during the year: Nil

Pending as on March 31, 2021: 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 31st Annual General Meeting held on September 28, 2020 in view of the Covid-19 pandemic, 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:

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/CSR-Policy.pdf

A 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 once during the year on August 8, 2020.

II. Composition and Attendance:

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

The Company Secretary acts as the Secretary to the CSR 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 CSR 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 constituted 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/Risk-Assessment-and-Management-Plan.pdf respectively.

I) The Composition of the RMC Committee is as under:

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

The Company Secretary shall act as the Secretary to the RMC Committee.

II) 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 RMC 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 RMC 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 RMC 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 RMC 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 Extraordinary General Meetings held during last three financial years are:

Date	General Meeting	Time	Location	Special Resolutions Passed with Super Majority
September 28, 2020	AGM	5.00 PM	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. 25,000 lakhs. • Creation of security on the properties of the company, both present and future, in favour of lenders
September 20, 2019	AGM	4.00 PM	Hotel Tip Top Plaza, Near Check Naka, L.b.s Marg, Thane West- 400604	• Reappointment of Mr. Hitesh Reshamwala as an Independent Director of the Company for Second Term of Five Consecutive Year • Reappointment of Mr. Sanjay Mehta as an Independent Director of the Company for Second Term of Five Consecutive Years
October 16, 2018	EGM	4.00 PM	1002, 10th floor, Dev Corpora Building, Cadbury Company, Pokhran Road no.2, Thane (w). 400601	• Change in terms of appointment of Dr. Harin Kanani, Managing Director of the company. • Approval of Initial Public Offer (IPO).
September 8, 2018	EGM	9.00 PM	1002, 10th floor, Dev Corpora Building, Cadbury Company, Pokhran Road no.2, Thane (w). 400601	• Approval of Conversion of 1,30,000 Optionally Convertible Preference Shares into 78,793 Equity Shares
August 11, 2018	AGM	4:30 PM	Office No.1002, 10th Floor, Dev Corpora Building, Opp. Cadbury Co, Pokhran Road No.2, Khopat, Thane- 400601	• Re-appointment of Mr. Haridas Kanani as a Managing Director. • Adoption of New set of Article of Association of Company as per Companies Act, 2013. • Revision in Remuneration of Dr. Harin Kanani, Managing Director of the Company. • Revision in Remuneration of Mr. Shyamsunder Upadhyay, Director of the Company. • Change of Terms of Optionally Convertible Preference Shares of the Company and Conversion/ Redemption of Preference Shares

All resolutions moved at the last AGM 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 May 8, 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 SEBI 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/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

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/investor-meet-presentation/ 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 communication 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.

(h) 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 database 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 28, 2021 at 5.00 pm
Venue	Pursuant to the MCA General Circular numbers 02/2021 dated January 13, 2021, 20/2020 dated May 5, 2020, 17/2020 dated April 13, 2020, 14/2020 dated April 8, 2020 issued by the Ministry of Corporate Affairs (MCA) and Circular number 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), the Company will be conducting its 32nd 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 AGM.

b) **Financial Year: April 1 to March 31.**

c) **Book Closure/Record Date:** Book Closure period shall be from Monday, September 20, 2021 to Tuesday, September 28, 2021 (both days inclusive) for the purpose of AGM and dividend and the Record Date is Friday, September 17, 2021.

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

e) **Listing:**

Name of the Exchange	Stock Code
BSE Limited (BSE)	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 FY 2021-22.

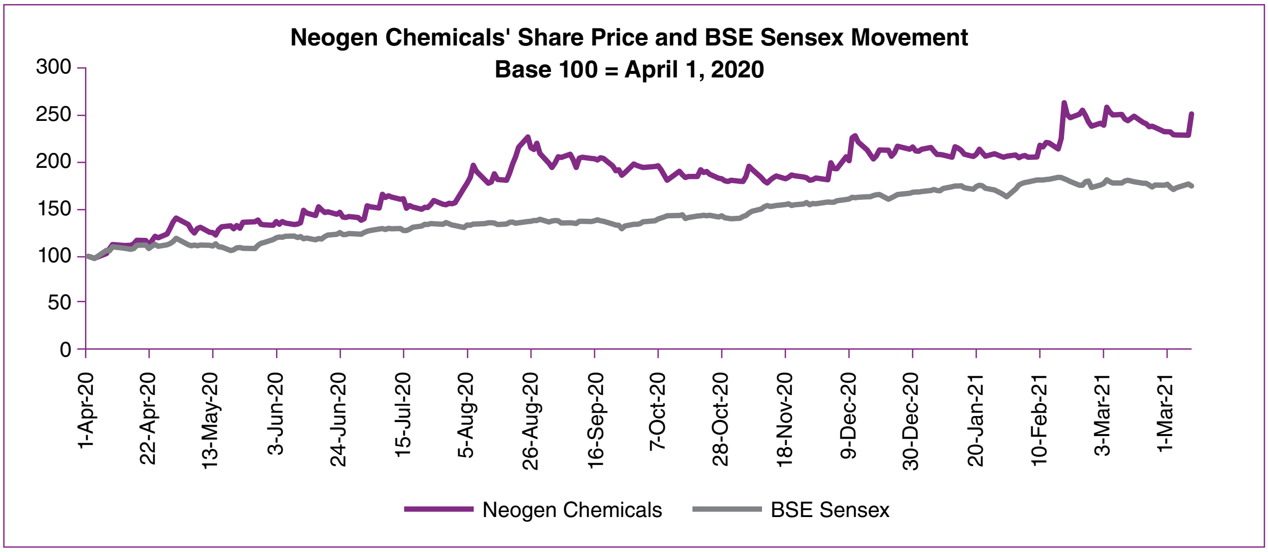
f) **Market Price and Shares data**

The Company got listed on May 8, 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 FY 2020-21 on BSE and NSE is as under:

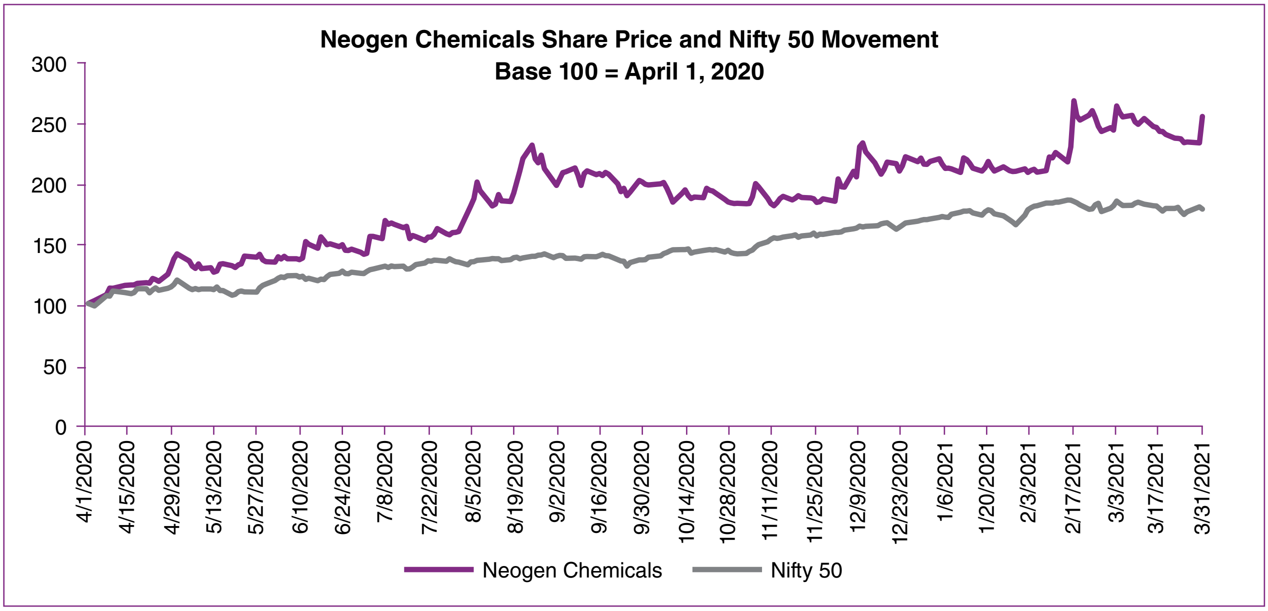
Month	BSE			NSE		
	High Price (Rs. in lakhs)	Low Price (Rs. in lakhs)	No. of Shares (in lakhs)	High Price (Rs. in lakhs)	Low Price (Rs. in lakhs)	No. of Shares (in lakhs)
Apr-20	490	333	0.15	486	330	2.45
May-20	490	412	0.18	490	416	1.73
Jun-20	545	446	12.30	545	445	7.77
Jul-20	593	472	1.68	596	469	12.65
Aug-20	819	545	2.56	820	538	17.87
Sep-20	734	625	1.17	735	632	6.76
Oct-20	686	601	0.39	690	595	3.67
Nov-20	696	600	0.34	698	610	3.29
Dec-20	811	617	3.41	812	617	18.23
Jan-21	784	687	1.07	785	681	12.56
Feb-21	930	690	3.23	930	700	31.13
Mar-21	935	765	1.88	938	764	12.60

(Source: Websites of BSE and NSE)

g) **Performance of the share price of the Company (on BSE) in comparison to the BSE Sensex from April 1, 2020 to March 31, 2021 is given below:**



Performance of the share price of the Company (on NSE) in comparison to the Nifty 50 from April 1, 2020 to March 31, 2021 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.

The Company had stopped accepting any fresh transfer requests for securities held in physical form with effect from the said date. In order to address the issue of transfer requests filed prior to April 1, 2019 but rejected due to deficiency in documents, etc., the Company accepted transfer requests up to March 31, 2021 in accordance with SEBI Circular dated September 7, 2020. After March 31, 2021, the Company has stopped accepting any transfer requests. As on March 31, 2021, all the equity shares of the Company were held in dematerialized form.

As of March 31, 2021, 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.

j) Shareholding Pattern as on March 31, 2021:

Category of shareholder	No. of Shares	% age of shareholding
A. Promoter & Promoter Group		
1) Indian		
Indian Individual	1,40,10,672	60.04
Indian Body Corporate	0	0.00
2) Foreign		
Individuals (NRI/Foreign Individuals)	10,00,000	4.29
Total Promoter Holding (A)	**1,50,10,672**	**64.33**
B. Public Shareholding		
1) Financial Institutions / Banks	0	0.00
2) Mutual Funds	32,41,748	13.89
3) Foreign Portfolio Investors	11,14,452	4.78
4) Alternative Investment Funds	2,10,418	0.90
5) Non- institutions		
Individual share capital upto Rs. 1 Lakh	16,94,712	7.26
Individual share capital in excess of Rs. 1 Lakh	13,58,170	5.82
6) Any Other (Specify)		
a) Body Corporate	4,35,492	1.87
b) Non Resident Indians	1,11,539	0.48
c) Clearing Members	62,423	0.27
d) HUFs	94,920	0.41
e) Trusts	60	0.00
Total Public Shareholding (B)	**83,23,934**	**35.67**
Total Shareholding = A + B	**233,34,606**	**100.00**

k) **Distribution of Shareholding as on March 31, 2021:**

Shareholding of Shares	Number of Shareholders	% to share holders	Total Shares held	% of Shareholding
1 to 500	18,102	95.99	9,02,871	3.8692
501-1000	370	1.96	2,74,258	1.1753
1001-2000	175	0.93	2,52,607	1.0825
2001-3000	64	0.34	1,60,263	0.6868
3001-4000	33	0.18	1,16,558	0.4995
4001-5000	13	0.07	60,026	0.2572
5001-10000	38	0.20	2,70,809	1.1605
10001-20000	28	0.15	3,86,194	1.6550
20001-30000	4	0.02	1,02,202	0.4380
30001-40000	2	0.01	65,328	0.2800
50001-100000	5	0.03	3,61,016	1.5471
100001-above	25	0.13	2,03,82,474	87.3487
Total	**18,859**	**100.00**	**2,33,34,606**	**100.00**

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, 2021, 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 transactions and is exposed to various risks including foreign exchange risk arising from foreign currency transactions (Exports & Imports). Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency.

The company as per its overall strategy uses forward contracts and 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 38 of the Notes to Financial Statements

o) **Plant locations:**

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.

p) **Address for Correspondence:**

Company:
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 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/

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 FY 2020-21.

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 2020-21 from DVD and Associates, Secretarial Auditor of the Company forms part of the Directors Report of the Company as Annexure 2 and Annex 6 respectively.

u) Credit Ratings:
As on March 31, 2021, the Company had a short term credit rating of CRISIL A2+ (reaffirmed) and a long term rating of CRISIL A-/ Stable (reaffirmed) by CRISIL. The Intimation of Credit Rating is available at the website of the Company at https://neogenchem.com/wp-content/uploads/2021/01/Intimation-of-change-in-Credit-Rating.pdf

During the year under review, the outlook of CRISIL in respect of a long term rating was revised from "CRISIL BBB+/ Positive " to "CRISIL A-/ Stable", which was duly intimated to both the exchanges where the shares of the Company are listed, namely, BSE Limited and National Stock Exchange of India Limited and also uploaded at the website of the Company at https://neogenchem.com/wp-content/uploads/2021/01/Intimation-of-change-in-Credit-Rating.pdf

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/Policy-on-Materiality-of-Related-Party-Transactions-and-Dealing-with-Related-Party-Transactions.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 sets 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/Whistle-Blower-Policy.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**

In the year 2019, the Company had successfully made its Initial Public Offer (IPO) of 61,55,813 Equity Shares @ Rs. 215/- (including a share premium of Rs. 205/-) per equity shares of Rs. 10/- each and the Equity Shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on May 8, 2019.

The IPO proceeds were utilized as per the objects stated in the prospectus of the Company and there was no deviation/ variation in utilization of funds raised through Public Issue and Offer for Sale. Further there was no outstanding/ unutilized amount as at March 31, 2021.

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:

- The Company's half-yearly and quarterly results are published in leading English and Hindi newspaper and 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.
- There is no qualification in the Audit Report and the Company has submitted financial statements with unmodified opinion.
- The Internal Auditors of the Company are present in the Audit Committee Meeting and they report 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. 29 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 SEBI 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/Code-of-Eithics-for-Directors-KMP-and-Other-Memebrs-of-Senior-Management.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, 2021. A declaration to this effect duly signed by the Chairman and Managing Director forms part of this Report.

j) **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.

DECLARATION

Compliance with Code of Conduct

I, 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 and Senior Management Personnel, that:

- The Board of Directors has laid down a Code of Conduct for all Board Members, Key Managerial Personnel 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**

Sd/-
Haridas Kanani
Chairman & Managing Director
DIN: 00185487

Place Vadodara
Date: August 7, 2021

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

[IN TERMS OF REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015]

i. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 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**

Haridas Kanani
Chairman & Managing Director
DIN: 00185487

Ketan Vyas
Chief Financial Officer

Date: May 29, 2021

Certificate

Pursuant to regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI 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 (LODR), 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, 2021.

S. No	DIN	Name of the Director	Designation	Date of Appointment
1	00185487	Haridas Kanani	Chairman and Managing Director	07/03/1989
2	05136947	Harin Kanani	Managing Director	15/07/2013
3	07274873	Shyamsunder Upadhyay	Executive Director	27/07/2015
4	00006665	Anurag Surana	Non-Executive Director	15/05/2017
5	00002817	Sanjay Mehta	Independent Director	25/09/2012
6	00367482	Hitesh Reshamwala	Independent Director	15/09/2014
7	08221989	Ranjan Kumar Malik	Independent Director	06/10/2018
8	08246256	Avi 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: F006099C000750579

Place: Pune
Date: August 7, 2021

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, 2021, 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
Firm Registration Number: 0104167W

Jayesh J Shah
Partner
Membership No.: 039910
UDIN: 21039910AAAADY6708

Place: Mumbai
Date: August 7, 2021

Management Discussion and Analysis

Industry Outlook

As per the American Chemistry Council (ACC), global chemical output is expected to grow by 3.9% in 2021, following a decline of 2.6% in 2020. The specialty chemical industry's revenue is expected to improve in 2021, supported by higher oil prices and a rebound in demand in end-user industries. The specialty chemicals market is projected to grow at a CAGR of 5.5% during the forecast period (2020-30).

(Source: https://www.gpca.org.ae/
(https://www.prnewswire.com)

Indian Specialty Chemical Industry

The Indian chemical industry is today one of the fastest-growing industries in the world. Currently, it ranks third in Asia and is the sixth largest market in the world with respect to output. The chemicals industry in India covers more than 80,000 commercial products. The industry is expected to grow at 9.3% to reach USD 304 billion by 2025 on the back of rising demand in the end-user segments for specialty chemicals and petrochemicals. India is set to be a key beneficiary of structural shifts in the global supply chain.

(Source: https://www.ibef.org/industry/chemical-industry-india.aspx)

Specialty Chemical Industry

The specialty chemicals constitute 18% of the total chemicals and petrochemicals industry in India. The demand for specialty chemicals is expected to grow at 12% CAGR by the year 2022. The specialty chemicals market has been on the increase in various applications which has helped in boosting the total market in multiple regions. The major driving factors for the market growth are growing demand from the end-user industries, such as, food, textiles, and automobiles.

(Source: https://www.investindia.gov.in/)

Company Overview

Neogen is India's one of the leading manufacturers of specialty chemicals, especially Bromine-based compounds, Inorganic Lithium Salts and Grignard Compounds and other Advanced Intermediates which mainly find applications in pharmaceutical, agrochemical, specialty polymer, Heating ventilation and air conditioning (HVAC) and flavours and fragrance chemicals. It is recognized by leading global players as a reliable supplier of high-quality compounds at competitive prices. Its expertise in innovative processes and an unwavering focus on research and development has made Neogen a partner of choice for many global leading customers. The Neogen portfolio of chemicals include:

Neogen's Product Portfolio	
Organic Chemicals	Inorganic Chemicals
■ Bromine Compounds ■ Advanced Intermediates ■ Custom Synthesis & Manufacturing (CSM)	Specialty, Inorganic Lithium and / or Bromine based chemical products

Manufacturing Infrastructure

Neogen functions out of its three state-of-the-art Manufacturing facilities, which are in Mahape, Navi Mumbai in Maharashtra, Karakhadi in Vadodara and Dahej SEZ in Gujarat. These together take a land area of approximately 52 acres. After the completion of greenfield project at Dahej SEZ, Neogen's aggregate manufacturing capacity of Organic Chemical of 1.30 lakhs litres of GLR, increased by 1.26 lakhs litres of GLR, resulting into a total installed reactor capacity of 2.56 lakhs litres of GLR. Neogen's aggregate manufacturing capacity of Inorganic Chemicals was doubled to 2,400 MT p.a., after the commencement of operation at its Dahej SEZ, Gujarat, plant in February 2020.

1. Organic Chemicals

a. Neogen's product portfolio in the organic chemicals segment comprises bromine compounds and other organic compounds including chlorine, fluorine and iodine-based and their combinations. Neogen also manufactures specialized products, such as, organometallic compounds known as Grignard reagents. Neogen's specialty organic chemical compounds find use in application industries, such as, pharmaceutical, agrochemical, flavour, and fragrance and electronic-chemical. Its products are exported to international customers spread across multiple geographies like Europe, USA, Japan and are also sold in India.

b. Advanced intermediaries are compounds involving multi step chemistries to create forward integrated value-added products to be used as intermediates for manufacturing of Active Pharmaceutical Ingredients (API), Active Agrochemical Ingredients (AI) and other Specialty Chemicals like Aroma Chemicals Polymer Additives etc.

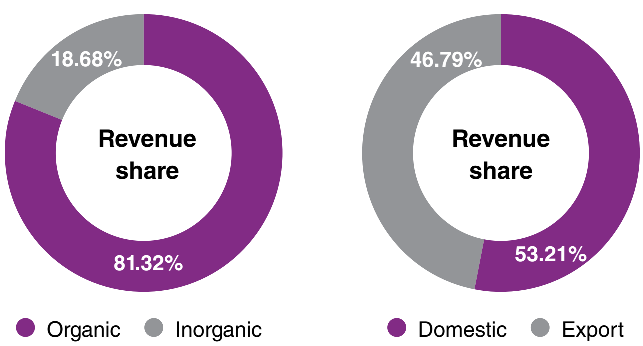
c. In custom synthesis, the product is developed and customized for a specific customer, but process knowhow and technical specifications are developed in-house. Neogen has commenced contract manufacturing where the enquiry by the customer is given under a secrecy agreement. Neogen has received several such enquiries and also commercialized a few products. Several products are in various stages of development. Neogen has leveraged contract manufacturing to diversify its product portfolio. The process of contract manufacturing gives Neogen access to several innovator companies both in the agrochemical and pharmaceutical space.

2. Inorganic Chemicals

Under this segment, Neogen offers Lithium compounds and certain specialty bromine derivatives. The Lithium compounds manufactured by Neogen are used in eco-friendly Vapor Absorption Machines (VAM) for cooling air/water/process equipment and find application in industries, such as, heating ventilation and air conditioning (HVAC) and refrigeration, construction chemicals, pharmaceutical, batteries and specialty polymer. Neogen's Lithium compounds are marketed and sold in India and exported to the countries like the USA, Europe, Japan and the Middle East.

Revenue Break-up in FY 2020-21

Business Segments **Business Operations**



(Including deemed exports)

Overcoming Challenges

The COVID-19 pandemic caused an unprecedented impact on the global economy during 2020-21. It disrupted global trade and cross-border transactions mainly because the lockdown in countries threw global supply chains in a disarray. However, both the pharmaceutical and agrochemical industries were declared essential commodities. With >80% of its revenue being derived from pharma and agrochemical industries, Neogen fell under the essential services category and restarted its activity in April 2020 itself. As a result, the demand for specialty chemicals remained intact even during the pandemic. Neogen has robust and well-integrated operations, which allowed it to overcome the near-term challenges and return to creating value in the long run. With all the necessary precautions for the safety and security of its employees, Neogen not only resumed operations in its plants but also worked on keeping the greenfield project at Dahej SEZ on track and this project was completed with minimal delays.

1. Capacity Augmentation

To meet the demand for exports of inorganic Lithium Salt, Neogen augmented its capacity during FY 2019-20, by constructing additional manufacturing capacity at Dahej SEZ which came online in February 2020. In addition, Neogen also invested in setting up of a large plant for manufacturing of organic chemicals at Dahej SEZ. Neogen completed set up and started with initial trial commercial batches at its Organic Manufacturing facility at Dahej SEZ by April 2021. This new, state-of-the-art manufacturing infrastructure of international standard will be a game changer for Neogen, allowing it to deliver greater value addition through multi-stage processes and complex chemistries. Further, we expect 75% of our Phase-2 reactors will come online sooner than planned by end of Q2/early Q3FY22 and will further contribute to revenue partly in Q3FY22 and more significantly in Q4FY22.

This is the first plant that Neogen has built from scratch. It incorporates the most advanced safety and engineering standards which are required by innovators and global multinational corporations. This will help Neogen drive deeper engagement with clients by leveraging manufacturing excellence and adhering with internationally followed safety and engineering protocols.

2. Diversified Product Offerings

Leveraging its manufacturing capacity, Neogen has expanded its product offerings over the years to build a diversified product portfolio with application diversity.

Since inception, its product portfolio has grown rapidly based on its R&D strength. This insulates Neogen from any slowdown in a particular product or category and de-risks its business model. These products, being of higher value and of strategic importance to customers, cater to the uses of multiple end-user industries, such as, agrochemicals and pharmaceuticals. More importantly, an extensive product portfolio helped Neogen win more customers across the globe as it met their requirements for multiple products. Neogen has several customers in the pipeline for CSM, which are in different stages of - starting from R&D to piloting manufacturing and going fully commercial.

3. **Sustainability**

Neogen continues the trend towards sustainable, environmentally friendly operations. It believes in being a responsible corporate citizen and work relentlessly towards reducing its carbon footprint. The Company is committed towards responsible chemistry while conserving the environment, safeguarding the employees and customers, and taking care of the welfare of the community. It continues its investments into further reducing its environmental impact.

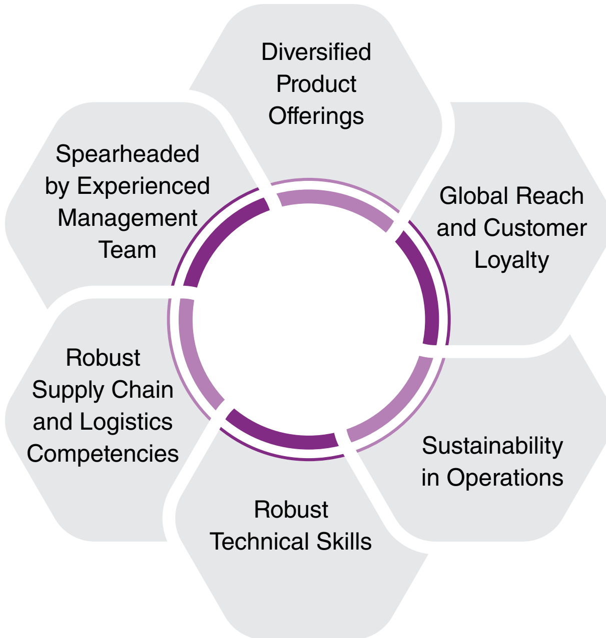
4. **Operational efficiency and robust functional skills**

Neogen undertakes processes of high complexity on a regular basis at all its manufacturing facilities while maintaining elevated utilization rates across all the plants. Neogen remains focussed on organizational development and restructuring by adding experienced people in key positions, training the existing team to enhance its skill sets and strengthening its R&D competencies.

The second phase of expansion planned at Dahej SEZ, to be implemented in FY22, is a testament to the strength of the business engagement that finds strong support from the rapidly expanding visibility for India as a key component of global chemical supply chains.

We are in the process of implementing SAP S/4HANA ERP to ensure higher efficiency and transparency in operations.

Strengths



Financial Performance

Standalone financial performance

Neogen recorded robust all-round performance in FY 2020-21 despite the disruptions caused by the outbreak of COVID-19 and the subsequent lockdown. It reported top-line revenue growth of 10% to Rs. 33,641.55 lakhs from Rs. 30,612.17 lakhs of the previous year. The growth was only partially impacted by the lockdown in the first two quarters of FY 2020-21. Organic chemicals recorded strong revenue growth of about 9.93% at Rs. 27,356.30 lakhs compared to Rs. 24,884.43 lakhs in the previous year. Revenue from inorganic chemicals stood at Rs. 6,285.25 lakhs, up 9.73% from Rs. 5,727.73 lakhs in FY 2019-20. Neogen augmented its earnings before interest, taxes, depreciation and amortization (EBITDA) by 10.86% to Rs. 6,435.83 lakhs from Rs. 5,805.21 lakhs in the previous year, leading to an EBITDA margin of 19.13% which was higher by 17 basis points. Improved margins were attributed to higher utilization of plant capacity, strategic cost management measures and product mix. Strong operating performance in the year under review increased profit after tax by 9.26% to Rs. 3,143.59 lakhs from Rs. 2,877.24 lakhs in FY 2019-20.

Neogen's net worth increased to Rs. 18,312.81 lakhs as on March 31, 2021 as against Rs. 15,673.23 lakhs as on March 31, 2020. Total debt increased to Rs. 21,599.98 lakhs as on March 31, 2021 from Rs. 13,712.19 lakhs as on March 31, 2020. During the year under review, the Net Fixed Assets increased to Rs. 12,153.44 lakhs as against Rs. 10,372.21 lakhs, while Cash and Cash Equivalents dropped to Rs. 51.40 lakhs compared with Rs. 56.02 lakhs in the previous year.

Consolidated Financial Performance

Neogen's consolidated revenue, including other income, increased by 10% and stood at Rs. 33,694.23 lakhs as compared to Rs. 30,633.30 lakhs in FY 2019-20. The higher capacity utilization with better product mix resulted in EBITDA at Rs. 6,474.69 lakhs in FY 2020-21 increased by 11.32% from EBITDA of Rs. 5,816.42 lakhs in FY 2019-20. Net profit for FY 2020-21 increased 9.34% to Rs. 3,133.16 lakhs as compared to Rs. 2,865.65 lakhs in FY 2019-20. Earnings per Share (EPS) for FY 2020-21 grew to Rs. 13.45 as compared to Rs. 12.28 of FY 2019-20.

At a glance

Key Ratios	FY 2019-20	FY 2020-21
Operating Profit	Rs. 5,280.86 lakhs	Rs. 5,745.67 lakhs
Operating Profit Margins	17.25%	17.08%
PAT	Rs. 2,877.24 lakhs	Rs. 3,143.59 lakhs
PAT Margins	9.40%	9.34%
Current Ratio	1.55	1.38
Inventory Turnover	3.03	2.76
Debt to Equity Level	0.84	1.10
Interest Coverage Ratio	4.46	4.22
Debtors Turnover Ratio	4.51	4.38
Return on Net Worth	18.36%	17.17%

Impact of COVID-19

Neogen was initially affected by the national lockdown. However, being in the essential services helped and it resumed its operations quickly with all safety protocols relating to COVID-19 as advised by the government being observed at all its plants and office, including adoption of work-from-home policy for its non-site-based employees. Many of its products too were classified as essential as we serve sectors, such as, pharma and agro chemicals. The demand in these sectors did not suffer significantly during the pandemic. It continues to closely monitor national and international sourcing and supply positions to identify any potential material risks. As a result, the impact of COVID-19 on Neogen was contained. At present, it continues to fulfil all its obligations with respect to the existing contracts and agreements. There has been no material change in the liquidity position as on March 31, 2021. It has also instituted, across all its operations, aggressive and focused cost control programmes.

The future impact of COVID-19 on Neogen's operations and financials, however, remains uncertain and unpredictable due to extraneous circumstances. It, therefore, continues to monitor the pandemic and economic conditions and has outlined certain measures to minimise the impact of the pandemic on its business.

Management Outlook

Neogen is one of the leading players in India's chemical industry, manufacturing a vast range of products. Given the established manufacturing infrastructure at competitive locations along with expertise across complex processes, key initiatives by the Government of India have further helped enhance and create multiple growth opportunities both, in domestic as well as export markets. Moreover, the internal R&D team has consistently facilitated introduction of more efficient processes and pathways to add more chemical intermediates to its line-up of products in addition to modifying the established products in-line with the growing demand. The global distribution network has also bolstered the exports performance over the years.

Overall, Neogen continues to be well positioned to take advantage of newer prospects by leveraging its deep market expertise, significant experience as well as the cost competitive manufacturing platform, which have all allowed to deliver consistent results year-on-year. Plans are afoot to further accelerate this performance by growing consistently in the targeted regions, markets and creating value for all stakeholders, with increased scope for market development and implementation of strategic initiatives to forward integrate its business into downstream derivatives.

Human Resource Development

Human Resource Development practices are broadly guided by the key principles of transparency, consistency and fairness. Several initiatives are being taken across segments in the areas of talent management, capability development and performance enhancement. These have made a significantly positive impact on talent attraction, retention and commitment of employees. HR function continues to align its strategic interventions and processes with long-term vision of creating and augmenting value for Neogen and its stakeholders. Neogen considers these to be one of the key drivers of its improved business performance. Its workforce and people processes give Neogen the edge to evenly manage complexities, proactively embrace change and stay contemporary to create the energy and passion to surge ahead. Talent management promise continues to play a key role in attracting and retaining the "best-in-class" talent. Performance management also serves to align individual and team performance with the larger strategic goals of the organization. Neogen strives to provide a healthy, conducive and competitive work environment to enable the employees excel and create new benchmarks of quality, productivity, efficiency and customer delight.

As on March 31, 2021, Neogen had 325 employees.

Environment, Health and Safety (EHS)

Health and safety remained a core area of importance for Neogen with an aim to achieve an accident-free workplace. It believes that all injuries, occupational illnesses as well as safety and environmental incidents can be prevented. This ensures that all employees strive for excellence in their own personal safety and the safety of others including contractors, customers and the communities within which the Company operates. Workplace safety and process safety management through employee engagement initiatives are continuously being strengthened. Neogen has a system of internal and external safety monitoring and trainings and it takes corrective actions to improve safety standards.

Neogen follows a strict incident reporting system with even no injury incidents and unusual occurrences being logged into the safety MIS. Each incident is analysed for its root cause and required precautions are taken to prevent recurrences. The safety team regularly conducts awareness programmes across plants to achieve continuous improvement in terms of process safety, workplace safety and behavioural transformation. Neogen also regularly monitors and maintains its fire hydrant systems and waste treatment plants. It has an effluent treatment plant comprising primary (chemical), secondary (biological) and tertiary (disinfection) treatment facility at Karakhadi, Vadodara Plant. Liquid effluent of Mahape Plant is sent to common effluent treatment plant for further disposal. Neogen sends its solid waste to approved landfill/incineration sites. Our new facility at Dahej SEZ is designed to deliver world-class health and safety performance along with commissioning of a zero liquid discharge system thus significantly reducing our water usage. The Company is committed towards responsible chemistry while conserving the environment. At Neogen, our broader objective is to contribute to the well-being of the communities and society. While we strive to achieve superior business growth, we also proactively work to contribute to community development, while ensuring environmental sustainability.

Quality Control and Assurance

Neogen aims to maintain consistent product quality and the products go through strict quality checks to meet customer requirements. The manufacturing sites adhere to all requisite guidelines and certifications. The production process at every stage is supervised by the quality control systems and the quality control laboratories are equipped with required analytical tools for a seamless service. The manufacturing sites have been approved and audited by multiple domestic and international customers.

Neogen has two R&D facilities – at Vadodara and the other at Mahape. It has a dedicated and experienced 37-member R&D team. There are two teams led by five qualified and experienced team leaders who are Ph.D. Neogen is committed to strengthening its R&D capabilities and boosting its R&D expense. The promoters of Neogen are technically qualified and personally drive this initiative.

Neogen has a dedicated Quality Control and Quality Assurance team consisting of 27 employees at its sites. The team is responsible for documentation and data control, product checks and internal and external audits. Neogen's quality control laboratories are well equipped with GCs, HPLC, UV Spectrophotometer, Karl Fischer moisture analysers, Polarimeter, Inductive Coupled Plasma (ICP) and other required analytical instruments to support its quality control measures across operations.

Neogen's Karakhadi, Vadodara facility is ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 certified and Mahape, Navi Mumbai facility is ISO 9001:2015 certified for Quality Management System from the Bureau Veritas Certification Holding SAS. Our documentation system is also as per ICH-Q7A guidelines as applied to intermediates.

In addition, at both its manufacturing facilities, Neogen has implemented a quality management system as applicable for Key Starting Materials (KSM) and Intermediates.

The final product prior to packing goes through strict quality control and the quality assurance team monitors the manufacturing process right from the initial testing stage for incoming raw material to the final output. The final product is cleared for despatch only after the team tests a sample of the batch against customer or internal specifications as applicable. The team is responsible for documentation and data control, product checks and internal and external audits.

Internal Control Framework

Neogen's management team remains committed to the financial and accounting policies, as well as systems and processes. It has an independent internal audit function with well-established risk management processes both, at head office and plant levels. Reviews are conducted on an on-going basis by an Independent Internal Auditor, based on a comprehensive risk-based audit plan, which is approved by the Audit Committee on a quarterly basis every year and is certified by the Statutory Auditors in its report. Neogen has in place adequate internal controls concerning the financial statements which are commensurate with the size and nature of business of the Company. 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. The auditors who carried out such an assessment, found no reportable material weakness or significant deficiency in operation of internal financial controls.

Risk Management Framework

As a prominent player in the chemical industry in a global marketplace, Neogen is exposed to a diverse set of risks. It implements a comprehensive structure-based approach to risk management. Risk Management is, therefore, an integral part of Neogen's strategy and planning process. Based on proactive identification of risks, action plans are devised to mitigate the risks that could materially impact Neogen's long-term sustainability. Mitigation plans with identified owners are set against target dates and progress of mitigation actions is monitored and reviewed. The risk management and prevention mechanisms are aimed at ring-fencing its operational strengths by leveraging a portfolio of best-in-class products that cater to a wide variety of end user industries.

Regulatory and Compliance Risk

Regulatory risk for Neogen can arise on account of inadequate compliance of regulations or violation of contractual obligations and intellectual property rights leading to litigation and loss of reputation.

Mitigation

Neogen implements strict quality and EHS benchmarks which are reviewed on an ongoing basis to ensure compliance with local and globally accepted norms. Neogen's manufacturing facilities have the necessary international certifications for quality, environmental standards and operational health and safety. It works closely with various Indian regulatory agencies and international customers to keep itself updated of the dynamic regulatory obligation. With the support of strong internal and external teams, Neogen ensures that its Intellectual Property Rights are well-protected and the contractual obligations on both sides are fulfilled.

Innovation Risks

Insufficient investment in processes and technology and R&D could adversely impact Neogen's business.

Mitigation

Neogen has adopted the culture of innovation in technology as its key strength. It has two state-of-the-art R&D facilities, which are in Mahape, Navi Mumbai in Maharashtra and Karakhadi, Vadodara. It has an enthusiastic and skilled 37 member R&D team which is 11.38% of its total staff strength. Since inception, its product portfolio has grown from around 20 products to 224 products based on its R&D strength. Neogen is dedicated to strengthening its R&D capabilities and boosting its R&D capabilities. The promoters of Neogen are technocrats and personally drive this ingenuity.

Forex Risks

About 47% of Neogen's revenues stem from exports. This poses the risk of financial losses due to unpredictable currency movement.

Mitigation

Neogen has a forex policy in place. The objective of this policy is to mitigate foreign exchange risk by deploying appropriate hedging strategies. Neogen follows netting principle in managing the foreign exchange exposure.

Raw Material Risk

High price volatility being a characteristic of the chemical intermediates industry, Neogen is exposed to the risk of inadequate supply of raw materials and price fluctuations. Volatility in raw material prices can directly impact the prices of the end-products as they form a major component of the entire chemical process.

Mitigation

The procurement team at Neogen ensures that there are multiple suppliers for most of its key raw materials. It also maintains a strong long-term relationship with its suppliers, which secures its raw materials at competitive prices.

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 Report

Section A: General Information About the Company

1. Corporate Identity Number (CIN) of the Company: L24200MH1989PLC050919

2. Name of the Company: Neogen Chemicals Limited

3. Registered 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.

4. Website: www.neogenchem.com

5. E-mail id: investor@neogenchem.com

6. Financial Year reported: 2020-21

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Manufacturer of Specialty Chemicals

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product
1	Organic Chemicals	20119
2	Inorganic Chemicals	20119

8. List three key products/services that the Company manufactures/provides (as in balance sheet)
   a. Organic Chemicals
   b. Inorganic Chemicals
   c. Grignard Reagents
   d. Advanced Intermediates

9. Total number of locations where business activity is undertaken by the Company Manufacturing Locations: 3
   (a) Number of International Locations (Provide details of major 5)
   Not Applicable
   (b) Number of National Locations: The location of Manufacturing Plants of the Company is as given hereunder:
   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.

10. Markets served by the Company – Local/State/National/ International: The company's product are served nationally and several products are also exported to around 28 countries

Section B: Financial Details of the Company

1. Paid up Capital Rs. 2,333.46 lakhs

2. Total Turnover Rs. 33,641.55 lakhs

3. Total profit after taxes Rs. 3,143.59 lakhs

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):

   Pursuant to Section 198 of the Companies Act, 2013, the Average Net Profit of the Company for last three financial years was Rs. 2,938.34 lakhs. Accordingly, the Company was mandatorily required to spend 2% of the Average Net Profit which amounts to Rs. 58.77 lakhs against which the Company has spent Rs. 59.33 lakhs on its CSR activities during the FY 2020-21.

5. List of activities in which expenditure in 4 above has been incurred: - Refer Annex 5 to Board's Report (Annual Report on Corporate Social Responsibility)

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies? No.

2. Do the Subsidiary Company/Companies participate in the Business Responsibility Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s): Not Applicable

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

NEOGEN® CHEMICALS LTD.

The Company does not mandate its suppliers and partners to participate in the Company's BR initiatives. However, they are encouraged to do so. Less than 30%.

Section D: Business Responsibility Information

1. **Details of Director/Directors responsible for BR**

   (a) Details of the Director/Director responsible for implementation of the Business Responsibility policy/ policies

   1. DIN Number 05136947
   2. Name: Dr. Harin Kanani
   3. Designation: Managing Director

   (b) Details of the BR head

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	05136947
2	Name	Dr. Harin Kanani
3	Designation	Managing Director
4	Telephone number	022-25497300
5	e-mail id	investor@neogenchem.com

2. **Principle-wise (as per NVGs) BR Policy/policies**

   The National Voluntary Guidelines ('NVGs') on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 Businesses should promote the well-being of all employees.

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 Businesses should respect and promote human rights.

P6 Businesses should respect, protect and make efforts to restore the environment.

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 Businesses should support inclusive growth and equitable development.

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Yes, The policy is embedded in the Company's Code of Ethics Policy	Yes, The policy is embedded in the Company's Quality Policy and Corporate Environment Policy which inter alia, relates to quality and safe products.	Yes	Yes	Yes	Yes	NA	Yes	Yes
2	Has the policy being formulated in Consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	N.A.	Yes	Yes

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Neogen is always committed to adhere and comply with all the applicable national laws and international laws, wherever applicable and the same are captured in the policies of the Company.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes. The Mandatory Policies are approved by the Board and is signed by Managing Director. Other Operational internal policies are approved approved by the respective HODs and the Management.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company has a well-established internal governance structure to oversee the implementation of various policies. The Environment Committee and EHS head to oversee compliance with the environment, health and safety related laws for respective plants and its policies. The CSR committee of the Board oversees the implementation of the CSR policy. Human resource head and respective plant heads oversees implementation of human resource related policies and compliance with labour laws, factory laws and industrial laws. Plant head and Quality & Research and Development head oversees Production and Quality Policy and compliance with various quality guidelines and Company Secretary oversees compliance with various policies as required under the Companies Act, 2013 and Listing Regulations. Also the Board has Internal Complaints Committee for prevention of sexual harassment at workplace.								
6	Indicate the link for the policy to be viewed online?	The mandatory policies are available at https://neogenchem.com/corporate-governance/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies are communicated to internal stakeholders and wherever required, the polices are also communicated to our external stakeholders.								
8	Does the company have in-house structure to implement the policy/ policies.	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10	Has the company carried out Independent audit/ evaluation of the working of this policy by an internal or external agency?	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.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task					Not Applicable				
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)							*		

* The Business is not engaged in influencing public and regulatory policy

3. **Governance related to BR:**

   (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

   The Board assesses the BR Performance of the Company annually.

   (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?

   Yes, the Company publishes a Business Responsibility Report as a part of its Annual Report. The Business Responsibility Report is uploaded on the company's website at the web link https://neogenchem.com/annual-reports-2/

Section E: Principle-wise Performance

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes

   The policy relating to Code of Ethics covers the company and its employees who needs to abide by the policy relating to ethics, anti- bribery and anti- corruption.

2. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

   No it does not extend to the Group/ Joint Venture/ Suppliers, etc. However, the Company encourages all the stakeholders associated with it to follow the principles envisaged in the policy.

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   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 FY 2019-20 amount to their updated Bank account, which were processed within the prescribed timelines.

   Apart from the requests there were no other stakeholders' complaints received during the financial year under review.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   "Lithium Bromide Solution" which is used in new refrigeration technologies (vapour absorption technology) to replace CFCs (Chloro Floro Carbons) used in traditional refrigeration technology that were causing damage to the ozone layer. Neogen Chemicals' product was a new offering to help the environment and many other products developed by Neogen Chemicals were being developed for the first time in India with an innovative / in-house developed process.

   Also one of our products Lithium Bromide Anhydrous is used for manufacturing Anti- Viral / Anti- HIV drugs where we have increased our production sharply to meet our customers' needs and to combat the challenges posed by COVID 19.

   We also manufacture/ supply several intermediaries used for manufacturing/producing anti-cancer drugs and other medicines for rare diseases where quantity demanded is very small and does not make economic sense but we continue to make these formulations to support our society at large and to fulfill our role in supporting pharmaceutical industries.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   The Company has undertaken various initiatives to ensure efficient and optimal use of available resources and accordingly tried to imbibe the same throughout the value chain however it is not possible to ascertain reduction achieved at each level.

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   We have in-house R&D which strives to improve our processes which leads to improved final product formulations which ensures lesser consumption of water, energy and raw material resources and reduced effluent load by installing energy and water efficient equipments thereby enabling efficient use of resources.

   - 100% wastewater is treated in effluent treatment plant and after getting treated norms it is discharged to CETP
   - The Company also has re-cycling mechanism due to which 5%-10% of the quantity is re-cycled.
   - Energy is conserved by installing energy efficient equipments.
   - The Company also adopted various energy conservation practices such as installation of VFDs for large motors, Capacitor Banks etc.
   - We have LEDs all over the plants and our air conditioning systems works without the use of a 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.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   The Company has its manufacturing plants located in Mumbai, Vadodara and Dahej SEZ and majority of its manpower, raw material suppliers, transporters and other vendors are available locally and we always endeavor for sustainable sourcing by giving preference to local vendors.

   The company quests for alternative domestic sources for various imported raw materials

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   (a) If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

   Yes, the Company has its manufacturing plants located in Mumbai, Vadodara and Dahej SEZ and majority of its manpower, raw material suppliers, transporters and other vendors are available locally and we always endeavor for sustainable sourcing by giving preference to local vendors.

   The company quests for alternative domestic sources for various imported raw materials. The survey of vendors available locally is undertaken and the vendors are selected based on their location, delivery timeline, quality of product, cost of product, relationship with vendors and other criteria.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   The Company has re-cycling mechanism in place due to which 5%-10% of the quantity is re-cycled.

Principle 3

1. Please indicate the Total number of employees. 325 as on March 31, 2021

2. Please indicate the Total number of employees hired on contractual basis. Of the above employees 48 employees were on a contractual basis with Neogen as on March 31, 2021. There were 363 contractual workers on the payroll of third party as on March 31, 2021.

3. Please indicate the Number of permanent women employees-13

4. Please indicate the Number of permanent employees with disabilities: None

5. Do you have an employee association that is recognized by management. Yes

6. What percentage of your permanent employees is members of this recognized employee association? 4.61%

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	N.A.
2	Sexual harassment	N.A.	N.A.
3	Discriminatory employment	Nil	N.A.

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

Sr. No.	Category	% of total employees	% of employees trained
a	Permanent Employees	85.24%	79.42%
b	Permanent Women Employees	4.13%	53.85%
c	Casual/Temporary/ Contractual Employees	14.77%	100%
d	Employees with Disabilities	None	N.A.

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

   Yes, the Company has mapped its internal and external stakeholders in an organized way and it carries out various engagements with its stakeholders. The Company also participates in a discussion with its stakeholders for constructive purposes.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

   Yes, Company has identified marginalized and disadvantaged groups through its survey, assessment and approaching various local communities and the company works towards the upbringing and betterment of such disadvantaged, vulnerable & marginalized stakeholders through its various CSR activities and donations.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

   At Neogen, our broader objective is to contribute to the well-being of the communities and society we affect and on which we depend. The company works towards the upbringing and betterment of such disadvantaged, vulnerable & marginalized stakeholders through its various CSR activities around its manufacturing locations and focusing on key areas like promoting education amongst Children in rural areas, Promoting plantation of Mangrove trees and spreading awareness through Mangrove awareness programs wherein we have contributed in planting over 10,000 saplings till date, Empowering small and medium Adivasi farmers through our Water Management Program in villages which includes contribution towards construction of Borewells, Tubewells and water tanks wherein 11 borewells were set up during the FY 2020-21 after conducting surveys and identifying villages facing water scarcity and till date the company has contributed in constructing almost 46 borewells which has benefited over 12 villages and 4 talukas, Providing seeds to small-scale farmers in south Gujarat which assist farmers in cultivating Dangar and Bhinda in over 700 acres of land till date, supporting vermiculture and providing vermicompost beds thereby ensuring environmental sustainability and agriculture development, promoting health care including preventive health care and sanitation and Disaster Management and contributing its CSR funds towards combating COVID Pandemic. The detailed report on the same is mentioned in Annex 5 to our Annual Report.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

   The Company values and respects the individual human rights and shall always remain committed for its protection. The Company's Code of Ethics, Prevention of Sexual Harassment at Workplace Policy and the Human Resource policy cover most of these aspects.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   During the financial year under review the Company did not receive any complaints pertaining to human rights violations.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

   It extends only to the Company and its employees at all its head office and plant locations. As a part of our Ethos, Neogen Chemicals Limited is committed to work continuously towards ensuring a clean and sustainable environment by adhering to all the environment laws, as are applicable at all its plants locations. We have dedicated ourselves to the betterment of the communities and the environment but the said policy does not extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   The Company consciously conducts their activity which helps in preserving our environment and health of our society at large. The Company strictly adheres to the laws, regulations and contractual commitments concerning air emissions, re-cycling of products, wastewater discharges, solid and hazardous waste material handling, worker health and safety, developing required green belt around its plant and the investigation and remediation of contamination or other environmental restoration and it takes all such steps for conservation, enhancement and restoration of Bio-Diversity within its area of operations and ensure protection of species and flora and fauna and reduce the impact on Environment , Bio- Diversity and climate change. Further the Company has taken following initiatives to address global environmental issues:

   - 100% wastewater is treated in effluent treatment plant and after getting treated norms it is discharged to CETP
   - The Company also has re-cycling mechanism due to which 5%-10% of the quantity is re-cycled.
   - Energy is conserved by installing energy efficient equipments.
   - The Company also adopted various energy conservation practices such as installation of VFDs for large motors, Capacitor Banks etc.
   - We have LEDs all over the plants and our air conditioning systems works without the use of a 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.

3. Does the company identify and assess potential environmental risks? Y/N

   Yes, the company identifies and assesses the potential environmental risks and the same is covered under our Corporate Environment policy. The Company has an emergency preparedness and Disaster Management Plan to mitigate the risks.

   We develop green belts around the plants, to reduce air pollution. The company continuously takes efforts to reuse and recycle water at all its manufacturing sites thereby reducing fresh water consumption. The company has an effluent treatment plant with primary, secondary and tertiary treatment units at all its plants. The treated water is evaporated in MEE which will help in ensuring that there is no discharge of untreated waste water from its units thereby ensuring cleanliness of streams and wells around the plants and controlling water pollution.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   No, currently the company does not have any such project related to clean Development Mechanism.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give a hyperlink for web page etc.

   The Company consciously conducts their activity which helps in preserving our environment and health of our society at large. The Company strictly adheres to the laws, regulations and contractual commitments concerning air emissions, re-cycling of products, wastewater discharges, solid and hazardous waste material handling, worker health and safety, developing required green belt around its plant and the investigation and remediation of contamination or other environmental restoration. The Company has taken following initiatives to address global environmental issues:

- Energy is conserved by installing energy efficient equipments.
- The Company also adopted various energy conservation practices such as installation of VFDs for large motors, Capacitor Banks etc.
- We have LEDs all over the plants and our air conditioning systems works without the use of a compressor at Baroda Plant.
- At Mahape Plant we have shifted from Light Diesel Oil (LDO) to PNG for generating steam.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes, the emissions / Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported and the details of the same are also available at the GPCB portal. The company also has the policy for solid waste management. All the air emissions and discharge of water effluents are measured on timely intervals and a continuous monitoring of the same is done to ensure that it does not exceed the permissible limits.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as at the end of the Financial Year.

   No show cause / legal notices were received or pending as on the end of the FY 2020-21.

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   Yes, the Company is a member of the following chambers/ associations:

   (a) Chemexil

   (b) Indian Chemical Council (ICC)

   (c) IMC Chamber of Commerce and Industry

   (d) Small Scale Entrepreneurs' Association- TTC

   (e) Thane Belapur Industries Association

   (f) Gujarat Employers Organization

   (g) Karakhadi Dudhwada Industrial Association

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others): No.

Principle 8

1. Does the company have specified programs/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

   At Neogen, our broader objective is to contribute to the well-being of the communities and society we affect and on which we depend. The company works towards the upbringing and betterment of such disadvantaged, vulnerable & marginalized stakeholders through its various CSR activities around its manufacturing locations and focusing on key areas like promoting education amongst Children in rural areas,, Promoting plantation of Mangrove trees and spreading awareness through Mangrove awareness programs wherein we have contributed in planting over 10000 saplings till date, Empowering small and medium Adivasi farmers through our Water Management Program in villages which includes contribution towards construction of Borewells, Tubewells and water tanks wherein 11 borewells were set up during the FY 2020-21 after conducting surveys and identifying villages facing water scarcity and till date the company has contributed in constructing almost 46 borewells which has benefited over 12 villages and 4 talukas, providing seeds to small-scale farmers in south Gujarat which assist farmers in cultivating Dangar and Bhinda in over 700 acres of land till date, supporting vermiculture and providing vermicompost beds thereby ensuring environmental sustainability and agriculture development, promoting health care including preventive health care and sanitation and Disaster Management and contributing its CSR funds towards combating COVID Pandemic. The detailed report on the same is mentioned in Annex 5 to our Annual Report.

2. Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   The programs are undertaken mostly through external NGOs or Trusts which are dedicated towards achieving the Company's social objective of well-being of the communities and society we affect and on which we depend and some activities are directly initiated by the company.

3. Have you done any impact assessment of your initiative?

   As the programs are undertaken through external NGOs and trusts, the company does the monitoring of the CSR activities undertaken by NGOs and reviews the CSR activities report as submitted by the NGOs.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

   Pursuant to Section 198 and 135 of the Companies Act, 2013, the Average Net Profit of the Company for last three financial years was Rs. 2,938.34 lakhs. Accordingly, the Company was mandatorily required to spend 2% of the Average Net Profit which amounts to Rs. 58.77 lakhs against which the Company has spent Rs. 59.33 lakhs on its CSR activities during the FY 2020-21. For detailed information on the same please refer Annex 5 to Board's Report (Annual Report on Corporate Social Responsibility)

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so : Please refer Annex 5 to Board's Report (Annual Report on Corporate Social Responsibility)

Principle 9

1. What percentage of customer complaints/consumer cases are pending as at the end of the financial year.

   No customer complaints/ consumer cases are pending as on the end of the financial year.

2. Does the company display product information as the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

   The Company displays product information on the product label as mandated by the law.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as at the end of the financial year. If so, provide details thereof, in about 50 words or so.

   No such cases were filed by any stakeholder.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   Yes, the company carries out the customer's survey/ customer satisfaction trends on a regular interval and on an annual basis the report of the same is placed before the management in the first quarter of the next financial year. The feedback is taken from the customers on various norms like Quality of Product, Packaging Quality, Scheduled Delivery, Document Accuracy, promptness of response and Courtesy of Staff and the complaints are resolved in a reasonable time frame.

For Neogen Chemicals Limited

Sd/-
Haridas Kanani
Chairman & Managing Director
DIN: 00185487

August 7, 2021
Place: Vadodara

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, 2021, 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, 2021, 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 specified under section 143(10) of the Act (SAs). 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	Auditor's Response
1	**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.	**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 Group 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.

Sr. No.	Key Audit Matter	Auditor's Response
	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	• 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 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 standalone financial statements and our auditor's report thereon.

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 report that fact. We have nothing to report in this regard.

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, 2016 (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, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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.

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.

UDIN : 21039910AAADM6015
For **JMT & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 104167W

JAYESH SHAH
Partner
(Membership No.039910)

Place: Mumbai
Date: May 29, 2021

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. In respect of the Company’s fixed assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.

ii. In respect of the Company’s Inventories:

a) In our opinion, physical verification of inventory other than with third parties is conducted at reasonable intervals by the Management. As explained to us there is a process of obtaining confirmation in respect of inventory with the third parties;

b) In our opinion and according to the information and explanations given to us, 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.

c) In our opinion company has maintained proper records of inventory. As per information available, the discrepancies noticed on verification between physical stock and book record were not materials in relation to the operation of the company and the same have been properly dealt with in the books of account.

iii. During the year, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.

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, 2021 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, 2021 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, 2021 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	5,93,860	Commissioner of Income Tax (Appeal)
Income Tax Act 1961	Income Tax	A.Y.2015-16	2,69,949	Assessing officer
Income Tax Act 1961	Income Tax	A.Y.2016-17	26,29,428	Assessing officer

viii. According to records examined by us and information and explanations given to us, the company has not made any default in repayment of loans/borrowings to any financial institutions and banks and Government.

ix. The Company has taken term loan from banks during the year and utilized them as per purpose of the loan.

x. 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 year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

UDIN : 21039910AAADM6015
For **JMT & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 104167W

JAYESH SHAH
Partner
(Membership No.039910)

Place: Mumbai
Date: May 29, 2021

Annexure ‘B’ to the Independent Auditor’s Report

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ 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, 2021 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, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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, 2021, 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.

UDIN : 21039910AAADM6015
For **JMT & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 104167W

JAYESH SHAH
Partner
(Membership No.039910)

Place: Mumbai
Date: May 29, 2021

NEOGEN® CHEMICALS LTD.

Standalone Balance Sheet

as at March 31, 2021

CIN : L24200MH1989PLC050919

(Rs. in Lakhs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4a	12,153.44	10,372.21
(b) Right of use assets	4b	484.61	650.33
(c) Capital work-in-progress	5	11,465.07	269.33
(d) Intangible assets	6	33.28	31.57
(e) Financial assets			
(i) Investments	7	45.00	45.00
(ii) Other financial assets	8	734.15	588.47
(f) Other non-current assets	9	234.36	406.96
Total Non-current Assets		**25,149.91**	**12,363.87**
(2) Current Assets			
(a) Inventories	10	11,403.27	12,987.06
(b) Financial assets			
(i) Trade receivables	11	7,855.03	7,522.91
(ii) Cash and cash equivalents	12a	51.40	56.02
(iii) Bank balances other than (ii) above	12b	69.95	92.18
(iv) Loans	13a	40.57	63.72
(v) Other current financial assets	13b	2,496.30	25.72
(c) Other current assets	14	2,140.58	2,422.21
Total Current Assets		**24,057.10**	**23,169.82**
TOTAL ASSETS		**49,207.01**	**35,533.69**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15	2,333.46	2,333.46
(b) Other equity	16	15,979.35	13,339.77
Total Equity		**18,312.81**	**15,673.23**
(2) Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	11,610.12	3,035.63
(ii) Other Non current Financial Liabilities	18	774.20	918.78
(b) Long Term Provisions	19	302.69	357.59
(c) Deferred tax liabilities (net)	20	815.60	561.81
Total Non-current Liabilities		**13,502.61**	**4,873.81**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	8,578.57	10,193.89
(ii) Trade payables	22	6,608.51	3,585.11
(iii) Other financial liabilities	23	1,912.77	1,004.55
(b) Other current liabilities	24	180.03	58.31
(c) Short-term provisions	25	111.71	144.79
Total Current liabilities		**17,391.59**	**14,986.65**
Total Liabilities		**30,894.20**	**19,860.46**
TOTAL EQUITY AND LIABILITIES		**49,207.01**	**35,533.69**
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 Registration No. : 104167W

For & 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
Membership No. : A35131

Place: Thane
Date: May 29, 2021

Standalone Statement of Profit and Loss

for the year ended March 31, 2021

CIN : L24200MH1989PLC050919

(Rs. in Lakhs)

Particulars	Note	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Continuing Operations			
I. Income			
(a) Revenue from operations	26	33,641.55	30,612.17
(b) Other income	27	63.11	32.71
Total Income		**33,704.66**	**30,644.88**
II. Expenses			
(a) Cost of materials consumed	28	18,076.28	22,770.96
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	1,686.54	(4,361.23)
(c) Employee benefits expense	30	2,007.48	1,724.74
(d) Finance costs	31	1,376.75	1,192.51
(e) Depreciation and Amortisation Expenses	4	690.16	524.14
(f) Other Expense	32	5,435.43	4,672.49
Total Expenses		**29,272.64**	**26,523.61**
III. Profit/(loss) before taxes (I-II)		**4,432.02**	**4,121.27**
IV. Income tax			
1. Current Tax		1,037.00	1,148.50
2. Deferred Tax	20	251.43	95.53
Total Tax Expense		**1,288.43**	**1,244.03**
V. Profit for the year (III - IV)		**3,143.59**	**2,877.24**
VI. Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit liabilities / (assets)	33a	8.10	(74.20)
(ii) Income tax related to items that will not be reclassified to profit or loss	33b	(2.36)	21.61
Total other comprehensive (expense)/ income, net of tax		**5.74**	**(52.59)**
VII. Total comprehensive income for the year (V+VI)		**3,149.33**	**2,824.65**
Earnings per equity share	34		
- Basic		13.50	12.33
- Diluted		13.50	12.33
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 Registration No. : 104167W

For & 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
Membership No. : A35131

Place: Thane
Date: May 29, 2021

NEOGEN® CHEMICALS LTD.

Standalone Statement of Change in Equity

as at March 31, 2021 **CIN : L24200MH1989PLC050919**

A. Equity share capital

(Also refer Note 15)

(Rs. in Lakhs)

Particular	Total Equity
As on April 1, 2019	**2,007.88**
Issue of Share Capital During the Year	325.58
As on March 31, 2020	**2,333.46**
Issue of Share Capital During the Year	-
As on March 31, 2021	**2,333.46**

B. Other Equity

(Also refer Note 16)

(Rs. in Lakhs)

Particular	Surplus						
	General Reserve	Surplus as per Profit and Loss	Capital Redemption Reserve-Fully Redeemable Cumulative Preference Shares (FRCPS)	Capital Reserve on Business Combination	Security Premium	Special Economic zone Re-investment reserve account	Total Other Equity
Balance as at April 1, 2019	**124.62**	**3,823.21**	**225.00**	**720.39**	**144.87**	**-**	**5,038.08**
Profit/Loss for the year	-	2,877.24	-	-		-	2,877.24
Other comprehensive income for the year	-	(52.59)	-	-		-	(52.59)
Security Premium	-		-	-	5,911.23	-	5,911.23
Total inclusive of comprehensive income for the year	**-**	**2,824.65**	**-**	**-**	**5,911.23**	**-**	**8,735.87**
Transfer to General Reserve	-	-	-	-	-	-	-
Transfer to/from Capital Redemption Reserve - FRCPS	225.00	-	(225.00)	-	-	-	-
Equity Dividend for FY 2018-19	-	(350.02)	-	-	-	-	(350.02)
Others	-	(4.02)	-	-	-	-	(4.02)
Tax on Dividend	-	(80.15)	-	-	-	-	(80.15)
Balance as at March 31, 2020	**349.62**	**6,213.67**	**-**	**720.39**	**6,056.10**	**-**	**13,339.77**
Profit/Loss for the year	-	3,143.59	-	-	-	-	3,143.59
Security Premium	-		-	-	-	-	-
Other comprehensive income for the year	-	5.74	-	-	-	-	5.74
Total inclusive of comprehensive income for the year	**-**	**3,149.33**	**-**	**-**	**-**	**-**	**3,149.33**

Standalone Statement of Change in Equity (contd.)

as at March 31, 2021 **CIN : L24200MH1989PLC050919**

(Rs. in Lakhs)

Particular	Surplus						
	General Reserve	Surplus as per Profit and Loss	Capital Redemption Reserve-Fully Redeemable Cumulative Preference Shares (FRCPS)	Capital Reserve on Business Combination	Security Premium	Special Economic zone Re-investment reserve account	Total Other Equity
Transfer to General Reserve	-	-	-	-	-	-	-
Special Economic zone Re-investment reserve account		(25.51)	-	-	-	25.51	-
Equity Dividend	-	(466.70)	-	-	-	-	(466.70)
Others	-	(43.07)	-	-	-	-	(43.07)
Tax on Dividend	-		-	-	-	-	-
Balance as at March 31, 2021	**349.62**	**8,827.72**	**-**	**720.39**	**6,056.10**	**25.51**	**15,979.35**

Notes forming part of the Standalone financial statements 1-41

The Company has completed Initial Public Offerings (IPO) of 32,55,813 shares of Rs. 10 each at an offer price of 215/- per Equity share aggregating to Rs. 70 Crores through Fresh Issue of Equity Shares along with combined offer for sale of 29,00,000 shares by promoters and promoter group selling shareholders. The Equity Shares of the Company are listed on May 8, 2019 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

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 Registration No. : 104167W

Jayesh J Shah
Partner
Membership No. : 039910

Place: Thane
Date: May 29, 2021

For & 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
Membership No. : A35131

NEOGEN®
CHEMICALS LTD.

Standalone Statement of Cash Flow

for the year ended March 31, 2021 **CIN : L24200MH1989PLC050919**

(Rs. in Lakhs)

	Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/ (Loss) before extra- ordinary items & tax	4,432.02	4,121.27
	Adjustments for:		
	Finance costs recognised in profit or loss	1,376.75	1,192.51
	Investment income recognised in profit or loss	(51.36)	(20.38)
	Loss on disposal of property, plant and equipment	-	6.53
	Net (gain)/loss recorded in profit or loss on financial liabilities designated as fair value through profit or loss	(79.88)	115.85
	Depreciation and amortisation of non-current assets	690.16	524.15
	Impairment of non-current assets		-
	Net foreign exchange (gain)/loss	(665.79)	390.92
	Operating profit before working capital changes	**5,701.90**	**6,330.85**
	Movements in working capital:		
	(Increase) /decrease in trade and other receivables	(332.12)	(1,457.00)
	(Increase)/decrease in inventories	1,583.79	(5,749.24)
	(Increase)/decrease in other assets	(2,162.03)	(684.68)
	Increase /(decrease) in trade and other payables	3,689.19	(696.76)
	Increase/(decrease) in provisions	121.71	74.20
	Increase/(decrease) in other liabilities	763.64	44.36
	Cash flow from / (utilised in) operating activities post working capital changes	**3,664.18**	**(8,469.12)**
	Income taxes paid/ Refunds (net)	(1,037.00)	(1,273.76)
	Net cash flow from / (utilized in) in operating activities (A)	**8,329.08**	**(3,412.03)**
B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Interest received from banks and others	13.03	8.68
	Other Income received	38.33	11.71
	Amounts advanced to related parties	23.15	(25.31)
	Payments for property, plant and equipment (Net)	(2,305.66)	(2,631.67)
	Capital WIP	(11,195.75)	(230.79)
	Payments for intangible assets	(1.71)	(20.76)
	Net cash used in investing activities (B)	**(13,428.61)**	**(2,888.16)**

Standalone Statement of Cash Flow (contd.)

for the year ended March 31, 2021 **CIN : L24200MH1989PLC050919**

(Rs. in Lakhs)

	Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
C)	**Cash flows from financing activities**		
	Proceeds from issue of equity instruments of the Company	-	7,000.00
	Payment for share issue costs	-	(591.29)
	Proceeds from borrowings	9,783.56	5,359.06
	Repayment of borrowings	(2,824.38)	(3,705.51)
	Finance Cost	(1,376.75)	(1,192.51)
	Other items and Taxes	(43.06)	(176.79)
	Dividends paid on redeemable cumulative preference shares	-	(16.54)
	Dividends paid to owners of the Company (incl. Tax)	(466.69)	(430.17)
	Net cash flow from /(utilised in) financing activities (C)	**5,072.68**	**6,246.25**
	Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	**(26.85)**	**(53.94)**
	Cash and cash equivalents at the beginning of the year	148.20	202.14
	Cash and cash equivalents at the end of the year	**121.35**	**148.20**
	Reconciliation of cash and cash equivalents as per the cash flow Statement		
	Cash and cash equivalents	51.40	56.02
	Balance with bank margin	69.95	92.18
	Balance as per statement of cash flows	**121.33**	**148.20**

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, 2020	Cash Flows		March 31, 2021
		Receipts	Payments	
Current Borrowings	10,193.89	270.10	1,885.42	8,578.57
Non-current Borrowings	3,518.30	9,993.68	490.57	13,021.41
Total				

Notes forming part of the Standalone financial statements 1-41

As per our report of even date attached

For JMT & Associates
Chartered Accountants
Firm Registration No. : 104167W

Jayesh J Shah
Partner
Membership No. : 039910

Place: Thane
Date: May 29, 2021

For & 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
Membership No. : A35131

Notes to Standalone Financial Statements

for the year ended March 31, 2021

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. The Company has its registered office at Thane, Maharashtra. Its shares are listed on stock exchanges in India the Bombay Stock Exchange("BSE") and the National Stock exchange ("NSE"). 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 pharamaceutical 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, ISO 45001:2018 certified and Mahape, Navi Mumbai facility is ISO 9001:2015 certified for Quality, Safety and Environment Management System from the Bureau Veritas Certification Holding SAS. Our documentation system is also as per ICH-Q7A guidelines as applied to intermediates

The Company has completed Initial Public Offerings (IPO) of 32,55,813 shares of Rs. 10 each at an offer price of 215/- per Equity share aggregating to Rs. 70 Crores through Fresh Issue of Equity Shares along with combined offer for sale of 29,00,000 shares by promoters and promoter group selling shares. The Equity Shares of the Company are listed on May 8, 2019 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

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. All other liabilities are classified as non-current. 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 Sandards) 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 lakhs 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

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
- 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 judjements 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 (b)
- 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 preapration 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 dfifference 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 feesand 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 prescibed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose 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 Equipments	10 years
Quality Control Instruments & R & D Equipments	10 years
Office equipments	5 years
I T Equipments	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:

Notes to Standalone Financial Statements

for the year ended March 31, 2021

- 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
- 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 years

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 be impaired, they are tested for impairment once again.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

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 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 lakhs 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 and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money

Notes to Standalone Financial Statements
for the year ended March 31, 2021

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 recognized 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 recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. Amounts disclosed as revenue are inclusive of excise duty and 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 as expenses 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

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 software from the units registered under the Special Economic Zones Act (SEZs), 2005. SEZ units which began the 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 services for the first five years from the financial year in which the unit commenced the provision of services and 50% of such profits or gains for further five years. Up to 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.

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

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for the year ended March 31, 2021

number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Lease

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 in 'loans and borrowings' in the statement of financial position. (Refer Note 18)

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 March 31, 2021 and March 31, 2020 respectively, revenue from single customer did not amount to 10% or more of the companies revenue from external customer

Notes to Standalone Financial Statements

for the year ended March 31, 2021

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 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,

Notes to Standalone Financial Statements
for the year ended March 31, 2021

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. 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 indentifiable 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 repectively.

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 and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisiton 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) and 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 subsidaries, joint ventures and associates

Investments in subsidaries, 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 catagories:

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 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 inrespect 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 at 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 Goverment Secuties (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 Proft and Loss.

a. Post - employment obligations

The company operates the following post employment schemes

(a) defined benefits plans

(b) such as gratuity and leave encashment, and

(c) 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.

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 acturial assumptions are recognised in the period in which the occur, directly in other comprehensive income. They are included in retain earnigs 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.

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for the year ended March 31, 2021

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 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.

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

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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 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

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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.

z) Corporate social responsibility

As per section 135 of the Companies Act, 2013, a company meeting the appicable threshold, needs to spend atleast 2 %of its average net profit for the immediately preceeding three financial years on corporate social responsibility (CSR) activites. The areas of CSR actvities are eradication of hunger and malnutrition, promoting child education, environment sustainability, water, health and safety, Covid -19 relief and rural development projects. A CSR committee has been formed by the company as per the Act.The gross amount required to be spent by the company during the year was Rs 58.77 lakhs, against which the company has spent Rs 59.33 lakhs.

2.7 Leases

The company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at April 1, 2019.

(Rs. in Lakhs)

Particulars	March 31, 2021 Amount	March 31, 2020 Amount
Lease commitments as at beginning of year	718.78	1,011.03
Add/(less): contracts reassessed as lease contracts	0.00	0.00
Add/(less): adjustments on account of extension/termination	0.00	0.00
Lease liabilities as at end of year	574.2	718.78
Current lease liability	220.25	74.87
Non current lease liabilities	353.95	643.91

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Right of use assets of Rs. 718.78 lakhs and lease liabilities of Rs. 650.33 lakhs have been recognised as on April 1, 2019.

The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

(Rs. in Lakhs)

Particulars	March 31, 2021 Amount	March 31, 2020 Amount
Decrease in Property Plant and equipment by		-
Increase in lease liability by		-
Increase in rights of use by		-
Increase/(Decrease) in Deferred tax assets by	26.08	19.93
Increase/(Decrease) in finance cost by	65.44	64.26
Increase/(Decrease) in depreciation by	165.71	139.33

2.7 (i) As Lessee

(A) Additions 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 Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment owned	-	-
Right-of-use assets, except for investment property	-	789.68

(B) Carrying value of right of use assets at the end of the reporting period

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Right-of-use assets, except for investment property		
Office premises at Baroda	20.30	25.97
Warehouse at Navi Mumbai	271.32	359.42
Office premises at Thane	192.99	264.94
	484.61	**650.33**

(C) Maturity analysis of lease liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Maturity analysis – contractual undiscounted cash flows		
Less than one year	220.25	147.70
One to five years	353.95	571.08
More than five years	0.00	0.00
Total undiscounted lease liabilities	**574.20**	**718.78**
Lease liabilities included in the statement of financial position	**574.20**	**718.78**
Current	220.25	147.70
Non-Current	353.95	571.08

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(D) Amounts recognised in profit or loss

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest on lease liabilities	65.44	64.26
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	157.21	131.33
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 Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total cash outflow for leases	367.24	286.94

2.7 (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.

3. Recent accounting pronouncement

Adoption of Ind AS 116- Leases

The Company has adopted modified retrospective approach as per IND AS 116-Lease, effective from annual reporting period begining April 1, 2019. This has resulted in recognizing right of use assets and corresponding lease liability as at March 31, 2021, in the Standalone balance sheet respectively. In the statement of Profit and Loss for the current period, operating lease expenses has changed from rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability.

COVID -19

After the government announced lockdown in March, 2020, the company restarted its operations from mid April 2020 in a phased manner and gradually achieved normal level of production. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of the financial statements and believes that there is no significant impact on account of the same on its financial results as at March 31, 2021. The impact assessment of COVID 19 is a continuous process given the uncertainties associated with its nature and duration, however the management will continue to monitor material changes to the future economic conditions which may have an impact on the operations of the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

4a. Property, plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2021 and March 31, 2020

(Rs. in Lakhs)

Description	Freehold Land	Leasehold Land	Factory buildings	Plant & Machineries	M.S. Structure & FRP Grattings	Quality Control Instruments	R & D Equipments	Effulent Treatment Equipments	Safety Equipments	Office Equipments	I.T Equipments	Motor Car	Furniture & Fixtures	Total
Gross carrying value (at deemed cost)														
As at beginning of April 1, 2019 *	2,805.81	907.36	851.15	2,880.81	472.03	269.34	124.78	65.32	25.83	58.95	103.36	73.49	99.64	8,737.88
Additions	-	-	784.95	1,311.63	51.52	9.74	103.00	-	9.00	35.85	35.56	-	149.07	2,490.31
Deletions / discarded / adjustments	-	(2.57)		(7.40)	-	-	-	-	-	-		-	-	(9.97)
Balance as at March 31, 2020	**2,805.81**	**904.79**	**1,636.10**	**4,185.04**	**523.55**	**279.08**	**227.78**	**65.32**	**34.82**	**94.80**	**138.92**	**73.49**	**248.72**	**11,218.22**
Additions	-	-	153.91	1,962.71	27.85	68.63	7.31	-	16.37	17.55	30.34	-	14.19	2,298.86
Deletions / discarded / adjustments	-	-		-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	**2,805.81**	**904.79**	**1,790.01**	**6,147.74**	**551.40**	**347.71**	**235.09**	**65.32**	**51.19**	**112.35**	**169.27**	**73.49**	**262.91**	**13,517.08**
Accumulated depreciation														
As at April 1, 2019*	-	23.87	61.66	197.12	63.51	32.69	18.33	10.39	5.33	9.14	33.66	2.68	8.30	466.69
Charge for the year	-	15.75	41.74	168.03	34.64	27.34	17.77	5.22	2.70	12.35	31.82	8.58	15.08	381.01
Deletions	-	(0.01)	-	(1.67)	-	-	-	-	-	-		-	-	(1.68)
Balance as at March 31, 2020	**-**	**39.61**	**103.40**	**363.48**	**98.15**	**60.03**	**36.10**	**15.61**	**8.02**	**21.49**	**65.48**	**11.27**	**23.38**	**846.01**
Charge for the year	-	15.67	63.79	251.74	37.27	30.00	21.99	5.22	3.07	18.78	35.97	8.58	25.54	517.63
Deletions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	**-**	**55.28**	**167.19**	**615.22**	**135.42**	**90.04**	**58.09**	**20.83**	**11.09**	**40.27**	**101.45**	**19.85**	**48.93**	**1,363.64**
Net carrying amount														
As at March 31, 2020	**2,805.81**	**865.18**	**1,532.70**	**3,821.56**	**425.40**	**219.05**	**191.68**	**49.71**	**26.81**	**73.32**	**73.44**	**62.23**	**225.34**	**10,372.21**
As at March 31, 2021	**2,805.81**	**849.52**	**1,622.82**	**5,532.52**	**415.98**	**257.68**	**177.00**	**44.49**	**40.10**	**72.08**	**67.82**	**53.64**	**213.98**	**12,153.44**

*The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition April 1, 2017 and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

Certain property, plant and equipment are pledged against borrowings, the details relating to which have been described in Note 17a

Notes to Standalone Financial Statements
for the year ended March 31, 2021

4b. Right of Use Assets

Following are the changes in the carrying value of Right to Use Assets for the period ended March 31, 2021 and the year ended March 31, 2020

(Rs. in Lakhs)

Description	Balance as at March 31, 2021	Balance as at March 31, 2020
Opening	789.68	-
Additions	-	789.68
Deletions / discarded / adjustments	-	-
	789.68	789.68
Less: Accumulated Amortization		
Opening balance	139.35	-
Charge for the year	165.72	139.35
Deletions	-	-
	305.07	139.35
Net Carrying Amount	484.61	650.33

5. Capital Work in Progress

Following are the changes in the carrying value of Capital work in progress for the period ended March 31, 2021 and the year ended March 31, 2020

(Rs. in Lakhs)

Description	Balance as at March 31, 2021	Balance as at March 31, 2020
Opening	269.33	38.53
Additions	11,741.47	1,892.50
Capitalised during the year	(545.73)	(1,661.70)
Closing	11,465.07	269.33

6. Intangible assets

Following are the changes in the carrying value of Intangible assets for the year ended March 31, 2021 and the year ended March 31, 2020

(Rs. in Lakhs)

Description	Balance as at March 31, 2021	Balance as at March 31, 2020
SOFTWARE and CONSULTANCY		
Opening	37.55	12.99
Additions	8.52	24.56
Deletions / discarded / adjustments	-	-
	46.07	37.55
Less: Accumulated Amortization		
Opening balance	5.98	2.19
Charge for the year	6.81	3.79
Deletions	-	-
	12.79	5.98
Net Carrying Amount	33.28	31.57

Notes to Standalone Financial Statements

for the year ended March 31, 2021

7. Non-current financial assets - Investments (measured at cost)

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in Partnership Firm - Dhara Fine Chem Industries	45.00	45.00
Total	**45.00**	**45.00**

8. Non-current other financial assets

Unsecured, considered good

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	734.15	588.47
Total	**734.15**	**588.47**

9. Other non-current assets

Unsecured, considered good

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital advances	234.36	406.96
Total	**234.36**	**406.96**

10. Inventories

(at lower of cost and net realisable value)

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
- Raw materials*	2,740.15	2,650.57
- Work in Progress*	7,867.09	7,824.26
- Finished goods*	562.34	2,291.71
- Stores & Spares	187.76	175.78
- Fuel	8.45	7.56
- Packing	37.48	37.18
Total	**11,403.27**	**12,987.06**

*Hypotheciated with Banks

11. Trade Receivables*

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
- Unsecured, considered good -Outstanding for more than Six Months	241.51	174.84
Unsecured considered good		
For Export	1,703.70	1,785.80
For Domestic	5,914.98	5,562.27
Provision for doubtful debts	(5.16)	-
Total	**7,855.03**	**7,522.91**

*Hypotheciated with Banks for Working Capital Limit

Notes to Standalone Financial Statements
for the year ended March 31, 2021

12a. Cash and cash equivalents

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with banks :		
- in current account	35.43	41.70
Cash in hand	15.97	14.32
Total	**51.40**	**56.02**

12b. Bank balances other than those disclosed in Note 12a above

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
- in deposit accounts held as margin money against Bank Guarantee & Letter of credit	69.95	92.18
Total	**69.95**	**92.18**

13a. Loans

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loan to Related Parties - Partnership firm Dhara Fine Chem Industries (Joint Venture)*	40.57	63.72
Total	**40.57**	**63.72**

*Refer Note 36 - Related Party Disclosures

13b. Other Current financial assets

(Measured at Amortised Cost)

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans and Advances to employees	41.17	25.72
Contract assets	2,397.30	-
Derivative Asset for Forwards Contracts	57.83	-
(Asset measured at Fair Value through Profit or loss)		
Total	**2,496.30**	**25.72**

14. Other current assets

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances to Trade Creditors	141.20	70.96
Balances with Government Authorities	1,697.01	2,055.61
Prepaid expenses	302.37	295.64
Total	**2,140.58**	**2,422.21**

Notes to Standalone Financial Statements
for the year ended March 31, 2021

15. SHARE CAPITAL

(Rs. in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of Shares	Rs.	No of Shares	Rs.
Authorised				
Equity Shares of Rs. 10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
Optionally Convertible Preference Shares of Rs. 100/- each.	5,00,000	500.00	5,00,000	500.00
Fully Reedemable Cumulative Preference Shares of Rs. 100/- each	20,00,000	2,000.00	20,00,000	2,000.00
		5,000.00		**5,000.00**
Issued, Subscribed and Fully Paid up				
Equity Shares of Rs. 10/- each fully paid-up	2,33,34,606	2,333.46	2,33,34,606	2,333.46
Optionally Convertible Preference Shares of Rs. 100/- each**	-	-	-	-
Fully Reedemable Cummulative Preference Shares of Rs. 100/- each**	-	-	-	-
	2,33,34,606	**2,333.46**	**2,33,34,606**	**2,333.46**

**On transition to Ind AS as per Ind As 109 the same has been considered under Long Term Borrowings.

15.1 The reconciliation of the number of shares outstanding is set out below:-

(Rs. in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of Shares	Rs.	No of Shares	Rs.
At the beginning of the year				
Equity Shares outstanding at the beginning of the year	2,33,34,606	2,333.46	2,00,78,793	2,007.88
Add: Issued during the year	-	-	-	-
Conversion of OCPS to Equity	-	-	-	-
Equity shares alloted	-	-	32,55,813	325.58
At the end of the year	-	-	-	-
Equity Shares outstanding at the end of the year	**2,33,34,606**	**2,333.46**	**2,33,34,606**	**2,333.46**

15.2.a. Rights, Preferences & Restriction of each class of shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share.

The company issued 32,55,813 equity shares of Rs 10/- each at a premium of Rs @ 205/- per share in the successful Initial Public Offers and listed on Bombay Stock Exchange and National Stock Exchange on May 8, 2019

b. The Company has alloted 20,00,000 & 1,55,00,000 Bonus Equity shares in financial year 2012-13 & 2015-16 respectively. The Company has alloted Bonus Equity shares in the proportion of 4 equity shares for every 5 equity shares held (FY 2012-13) & 62 fully paid equity shares for every 18 equity shares held (FY 2015-16). The face value of bonus shares of Rs. 2,00,00,000 & Rs. 15,50,00,000 alloted out of reserves and surplus.

Notes to Standalone Financial Statements
for the year ended March 31, 2021

15.3 Details of Equity shares held by each equity shareholder holding more than 5% shares:

(Rs. in Lakhs)

Class of Shares / Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	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				
Haridas T. Kanani	1,19,00,078	51.00%	1,23,00,080	52.71%
Dr. Harin H Kanani	20,00,000	8.57%	20,00,000	8.57%
SBI Mutual Fund under its various Schemes	12,72,846	5.45%	15,33,148	6.57%
Axis Mutual Fund under its various schemes	11,63,406	4.99%	11,67,749	5.00%
Malabar India Fund Limited	10,25,294	4.39%	-	0.00%
Malabar Value Fund	1,25,000	0.54%	-	0.00%

16. Other Equity

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
General Reserve	349.62	349.62
Retained Earnings (including other comprehensive income)	8,827.73	6,213.67
Securities Premium	6,056.10	6,056.10
Capital Reserve on Business Combination	720.39	720.38
Special Economic zone Re-investment reserve account	25.51	-
Total	**15,979.35**	**13,339.77**
General Reserve		
Opening balance	349.62	124.62
Add: Additional during the year	-	225.00
Closing balance	**349.62**	**349.62**
Statement of P&L		
Opening balance	6,213.67	3,823.21
Add: Profit/(loss) for the year	3,143.59	2,877.24
Other comprehensive income /(loss) (net of taxes)	5.74	(52.59)
Less:		
Dividend on Equity Shares	466.70	350.02
Tax on dividend paid during the year	-	80.15
Others	43.07	4.02
Special Economic zone Re-investment reserve account	25.51	
Closing balance	**8,827.71**	**6,213.67**
Capital Redemption Reserve-FRCPS		
Opening balance	-	225.00
Add: Transferred from Profit/(loss) for the year	-	
Less : Transferred to General Reserves	-	225.00
Closing balance	**-**	**-**
Securities Premium		

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	6,056.10	144.87
Add: during the year	-	5,911.23
Closing balance	**6,056.10**	**6,056.10**
Special Economic zone Re-investment reserve account		
Opening balance	-	-
Add: Transferred from Profit/(loss) for the year	25.51	-
Less : Transferred to General Reserves	-	-
Closing balance	**25.51**	**-**

Nature	Purposes of other Reserves
General Reserve	This represents accumulated free reserves of the company
Statement of P&L[Surplus/(Deficit)]	All the profit or losses made by the company are transferred to statement of P & L from 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 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
Special Economic zone Re-investment reserve account	This represents reserve created on profits of exports from SEZ unit and to be utilised for purchase of Capital plant & machinery as per section 10AA of the Income Tax Act.

17. Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured (at amortised cost)		
Term loans from Banks and Financial Institutions*	11,610.12	3,035.63
Total	**11,610.12**	**3,035.63**

*Refer Note 38 for Company's exposure to liquidity risk and interest rate risk

17a.

(Rs. in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non - current	Current	Non - current	Current
Secured loans				
Term Loan	11,610.12	1,411.29	3,035.63	482.67
Working Capital	-	8,578.57	-	10,193.89
Total	**11,610.12**	**9,989.86**	**3,035.63**	**10,676.56**

Notes to Standalone Financial Statements
for the year ended March 31, 2021

As at March 31, 2021		As at March 31, 2020		Terms of Repayments	Security
Non - current	Current	Non - current	Current		
11,610.12	1,411.29	3,035.63	482.67	Instalment of 1-3 years Rs. 5,516.67, 3-5 years Rs. 5,029.50 and more than 5 years Rs. 1,063.95	Pari passu first charge on all immovable properties and movable assets both present and future located at Mahape, Karakhadi, Dahej

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Working capital loans from banks (secured)		
Rupee loan	8,231.29	9,428.67
Foreign currency loan	347.28	765.22
Total	**8,578.57**	**10,193.89**

Working capital loans of Rs. 8,578.57 (as at March 31, 2020 Rs. 10,193.89) are secured by:

i) **Pari passu** first charge by way of hypothecation of stocks of raw materials, finished goods, work-in-process, consumables (stores and spares) and book debts / receivables of the Company, both present and future.

ii) **Pari passu** second 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.

18. Other Non - Current Financials Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Retention Money (measured at amortised cost)	200.00	200.00
Measured at Fair Value through profit and loss	-	-
Lease Liability*	574.20	718.78
Total	**774.20**	**918.78**

*The Company has adopted modified retrospective approach as per IND AS 116-Lease, effective from annual reporting period begining April 1, 2019. This has resulted in recognizing right of use assets and corresponding lease liability of Rs. 718.78 lakhs and Rs. 650.33 lakhs as at March 31, 2020, in the Standalone balance sheet respectively. In the statement of Profit and Loss for the current period, operating lease expenses has changed from rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability. Due to this change current year's profit before tax is lower by Rs. 21.13 lakhs in Standalone results. Also refer note 4 (b) for impact due to change in accounting policies by adopting Ind AS-116 as compare to previous year.

19. Long-term provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits (Refer Note 37)		
Gratuity	115.10	216.07
Compensated Absences	187.59	141.52
Total	**302.69**	**357.59**

Notes to Standalone Financial Statements
for the year ended March 31, 2021

20. Deferred Tax Liabilities (Net)*

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Tax effect of items constituting deferrred tax (assets) / liabilities		
Provision for employee benefits	(120.67)	(54.12)
Long term borrowing	(26.10)	(26.40)
Property, Plant & Equipment	962.37	642.33
Total	**815.60**	**561.81**

*Inclusive of Other comprehensive Income Tax

21. Current financial liabilities - Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured (at amortised cost) *		
- Loans repayable on demand -Banks	7,724.57	7,905.50
- Cash credit facilities	854.00	2,288.39
Total	**8,578.57**	**10,193.89**

*Refer Note 38 for Company's exposure to liquidity risk and interest rate risk

22. Trade payables

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Micro, Small and Medium Enterprises*	70.95	89.38
Trade payables*	6,537.56	3,495.73
Total	**6,608.51**	**3,585.11**

*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, there are no overdues payable to suppliers who are registered under the relevant Act as at March 31, 2020 & March 31, 2021

23. Current - Other financial liabilities

(measured at Amortised Cost)

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term debt - Secured*	1,411.29	482.67
Others payables	258.69	205.92
Salary payable	220.43	95.13
Other Deposits	3.50	1.50
Deferred revenue income	18.86	-
Derivative Liability for Forwards Contracts	-	219.33
Total	**1,912.77**	**1,004.55**

*Refer Note 38 for Company's exposure to liquidity risk and interest rate risk

Notes to Standalone Financial Statements
for the year ended March 31, 2021

24. Other current liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues payables (includes TDS, PF, WCT, Others)	81.01	45.21
Provision for taxation (net of advance tax)	99.02	13.10
Total	**180.03**	**58.31**

25. Short-term provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits (Refer Note 37)		
Gratuity	97.95	106.75
Compensated Absences	13.76	38.04
Total	**111.71**	**144.79**

26. Revenue from operations

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Sale of products Comprises Manufactured goods of Chemicals		
Sales	38,636.88	33,512.93
Less : GST Recovered	6,440.58	4,147.48
Net Sales (excluding GST)	**32,196.30**	**29,365.45**
Other Operating Revenue	1,445.25	1,246.72
Total	**33,641.55**	**30,612.17**

27. Other income

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Interest from banks on Fixed Deposits	4.43	2.41
Interest income-others	8.60	6.27
Other Non Operating Income:		
Interest on loan to Partnership firm	11.59	12.17
Share of Profit from Partnership firm	38.33	11.71
Others	0.16	0.15
Total	**63.11**	**32.71**

Notes to Standalone Financial Statements
for the year ended March 31, 2021

28. Cost of Materials Consumed

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Opening stock	2,650.57	1,339.29
Purchases	18,165.86	24,082.24
	20,816.43	**25,421.53**
Less: Closing stock	2,740.15	2,650.57
Cost of raw material consumed	**18,076.28**	**22,770.96**

29. Changes in inventories of finished goods and work in progress

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Opening Stock :		
Finished Goods	2,291.71	933.34
Work-in-Process	7,824.26	4,821.40
Less:		
Closing Stock:		
Finished Goods	562.34	2,291.71
Work-in-Process	7,867.09	7,824.26
Changes In Inventories:		
Finished goods	1,729.37	(1,358.37)
Work-in-Process	(42.83)	(3,002.86)
Changes in inventories of finished goods and work in progress	**1,686.54**	**(4,361.23)**

30. Employee benefits expense

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Salaries, wages and bonus	1,675.80	1,335.90
Contribution to provident and other funds (refer note 37)	242.84	317.80
Staff welfare	88.84	71.04
Total	**2,007.48**	**1,724.74**

31. Finance costs

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Interest expenses on borrowings	1,293.30	1,095.67
Other finance cost and bank charges	83.45	96.84
Total	**1,376.75**	**1,192.51**

Notes to Standalone Financial Statements
for the year ended March 31, 2021

32. Other expenses

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
PRODUCTION EXPENSES		
Conversion Charges	688.05	391.27
Contract Labour charges	523.24	399.86
Fuel & Power	949.35	897.33
Quality Control Expenses	275.69	188.83
Research and Development Expenses	293.73	204.13
Consumption of Packing Material	385.06	339.56
Other Production Expenses	1,065.03	967.56
MARKETING EXPENSES		
Exhibition Expenses	0.18	175.88
Other Marketing Expenses	62.71	87.12
SELLING & DISTRIBUTION EXPENSES		
Clearing Charges	201.31	55.92
Sea & Air Freight (Export) Expenses	125.61	103.38
Other Selling & Distribution Expenses	115.27	97.81
ADMINISTRATIVE EXPENSES		
Professional Fees	364.93	337.25
Miscellaneous Expenses	13.38	28.06
Other Admin Expenses	312.56	359.16
CSR Expenses	59.33	39.37
Total	**5,435.43**	**4,672.49**
Payment to auditors(excluding applicable taxes) (included in professional fees)		
Audit Fees and Limited Review	22.00	8.00
Tax Audit Fees	5.00	3.00
Other Fees	2.00	1.00
Total	**29.00**	**12.00**

33. Other Comprehensive Income

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Items that will not be reclassified to profit or loss		
(i) Remeasurements of the defined benefit plans (net of tax)	8.10	(74.20)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(2.36)	21.61
Total	**5.74**	**(52.59)**

Notes to Standalone Financial Statements
for the year ended March 31, 2021

34. Earnings per Share

Particulars	As at March 31, 2021	As at March 31, 2020
Profit attributable to equity shareholders*	3,143.59	2,877.24
Weighted average number of equity shares for calculation of basic and diluted earnings per share (Nos.)	2,33,34,606	2,33,34,606
Nominal value per share (INR)	10	10
Earnings per share (face value of INR 10)		
Basic	13.50	12.33
Diluted	13.50	12.33

*Profit figures are Rs. in lakhs

35. Contingent Liabilities and Commitments

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(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	67.15	162.00
(ii) Bill discounted / Cheques purchased	1,218.29	42.22
Total	**1,285.44**	**204.22**
(II) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	5,318.91	915.32

36. RELATED PARTY TRANSACTION

(A) Relationships :

In accordance with the requirements of Indian AccountIng Standard (Ind AS-24) on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by management are as follows:

(a) Where Joint control exists :

Dhara Fine Chem Industries (Partnership Firm in which Company is holding 90% Share)

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(b) Key Management Personnel :

Particulars	Designation	Original Date of Appointment
Haridas Kanani	Chairman and Managing Director	07-03-1989
Dr. Harin Kanani	Managing Director	15-07-2013
Shyamsunder Upadhyay	Executive Director	27-07-2015
Anurag Surana	Non- Executive and Non-Independent Director	15-05-2017
Sanjay Mehta	Independent Director	25-09-2012
Hitesh Reshamwala	Independent Director	15-09-2014
Prof. Ranjan Kumar Malik	Independent Director	06-10-2018
Ms. Avi Sabavala	Independent Director	06-10-2018

(c) Relatives of key management personnel and their enterprises, where transaction have taken place.

Particulars	Name of Interested Director
Kagashin Global Network (P) Ltd	Anurag Surana
OCS Services (India) Private Limited	Hitesh Reshamwala

(d) Other Related Parties :
Nil

(B) Transactions with related parties :

(Rs. in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Income		
Share of Profit - Dhara Fine Chem Industries	38.33	11.70
Interest Received - Dhara Fine Chem Industries	11.59	12.17
Expenses		
Job work charges - Dhara Fine Chem Industries	179.03	95.23
Purchase - Dhara Fine Chem Industries	0.42	3.11
Professional Fees		
Kagashin Global Network (P) Ltd	96.00	84.00
OCS Services (India) Private Limited	18.19	-
Sitting Fees		
Sanjay Mehta	2.75	1.95
Hitesh Reshamwala	2.85	2.50
Prof. Ranjan Kumar Malik	1.95	1.45
Avi Sabavala	2.55	1.55
Salary		
Haridas Kanani	56.90	52.18
Dr. Harin Kanani	52.81	46.99
Shyamsunder Upadhyay	52.81	46.70
Loan		
Dhara Fine Chem Industries, Partnership Firm	35.00	63.72

Notes to Standalone Financial Statements
for the year ended March 31, 2021

37. 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 Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
The Company has recognized the following amounts in the Statement of Profit and Loss for the year:		
Employers' Contribution to Provident Fund	116.00	86.04
Employers' Contribution to Employees' Pension Scheme, 1995	33.95	27.98
Total	**149.95**	**114.02**

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 Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Present value of obligation at end of the year	(320.00)	(381.12)
Fair value of Plan Assets	106.96	58.31
Net assets/(liability) recognized in Standalone statement of assets and liabilities as provision	**(213.04)**	**(322.81)**

(b) Amount recognized in the Standalone statement of profit and loss is as under:

(Rs. in Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Current Service Cost	41.06	23.63
Net Interest Cost	22.24	16.27
Expense Recognized in the Income Statement	**63.30**	**39.90**

(c) Amount recognized in other comprehensive income as under:

(Rs. in Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Actuarial (Gain)/Loss for the year on defined benefit obligation	(93.11)	74.20
Actuarial (Gain)/Loss for the year on plan assets	1.96	3.31
Net (Income)/Expense Recognized in the Income Statement	**(91.15)**	**77.51**

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(d) Movement in liability recognized in the Standalone statement of assets and liabilities as under:

(Rs. in Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Present Value of defined benefit obligation as at the start of the year	381.12	270.83
Current Service Cost	41.06	23.63
Interest Cost	26.26	21.10
Actuarial loss/(gain) recognized during the year	(93.11)	74.20
Benefits paid	(35.33)	(8.64)
Past Service Cost including curtailment Gain/Losses		
Present Value of defined benefit obligation as at the end of the year	**320.00**	**381.12**

(e) Movement in plan assets recognized in the Standalone statement of assets and liabilities as under:

(Rs. in Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Fair Value of plan assets at beginning of year	58.31	61.93
Interest Income	4.02	4.82
Expected return on plan assets - %	7.01%	6.89%
Employer's Contribution	81.92	3.50
Benefits Paid	(35.33)	(8.64)
Actuarial (Gain)/Loss on plan asset	(1.96)	(3.31)
Fair Value of plan assets at end of year	106.96	58.31
Actual Return on Plan assets, Excluding Interest Income	**(1.96)**	**(3.31)**

(f) Breakup of Actuarial (Gain)/Loss on Defined Benefit Obligation:

(Rs. in Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Actuarial (Gain)/Loss on arising from change in demographic assumption	(2.69)	
Actuarial (Gain)/Loss on arising from change in financial assumption	(2.95)	44.95
Actuarial (Gain)/Loss on arising from change in experience adjustments	(87.47)	29.25
Total Actuarial (Gain)/Loss	**(93.11)**	**74.20**

(g) Actuarial Assumption:

(Rs. in Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Expected Return on Plan Assets	7.01%	6.89%
Discount Rate	7.01%	6.89%
Future Salary Increase	6.00%	6.00%
Rate of Employee Turnover	2.00%	2.00%
Expected Average remaining working lives of employees (years)	15	15

(h) Sensitivity analysis for gratuity liability:

(Rs. in Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Impact of the change in discount rate		
Present value of obligation at the end of the year	320.00	381.12
- Impact due to increase of 1 %	(22.77)	(26.73)
- Impact due to decrease of 1 %	26.14	30.88
Impact of the change in Salary increase		
Present value of obligation at the end of the year	320.00	381.12
- Impact due to increase of 1 %	23.61	26.08
- Impact due to decrease of 1 %	(20.99)	(23.36)
Impact of the change in Employee Turnover		
Present value of obligation at the end of the year	320.00	381.12
- Impact due to increase of 1 %	2.17	2.81
- Impact due to decrease of 1 %	(2.47)	(3.20)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(i) Maturity Profile of defined benefit obligation: (from the fund)

(Rs. in Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Within next 12 months	37.45	70.01
Between 1-5 years	85.18	88.57
Beyond 5 years	506.57	584.43

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(j) Category of Plan Assets:

(Rs. in Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Insurance Fund	106.96	58.31
Percentage of present obligation covered under Insurance Fund	33.42%	15.30%
Total	**106.96**	**58.31**

(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 Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Expense/(Income) to be recognized in Profit & Loss A/c	63.30	39.90
Total	**63.30**	**39.90**

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:

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 March 31, 2021 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).

Notes to Standalone Financial Statements
for the year ended March 31, 2021

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 Lakhs)

Particulars	Nature of Foreign currency	As at March 31, 2021		As at March 31, 2020	
		Amt in foreign currency	Amt in INR	Amt in foreign currency	Amt in INR
Assets	USD	-	-	-	-
	EURO	-	-	-	-
Liabilities	USD	-	-	-	-

Currency Risk

The company is exposed to the exchange rate risk as a significant portion of our revenues and expenditure 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 Foreign currency exposure at the end of the reporting periods are as follows

(Rs. in Lakhs)

Particulars	Nature of Foreign currency	As at March 31, 2021		As at March 31, 2020	
		Amt in foreign currency	Amt in INR	Amt in foreign currency	Amt in INR
Trade Receivables & Other financial assets	USD	20.88	1,499.76	16.65	1,226.53
Trade Receivables & Other financial assets	EURO	0.76	65.88	1.16	91.83
Borrowings	USD	3.86	289.34	8.87	668.88
Borrowings	EURO	0.73	63.49	1.16	96.34
Trade Payable and other financial liabilities	USD	21.82	1,610.39	10.28	743.10
Trade Payable and other financial liabilities	EURO	-	-	-	-

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(Rs. in Lakhs)

Particulars	As at March 31, 2021 Effect on profit before tax /pre - tax equity	As at March 31, 2020 Effect on profit before tax /pre - tax equity
Trade Receivables & Other financial assets		
Change in USD rate (+/- 5%)	74.99	90.93
Change in Euro rate (+/- 5%)	3.29	4.59
Borrowings, Trade Payables and other financial liabilities		
Change in USD rate (+/- 5%)	(94.99)	(103.74)
Change in Euro rate (+/- 5%)	(3.17)	0.07

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.

Notes to Standalone Financial Statements
for the year ended March 31, 2021

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, 2021	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long term Borrowings	11,610.12		5,516.67	5,029.50	1,063.95
Short term borrowing*	9,989.86	9,989.86			
Trade Payable	6,608.51	6,608.51			
Statutory dues payable	81.01	81.01			
Other Liabilities	258.69	258.69			

*Short term borrowing includes current maturity of long term borrowings of Rs.1,411.29 lakhs

39. Operating Lease

The Company has taken office premises, factory land under operating lease. These are generally cancellable and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free deposits in accordance with the agreed terms. These Lease have terms of between 1years to 5 years.

The following rent expenses recognized:

(Rs. in Lakhs)

Year Ended	March 31, 2021	March 31, 2020
Within one year	157.21	131.33

40. 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 Lakhs)

Particulars		March 31, 2021	March 31, 2020
Revenue from External Customers	India	17,900.48	19,560.38
	Overseas includes Deemed Export	15,741.07	11,051.79
	Total	**33,641.55**	**30,612.17**

Notes to Standalone Financial Statements
for the year ended March 31, 2021

41. (i) Rupees in lakhs 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 Registration No. : 104167W

Jayesh J Shah
Partner
Membership No. : 039910

Place: Thane
Date: May 29, 2021

For & 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
Membership No. : A35131

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, 2021, 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, 2021, 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 specified under section 143(10) of the Act (SAs). 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	**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.	**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 Group 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.

Sr. No.	Key Audit Matter	Auditor's Response
	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	• 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 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.

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 report that fact. We have nothing to report in this regard.

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 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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.

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:

    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 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.

UDIN : 21039910AAADN5117
For **JMT & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 104167W

JAYESH SHAH
Partner
(Membership No.039910)

Place: Mumbai
Date: May 29, 2021

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, 2021 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, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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, 2021, 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.

UDIN : 21039910AAADN5117
For **JMT & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 104167W

JAYESH SHAH
Partner
(Membership No.039910)

Place: Mumbai
Date: May 29, 2021

NEOGEN®
CHEMICALS LTD.

Consolidated Balance Sheet

as at March 31, 2021

CIN : L24200MH1989PLC050919

(Rs. in Lakhs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4a	12,153.44	10,372.21
(b) Right of use assets	4b	484.61	650.33
(c) Capital work-in-progress	5	11,465.07	269.33
(d) Intangible assets	6	33.28	31.57
(e) Financial assets			
(i) Investments	7	75.14	60.03
(ii) Other financial assets	8	734.15	588.47
(f) Other non-current assets	9	234.36	406.96
Total Non-current Assets		**25,180.05**	**12,378.90**
(2) Current Assets			
(a) Inventories	10	11,403.27	12,987.06
(b) Financial assets			
(i) Trade receivables	11	7,855.03	7,522.91
(ii) Cash and cash equivalents	12a	51.41	56.02
(iii) Bank balances other than (ii) above	12b	69.95	92.19
(iv) Other current financial assets	13	2,496.30	25.72
(c) Other current assets	14	2,140.58	2,422.21
Total Current Assets		**24,016.54**	**23,106.11**
TOTAL ASSETS		**49,196.59**	**35,485.01**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15	2,333.46	2,333.46
(b) Other equity	16	15,968.93	13,291.09
Total Equity		**18,302.39**	**15,624.55**
(2) Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	11,610.12	3,035.63
(ii) Other Non current Financial Liabilities	18	774.20	918.78
(b) Long Term Provisions	19	302.69	357.59
(c) Deferred tax liabilities (net)	20	815.60	561.81
Total Non-current Liabilities		**13,502.61**	**4,873.81**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	8,578.57	10,193.89
(ii) Trade payables	22	6,608.51	3,585.11
(iii) Other financial liabilities	23	1,912.77	1,004.55
(b) Other current liabilities	24	180.03	58.31
(c) Short-term provisions	25	111.71	144.79
Total Current liabilities		**17,391.59**	**14,986.65**
Total Liabilities		**30,894.20**	**19,860.46**
TOTAL EQUITY AND LIABILITIES		**49,196.59**	**35,485.01**
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 Registration No. : 104167W

For & 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
Membership No. : A35131

Place: Thane
Date: May 29, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

CIN : L24200MH1989PLC050919

(Rs. in Lakhs)

Particulars	Note	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Continuing Operations			
I. Income			
(a) Revenue from operations	26	33,641.55	30,612.17
(b) Other income	27	13.81	9.92
Total Income		**33,655.36**	**30,622.09**
II. Expenses			
(a) Cost of materials consumed	28	18,076.28	22,770.96
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	1,686.54	(4,361.23)
(c) Employee benefits expense	30	2,007.48	1,724.74
(d) Finance costs	31	1,376.75	1,192.51
(e) Depreciation and Amortisation Expenses	4	690.16	524.15
(f) Other Expense	32	5,435.43	4,672.49
Total Expenses		**29,272.64**	**26,523.62**
Profit /(loss) before share of profit of investment accounted for using equity method and taxes (I-II)		**4,382.72**	**4,098.47**
Share of Profit/(Loss) of investments accounted for using equity method		38.87	11.21
III. Profit/(loss) before taxes		**4,421.59**	**4,109.68**
IV. Income tax			
1. Current Tax		1,037.00	1,148.50
2. Deferred Tax	20	251.43	95.53
Total Tax Expense		**1,288.43**	**1,244.03**
V. Profit for the year (III - IV)		**3,133.16**	**2,865.65**
VI. Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit liabilities / (assets)	33a	8.10	(74.20)
(ii) Income tax related to items that will not be reclassified to profit or loss	33b	(2.36)	21.61
Total other comprehensive (expense)/ income, net of tax		**5.74**	**(52.59)**
VII. Total comprehensive income for the year (V+VI)		**3,138.90**	**2,813.06**
Earnings per equity share	34		
- Basic		13.45	12.28
- Diluted		13.45	12.28
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 Registration No. : 104167W

For & 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
Membership No. : A35131

Place: Thane
Date: May 29, 2021

Consolidated Statement of Change in Equity

as at March 31, 2021 **CIN : L24200MH1989PLC050919**

A. Equity share capital

(Also refer Note 15)

(Rs. in Lakhs)

Particular	Total Equity
As on April 1, 2019	**2,007.88**
Issue of Share Capital During the Year	325.58
As on March 31, 2020	**2,333.46**
Issue of Share Capital During the Year	-
As on March 31, 2021	**2,333.46**

B. Other Equity

(Also refer Note 16)

(Rs. in Lakhs)

Particular	Surplus						
	General Reserve	Surplus as per Profit and Loss	Capital Redemption Reserve-Fully Redeemable Cumulative Preference Shares (FRCPS)	Capital Reserve on Business Combination	Security Premium	Special Economic zone Re-investment reserve account	Total Other Equity
Balance as at April 1, 2019	**124.62**	**3,797.31**	**225.00**	**720.39**	**144.87**	**-**	**5,012.19**
Profit/Loss for the year	-	2,865.65	-	-		-	2,865.65
Other comprehensive income for the year	-	(52.59)	-	-		-	(52.59)
Security Premium	-		-	-	5,900.03	-	5,900.03
Total inclusive of comprehensive income for the year	**-**	**2,813.06**	**-**	**-**	**5,900.03**	**-**	**8,713.08**
Transfer to General Reserve	-	-	-	-	-	-	-
Transfer to/from Capital Redemption Reserve - FRCPS	225.00	-	(225.00)	-	-	-	-
Equity Dividend for FY 2018-19	-	(350.02)	-	-	-	-	(350.02)
Others	-	(4.02)	-	-	-	-	(4.02)
Tax on Dividend	-	(80.15)	-	-	-	-	(80.15)
Balance as at March 31, 2020	**349.62**	**6,176.18**	**-**	**720.39**	**6,044.90**	**-**	**13,291.09**
Profit/Loss for the year	-	3,133.16	-	-	-	-	3,133.16
Security Premium	-		-	-	11.20	-	11.20
Other comprehensive income for the year	-	5.74	-	-	-	-	5.74

Consolidated Statement of Change in Equity (contd.)

as at March 31, 2021 **CIN : L24200MH1989PLC050919**

(Rs. in Lakhs)

Particular	Surplus						
	General Reserve	Surplus as per Profit and Loss	Capital Redemption Reserve-Fully Redeemable Cumulative Preference Shares (FRCPS)	Capital Reserve on Business Combination	Security Premium	Special Economic zone Re-investment reserve account	Total Other Equity
Total inclusive of comprehensive income for the year	**-**	**3,138.90**	**-**	**-**	**11.20**	**-**	**3,150.10**
Transfer to General Reserve	-	-	-	-	-	-	-
Special Economic zone Re-investment reserve account		(25.51)	-	-	-	25.51	-
Equity Dividend	-	(466.70)	-	-	-	-	(466.70)
Others	-	(5.56)	-	-	-	-	(5.56)
Tax on Dividend	-		-	-	-	-	-
Balance as at March 31, 2021	**349.62**	**8,817.31**	**-**	**720.39**	**6,056.10**	**25.51**	**15,968.93**

Notes forming part of the Consolidated financial statements 1-41

The Company has completed Initial Public Offerings (IPO) of 32,55,813 shares of Rs. 10 each at an offer price of 215/- per Equity share aggregating to Rs.70 Crores through Fresh Issue of Equity Shares along with combined offer for sale of 29,00,000 shares by promoters and promoter group selling shareholders. The Equity Shares of the Company are listed on May 8, 2019 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

As per our report of even date attached

For JMT & Associates
Chartered Accountants
Firm Registration No. : 104167W

Jayesh J Shah
Partner
Membership No. : 039910

Place: Thane
Date: May 29, 2021

For & 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
Membership No. : A35131

Consolidated Statement of Cash Flow

for the year ended March 31, 2021 **CIN : L24200MH1989PLC050919**

(Rs. in Lakhs)

	Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/ (Loss) before extra- ordinary items & tax	4,421.59	4,109.68
	Adjustments for:		
	Finance costs recognised in profit or loss	1,376.75	1,192.51
	Investment income recognised in profit or loss	(13.03)	(13.62)
	Loss on disposal of property, plant and equipment	-	6.53
	Net (gain)/loss recorded in profit or loss on financial liabilities designated as fair value through profit or loss	(79.88)	115.85
	Depreciation and amortisation of non-current assets	690.16	524.14
	Net foreign exchange (gain)/loss	(665.79)	390.93
	Operating profit before working capital changes	**5,729.80**	**6,326.02**
	Movements in working capital:		
	(Increase) /decrease in trade and other receivables	(332.12)	(1,457.00)
	(Increase)/decrease in inventories	1,583.79	(5,749.24)
	(Increase)/decrease in other current and non - current financial assets	(2,162.03)	(704.07)
	Increase /(decrease) in trade and other payables	3,689.19	(696.76)
	Increase/(decrease) in other liabilities	885.35	100.05
	Cash flow from / (utilised in) operating activities post working capital changes	**3,664.18**	**(8,507.02)**
	Income taxes paid/ Refunds (net)	(1,037.00)	(1,273.73)
	Net cash flow from / (utilized in) in operating activities (A)	**8,356.98**	**(3,454.73)**
B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Interest received		
	- from banks and others	13.03	8.68
	Other Income	-	11.70
	Amounts advanced to related parties	33.58	-
	Payments for property, plant and equipment (Net)	(2,305.66)	(2,631.70)
	Capital WIP	(11,195.75)	(230.79)
	Payments for intangible assets	(1.71)	(20.76)
	Net cash used in investing activities (B)	**(13,456.51)**	**(2,862.87)**

Consolidated Statement of Cash Flow (contd.)

for the year ended March 31, 2021 **CIN : L24200MH1989PLC050919**

(Rs. in Lakhs)

	Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
C)	**Cash flows from financing activities**		
	Proceeds from issue of equity instruments of the Company	-	7,000.00
	Payment for share issue costs	-	(591.30)
	Proceeds from borrowings	9,783.56	5,359.06
	Repayment of borrowings	(2,824.38)	(3,705.51)
	Finance Cost	(1,376.75)	(1,192.51)
	Prior Period & other items / Taxes	(43.06)	(175.92)
	Dividends paid to owners of the Company	(466.69)	(430.17)
	Net cash flow from /(utilised in) financing activities (C)	**5,072.68**	**6,263.65**
	Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)	**(26.85)**	**(53.95)**
	Cash and cash equivalents at the beginning of the year	148.20	202.15
	Cash and cash equivalents at the end of the year	**121.35**	**148.20**
	Reconciliation of cash and cash equivalents as per the cash flow Statement		
	Cash and cash equivalents	51.40	56.02
	Bank Current Balances and deposit	69.95	92.18
	Balance as per statement of cash flows	**121.35**	**148.20**

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, 2020	Cash Flows		March 31, 2021
		Receipts	Payments	
Current Borrowings	10,193.89	270.10	1,885.42	8,578.57
Non-current Borrowings	3,518.30	9,993.68	490.57	13,021.41
Total				

Notes forming part of the Consolidated financial statements 1-41

As per our report of even date attached

For JMT & Associates
Chartered Accountants
Firm Registration No. : 104167W

For & 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
Membership No. : A35131

Place: Thane
Date: May 29, 2021

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

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. The Company has its registered office at Thane, Maharashtra. Its shares are listed on stock exchanges in India the Bombay Stock Exchange("BSE") and the National Stock exchange ("NSE"). 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 pharamaceutical 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, ISO 45001:2018 certified and Mahape, Navi Mumbai facility is ISO 9001:2015 certified for Quality, Safety and Environment Management System from the Bureau Veritas Certification Holding SAS. Our documentation system is also as per ICH-Q7A guidelines as applied to intermediates

The Company has completed Initial Public Offerings (IPO) of 32,55,813 shares of Rs. 10 each at an offer price of 215/- per Equity share aggregating to Rs. 70 Crores through Fresh Issue of Equity Shares along with combined offer for sale of 29,00,000 shares by promoters and promoter group selling shares. The Equity Shares of the Company are listed on May 8, 2019 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

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. All other liabilities are classified as non-current. 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 Sandards) 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 lakhs 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.

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

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

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 judjements is included in relevant notes together with information about the basis of calculation.The areas involving crtical estimates or judgements are:

- Useful life of intangible asset - Note 2.6 (b)
- 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 preapration 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 dfifference 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.

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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 prescibed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose 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 Equipments	10 years
Quality Control Instruments & R & D Equipments	10 years
Office equipments	5 years
I T Equipments	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:

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for the year ended March 31, 2021

- 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
- 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 years

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 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 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 lakhs 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 and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money

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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 an 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 recognized 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 recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. Amounts disclosed as revenue are inclusive of excise duty and 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 as expenses 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 software from the units registered under the Special Economic Zones Act (SEZs), 2005. SEZ units which began the 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 services for the first five years from the financial year in which the unit commenced the provision of services and 50% of such profits or gains for further five years. Up to 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

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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

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 in 'loans and borrowings' in the statement of financial position. (Refer Note 18)

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 March 31, 2021 and March 31, 2020 respectively, revenue from single customer did not amount to 10% or more of the companies revenue from 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 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

Notes to Consolidated Financial Statements

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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. 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 indentifiable 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 repectively.

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 and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisiton 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) and 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 subsidaries, joint ventures and associates

Investments in subsidaries, 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 catagories:

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 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 inrespect 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 at 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 Goverment Secuties (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 Proft and Loss.

a. Post - employment obligations

The company operates the following post employment schemes

(a) defined benefits plans

(b) such as gratuity and leave encashment, and

(c) 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.

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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 acturial assumptions are recognised in the period in which the occur, directly in other comprehensive income. They are included in retain earnigs 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 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

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for the year ended March 31, 2021

receive cash 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.

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.

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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

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

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 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.

z) Corporate social responsibility
As per section 135 of the Companies Act, 2013, a company meeting the appicable threshold, needs to spend atleast 2% of its average net profit for the immediately preceeding three financial years on corporate social responsibility (CSR) activites. The areas of CSR actvities are eradication of hunger and malnutrition, promoting child education, environment sustainability, water, health and safety, Covid -19 relief and rural development projects. A CSR committee has been formed by the company as per the Act.The gross amount required to be spent by the company during the year was Rs 58.77 lakhs, against which the company has spent Rs 59.33 lakhs.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

2.5 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the company and its joint venture as at the reporting date

Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement interests in joint venture are accounted for using the Equity Method of accounting (see below)

The CFS have been prepared in the following basis

The CFS include the share of profit / loss of the joint ventures which are ccounted as per the 'equity method'.

Under the equity method of accounting, the investmenst are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post acquisition profits or losses of the investee in profit or loss, and the Group's share of movemnets in profit and loss account of the investee in Total Comprehensive Income. Share of profits received or receivable, if any from joint venture are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

2.6 Leases

The company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at April 1, 2019.

(Rs. in Lakhs)

Particulars	March 31, 2021 Amount	March 31, 2020 Amount
Lease commitments as at beginning of year	718.78	1,011.03
Add/(less): contracts reassessed as lease contracts	0.00	0.00
Add/(less): adjustments on account of extension/termination	0.00	0.00
Lease liabilities as at end of year	**574.20**	**718.78**
Current lease liability	220.25	74.87
Non current lease liabilities	353.95	643.91

Right of use assets of Rs. 718.78 lakhs and lease liabilities of Rs. 650.33 lakhs have been recognised as on April 1, 2019.

The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

(Rs. in Lakhs)

Particulars	March 31, 2021 Amount	March 31, 2020 Amount
Decrease in Property Plant and equipment by	-	-
Increase in lease liability by	-	-
Increase in rights of use by	-	-
Increase/(Decrease) in Deferred tax assets by	26.08	19.93
Increase/(Decrease) in finance cost by	65.44	64.26
Increase/(Decrease) in depreciation by	165.71	139.33

2.7 (i) As Lessee

(A) Additions 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 Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment owned	-	-
Right-of-use assets, except for investment property	-	789.68

(B) Carrying value of right of use assets at the end of the reporting period

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Right-of-use assets, except for investment property		
Office premises at Baroda	20.30	25.97
Warehouse at Navi Mumbai	271.32	359.42
Office premises at Thane	192.99	264.94
	484.61	**650.33**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(C) Maturity analysis of lease liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Maturity analysis – contractual undiscounted cash flows		
Less than one year	220.25	147.70
One to five years	353.95	571.08
More than five years	0.00	0.00
Total undiscounted lease liabilities	**574.20**	**718.78**
Lease liabilities included in the statement of financial position	**574.20**	**718.78**
Current	220.25	147.70
Non-Current	353.95	571.08

(D) Amounts recognised in profit or loss

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest on lease liabilities	65.44	64.26
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	157.21	131.33
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 Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total cash outflow for leases	367.24	286.94

2.7 (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.

3. Recent accounting pronouncement

Adoption of Ind AS 116- Leases

The Company has adopted modified retrospective approach as per IND AS 116-Lease, effective from annual reporting period begining April 1, 2019. This has resulted in recognizing right of use assets and corresponding lease liability as at March 31, 2021, in the Consolidated balance sheet respectively. In the statement of Profit and Loss for the current period, operating lease expenses has changed from rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability.

COVID -19

After the government announced lockdown in March, 2020, the company restarted its operations from mid April 2020 in a phased manner and gradually achieved normal level of production. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of the financial statements and believes that there is no significant impact on account of the same on its financial results as at March 31, 2021. The impact assessment of COVID 19 is a continuous process given the uncertainties associated with its nature and duration, however the management will continue to monitor material changes to the future economic conditions which may have an impact on the operations of the Company.

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

4a. Property, plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2021 and March 31, 2020

(Rs. in Lakhs)

Description	Freehold Land	Leasehold Land	Factory buildings	Plant & Machineries	M.S. Structure & FRP Grattings	Quality Control Instruments	R & D Equipments	Effulent Treatment Equipments	Safety Equipments	Office Equipments	I.T Equipments	Motor Car	Furniture & Fixtures	Total
Gross carrying value (at deemed cost)														
As at beginning of April 1, 2019*	2,805.81	907.36	851.15	2,880.81	472.03	269.34	124.78	65.32	25.83	58.95	103.36	73.49	99.64	8,737.88
Additions	-	-	784.95	1,311.63	51.52	9.74	103.00	-	9.00	35.85	35.56	-	149.07	2,490.31
Deletions / discarded / adjustments	-	(2.57)		(7.40)	-	-	-	-	-	-		-	-	(9.97)
Balance as at March 31, 2020	**2,805.81**	**904.79**	**1,636.10**	**4,185.04**	**523.55**	**279.08**	**227.78**	**65.32**	**34.82**	**94.80**	**138.92**	**73.49**	**248.72**	**11,218.22**
Additions	-	-	153.91	1,962.71	27.85	68.63	7.31	-	16.37	17.55	30.34	-	14.19	2,298.86
Deletions / discarded / adjustments	-	-		-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	**2,805.81**	**904.79**	**1,790.01**	**6,147.74**	**551.40**	**347.71**	**235.09**	**65.32**	**51.19**	**112.35**	**169.27**	**73.49**	**262.91**	**13,517.08**
Accumulated depreciation														
As at April 1, 2019*	-	23.87	61.66	197.12	63.51	32.69	18.33	10.39	5.33	9.14	33.66	2.68	8.30	466.69
Charge for the year	-	15.75	41.74	168.03	34.64	27.34	17.77	5.22	2.70	12.35	31.82	8.58	15.08	381.01
Deletions	-	(0.01)	-	(1.67)	-	-	-	-	-	-		-	-	(1.68)
Balance as at March 31, 2020	**-**	**39.61**	**103.40**	**363.48**	**98.15**	**60.03**	**36.10**	**15.61**	**8.02**	**21.49**	**65.48**	**11.27**	**23.38**	**846.01**
Charge for the year	-	15.67	63.79	251.74	37.27	30.00	21.99	5.22	3.07	18.78	35.97	8.58	25.54	517.63
Deletions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	**-**	**55.28**	**167.19**	**615.22**	**135.42**	**90.04**	**58.09**	**20.83**	**11.09**	**40.27**	**101.45**	**19.85**	**48.93**	**1,363.64**
Net carrying amount														
As at March 31, 2020	**2,805.81**	**865.18**	**1,532.70**	**3,821.56**	**425.40**	**219.05**	**191.68**	**49.71**	**26.81**	**73.32**	**73.44**	**62.23**	**225.34**	**10,372.21**
As at March 31, 2021	**2,805.81**	**849.52**	**1,622.82**	**5,532.52**	**415.98**	**257.68**	**177.00**	**44.49**	**40.10**	**72.08**	**67.82**	**53.64**	**213.98**	**12,153.44**

*The Company has availed the deemed cost exemption in relation to the property plant and equipment on the date of transition April 1, 2017 and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

Certain property, plant and equipment are pledged against borrowings, the details relating to which have been described in Note 17a

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

4b. Right of Use Assets

Following are the changes in the carrying value of Right to Use Assets for the period ended March 31, 2021 and the year ended March 31, 2020

(Rs. in Lakhs)

Description	Balance as at March 31, 2021	Balance as at March 31, 2020
Opening	789.68	-
Additions	-	789.68
Deletions / discarded / adjustments	-	-
	789.68	**789.68**
Less: Accumulated Amortization		
Opening balance	139.35	-
Charge for the year	165.72	139.35
Deletions	-	-
	305.07	139.35
Net Carrying Amount	**484.61**	**650.33**

5. Capital Work in Progress

Following are the changes in the carrying value of Capital work in progress for the period ended March 31, 2021 and the year ended March 31, 2020

(Rs. in Lakhs)

Description	Balance as at March 31, 2021	Balance as at March 31, 2020
Opening	269.33	38.53
Additions	11,741.47	1,892.50
Capitalised during the year	(545.73)	(1,661.70)
Closing	**11,465.07**	**269.33**

6. Intangible assets

Following are the changes in the carrying value of Intangible assets for the year ended March 31, 2021 and the year ended March 31, 2020

(Rs. in Lakhs)

Description	Balance as at March 31, 2021	Balance as at March 31, 2020
SOFTWARE and CONSULTANCY		
Opening	37.55	12.99
Additions	8.52	24.56
Deletions / discarded / adjustments	-	-
	46.07	**37.55**
Less: Accumulated Amortization		
Opening balance	5.98	2.19
Charge for the year	6.81	3.79
Deletions	-	-
	12.79	5.98
Net Carrying Amount	**33.28**	**31.57**

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

7. Non-current financial assets - Investments (measured at cost)

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in Partnership Firm - Dhara Fine Chem Industries	75.14	60.03
Total	**75.14**	**60.03**

8. Non-current other financial assets
Unsecured, considered good

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	734.15	588.47
Total	**734.15**	**588.47**

9. Other non-current assets
Unsecured, considered good

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital advances	234.36	406.96
Total	**234.36**	**406.96**

10. Inventories
(at lower of cost and net realisable value)

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
- Raw materials*	2,740.15	2,650.57
- Work in Progress*	7,867.09	7,824.26
- Finished goods*	562.34	2,291.71
- Stores & Spares	187.76	175.78
- Fuel	8.45	7.56
- Packing	37.48	37.18
Total	**11,403.27**	**12,987.06**

*Hypothecated with Banks

11. Trade Receivables*

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
- Unsecured, considered good -Outstanding for more than Six Months	241.51	174.84
Unsecured considered good		
For Export	1,703.70	1,785.80
For Domestic	5,914.98	5,562.27
Provision for doubtful debts	(5.16)	-
Total	**7,855.03**	**7,522.91**

*Hypothecated with Banks for Working Capital Limit

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

12a. Cash and cash equivalents

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with banks :		
- in current account	35.43	41.70
Cash in hand	15.97	14.32
Total	**51.40**	**56.02**

12b. Bank balances other than those disclosed in Note 12a above

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
- in deposit accounts held as margin money against Bank Guarantee & Letter of credit	69.95	92.19
Total	**69.95**	**92.19**

13a. Loans

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loan to Related Parties - Partnership firm Dhara Fine Chem Industries (Joint Venture)*	-	-
Total	**-**	**-**

*Refer Note 36 - Related Party Disclosures

13b. Other Current financial assets

(Measured at Amortised Cost)

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans and Advances to employees	41.17	25.72
Contract assets	2,397.30	-
Derivative Asset for Forwards Contracts	57.83	-
(Asset measured at Fair Value through Profit or loss)		
Total	**2,496.30**	**25.72**

14. Other current assets

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances to Trade Creditors	141.20	70.96
Balances with Government Authorities	1,697.01	2,055.61
Prepaid expenses	302.37	295.64
Total	**2,140.58**	**2,422.21**

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

15. SHARE CAPITAL

(Rs. in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of Shares	Rs.	No of Shares	Rs.
Authorised				
Equity Shares of Rs. 10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
Optionally Convertible Preference Shares of Rs. 100/- each.	5,00,000	500.00	5,00,000	500.00
Fully Reedemable Cumulative Preference Shares of Rs. 100/- each	20,00,000	2,000.00	20,00,000	2,000.00
		5,000.00		**5,000.00**
Issued, Subscribed and Fully Paid up				
Equity Shares of Rs. 10/- each fully paid-up	2,33,34,606	2,333.46	2,33,34,606	2,333.46
Optionally Convertible Preference Shares of Rs. 100/- each**	-	-	-	-
Fully Reedemable Cummulative Preference Shares of Rs. 100/- each**	-	-	-	-
	2,33,34,606	**2,333.46**	**2,33,34,606**	**2,333.46**

**On transition to Ind AS as per Ind As 109 the same has been considered under Long Term Borrowings.

15.1 The reconciliation of the number of shares outstanding is set out below:-

(Rs. in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of Shares	Rs.	No of Shares	Rs.
At the beginning of the year				
Equity Shares outstanding at the beginning of the year	2,33,34,606	2,333.46	2,00,78,793	2,007.88
Add: Issued during the year	-	-	-	-
Conversion of OCPS to Equity	-	-	-	-
Equity shares alloted	-	-	32,55,813	325.58
At the end of the year	-	-	-	-
Equity Shares outstanding at the end of the year	**2,33,34,606**	**2,333.46**	**2,33,34,606**	**2,333.46**

15.2.a. Rights, Preferences & Restriction of each class of shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share.

The company issued 32,55,813 equity shares of Rs 10/- each at a premium of Rs @ 205/- per share in the successful Initial Public Offers and listed on Bombay Stock Exchange and National Stock Exchange on May 8, 2019

b. The Company has alloted 20,00,000 & 1,55,00,000 Bonus Equity shares in financial year 2012-13 & 2015-16 respectively. The Company has alloted Bonus Equity shares in the proportion of 4 equity shares for every 5 equity shares held (FY 2012-13) & 62 fully paid equity shares for every 18 equity shares held (FY 2015-16). The face value of bonus shares of Rs. 2,00,00,000 & Rs.15,50,00,000 alloted out of reserves and surplus.

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

15.3 Details of Equity shares held by each equity shareholder holding more than 5% shares:

(Rs. in Lakhs)

Class of Shares / Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	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				
Haridas T. Kanani	1,19,00,078	51.00%	1,23,00,080	52.71%
Dr. Harin H Kanani	20,00,000	8.57%	20,00,000	8.57%
SBI Mutual Fund under its various Schemes	12,72,846	5.45%	15,33,148	6.57%
Axis Mutual Fund under its various schemes	11,63,406	4.99%	11,67,749	5.00%
Malabar India Fund Limited	10,25,294	4.39%	-	0.00%
Malabar Value Fund	1,25,000	0.54%	-	0.00%

16. Other Equity

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
General Reserve	349.62	349.62
Retained Earnings (including other comprehensive income)	8,817.31	6,176.19
Securities Premium	6,056.10	6,044.89
Capital Reserve on Business Combination	720.39	720.39
Special Economic zone Re-investment reserve account	25.51	-
Total	**15,968.93**	**13,291.09**
General Reserve		
Opening balance	349.62	124.62
Add: Additional during the year	-	225.00
Closing balance	**349.62**	**349.62**
Statement of P&L		
Opening balance	6,176.19	3,797.32
Add: Profit/(loss) for the year	3,133.16	2,865.65
Other comprehensive income /(loss) (net of taxes)	5.74	(52.59)
Less:		
Dividend on Equity Shares	466.70	350.02
Tax on dividend paid during the year	-	80.15
Others	5.56	4.02
Special Economic zone Re-investment reserve account	25.51	
Closing balance	**8,817.31**	**6,176.19**
Capital Redemption Reserve-FRCPS		
Opening balance	-	225.00
Add: Transferred from Profit/(loss) for the year	-	
Less : Transferred to General Reserves	-	225.00
Closing balance	**-**	**-**
Securities Premium		
Opening balance	6,044.90	144.87
Add: during the year	11.20	5,900.03
Closing balance	**6,056.10**	**6,044.90**
Special Economic zone Re-investment reserve account		

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	-	-
Add: Transferred from Profit/(loss) for the year	25.51	-
Less : Transferred to General Reserves	-	-
Closing balance	**25.51**	**-**

Nature	Purposes of other Reserves
General Reserve	This represents accumulated free reserves of the company
Statement of P&L [Surplus/(Deficit)]	All the profit or losses made by the company are transferred to statement of P & L from 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 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
Special Economic zone Re-investment reserve account	This represents reserve created on profits of exports from SEZ unit and to be utilised for purchase of Capital plant & machinery as per section 10AA of the Income Tax Act.

17. Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured (at amortised cost)		
Term loans from Banks and Financial Institutions*	11,610.12	3,035.63
Total	**11,610.12**	**3,035.63**

*Refer Note 38 for Company's exposure to liquidity risk and interest rate risk

17a.

(Rs. in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non - current	Current	Non - current	Current
Secured loans				
Term Loan	11,610.12	1,411.29	3,035.63	482.67
Working Capital	-	8,578.57	-	10,193.89
Total	**11,610.12**	**9,989.86**	**3,035.63**	**10,676.56**

As at March 31, 2021		As at March 31, 2020		Terms of Repayments	Security
Non - current	Current	Non - current	Current		
11,610.12	1,411.29	3,035.63	482.67	Instalment of 1-3 years Rs. 5,516.67, 3-5 years Rs. 5,029.50 and more than 5 years Rs.1,063.95	Pari passu first charge on all immovable properties and movable assets both present and future located at Mahape, Karakhadi, Dahej

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Working capital loans from banks (secured)		
Rupee loan	8,231.29	9,428.67
Foreign currency loan	347.28	765.22
Total	**8,578.57**	**10,193.89**

Working capital loans of Rs. 8,578.57 (as at March 31, 2020 Rs. 10,193.89) are secured by:

i) **Pari passu** first charge by way of hypothecation of stocks of raw materials, finished goods, work-in-process, consumables (stores and spares) and book debts / receivables of the Company, both present and future.

ii) **Pari passu** second 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.

18. Other Non - Current Financials Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Retention Money (measured at amortised cost)	200.00	200.00
Measured at Fair Value through profit and loss	-	-
Lease Liability*	574.20	718.78
Total	**774.20**	**918.78**

*The Company has adopted modified retrospective approach as per IND AS 116-Lease, effective from annual reporting period beginning April 1, 2019. This has resulted in recognizing right of use assets and corresponding lease liability of Rs. 718.78 lakhs and Rs. 650.33 lakhs as at March 31, 2020, in the Standalone balance sheet respectively. In the statement of Profit and Loss for the current period, operating lease expenses has changed from rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability. Due to this change current year's profit before tax is lower by Rs. 21.13 lakhs in Standalone results. Also refer note 4 (b) for impact due to change in accounting policies by adopting Ind AS-116 as compare to previous year.

19. Long-term provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits (Refer Note 37)		
Gratuity	115.10	216.07
Compensated Absences	187.59	141.52
Total	**302.69**	**357.59**

20. Deferred Tax Liabilities (Net)*

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Tax effect of items constituting deferrred tax (assets) / liabilities		
Provision for employee benefits	(120.67)	(54.12)
Long term borrowing	(26.10)	(26.40)
Property, Plant & Equipment	962.37	642.33
Total	**815.60**	**561.81**

*Inclusive of Other comprehensive Income Tax

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

21. Current financial liabilities - Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured (at amortised cost) *		
- Loans repayable on demand -Banks	7,724.57	7,905.50
- Cash credit facilities	854.00	2,288.39
Total	**8,578.57**	**10,193.89**

*Refer Note 38 for Company's exposure to liquidity risk and interest rate risk

22. Trade payables

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Micro, Small and Medium Enterprises*	70.95	89.38
Trade payables*	6,537.56	3,495.73
Total	**6,608.51**	**3,585.11**

*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, there are no overdues payable to suppliers who are registered under the relevant Act as at March 31, 2020 & March 31, 2021

23. Current - Other financial liabilities
(measured at Amortised Cost)

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term debt - Secured*	1,411.29	482.67
Others payables	258.69	205.92
Salary payable	220.43	95.13
Other Deposits	3.50	1.50
Deferred revenue income	18.86	-
Derivative Liability for Forwards Contracts	-	219.33
Total	**1,912.77**	**1,004.55**

*Refer Note 38 for Company's exposure to liquidity risk and interest rate risk

24. Other current liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues payables (includes TDS, PF, WCT, Others)	81.01	45.21
Provision for taxation (net of advance tax)	99.02	13.10
Total	**180.03**	**58.31**

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

25. Short-term provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits (Refer Note 37)		
Gratuity	97.95	106.75
Compensated Absences	13.76	38.04
Total	**111.71**	**144.79**

26. Revenue from operations

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Sale of products Comprises Manufactured goods of Chemicals		
Sales	38,636.88	33,512.93
Less : GST Recovered	6,440.58	4,147.48
Net Sales (excluding GST)	**32,196.30**	**29,365.45**
Other Operating Revenue	1,445.25	1,246.72
Total	**33,641.55**	**30,612.17**

27. Other income

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Interest from banks on:Fixed Deposits	4.43	2.41
Interest on Loan to Partnership Firm	0.62	1.09
Interest income-others	**8.60**	**6.27**
Others	0.16	0.15
Share of Profit from Partnership firm		
Total	**13.81**	**9.92**

28. Cost of Materials Consumed

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Opening stock	2,650.57	1,339.29
Purchases	18,165.86	24,082.24
	20,816.43	**25,421.53**
Less: Closing stock	2,740.15	2,650.57
Cost of raw material consumed	**18,076.28**	**22,770.96**

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

29. Changes in inventories of finished goods and work in progress

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Opening Stock :		
Finished Goods	2,291.71	933.34
Work-in-Process	7,824.26	4,821.40
Less:		
Closing Stock:		
Finished Goods	562.34	2,291.71
Work-in-Process	7,867.09	7,824.26
Changes In Inventories:		
Finished goods	1,729.37	(1,358.37)
Work-in-Process	(42.83)	(3,002.86)
Changes in inventories of finished goods and work in progress	**1,686.54**	**(4,361.23)**

30. Employee benefits expense

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Salaries, wages and bonus	1,675.80	1,335.90
Contribution to provident and other funds (refer note 37)	242.84	317.80
Staff welfare	88.84	71.04
Total	**2,007.48**	**1,724.74**

31. Finance costs

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Interest expenses on borrowings	1,293.30	1,095.67
Other finance cost and bank charges	83.45	96.84
Total	**1,376.75**	**1,192.51**

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

32. Other expenses

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
PRODUCTION EXPENSES		
Conversion Charges	688.05	391.27
Contract Labour charges	523.24	399.86
Fuel & Power	949.35	897.33
Quality Control Expenses	275.69	188.83
Research and Development Expenses	293.73	204.13
Consumption of Packing Material	385.06	339.56
Other Production Expenses	1,065.03	967.56
MARKETING EXPENSES		
Exhibition Expenses	0.18	175.88
Other Marketing Expenses	62.71	87.12
SELLING & DISTRIBUTION EXPENSES		
Clearing Charges	201.31	55.92
Sea & Air Freight (Export) Expenses	125.61	103.38
Other Selling & Distribution Expenses	115.27	97.81
ADMINISTRATIVE EXPENSES		
Professional Fees	364.93	337.25
Miscellaneous Expenses	13.38	28.06
Other Admin Expenses	312.56	359.16
CSR Expenses	59.33	39.37
Total	**5,435.43**	**4,672.49**
Payment to auditors(excluding applicable taxes) (included in professional fees)		
Audit Fees and Limited Review	22.00	8.00
Tax Audit Fees	5.00	3.00
Other Fees	2.00	1.00
Total	**29.00**	**12.00**

33. Other Comprehensive Income

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Items that will not be reclassified to profit or loss		
(i) Remeasurements of the defined benefit plans (net of tax)	8.10	(74.20)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(2.36)	21.61
Total	**5.74**	**(52.59)**

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

34. Earnings per Share

Particulars	As at March 31, 2021	As at March 31, 2020
Profit attributable to equity shareholders*	3,133.16	2,865.65
Weighted average number of equity shares for calculation of basic and diluted earnings per share (Nos.)	233.35	233.35
Nominal value per share (INR)	10	10
Earnings per share (face value of INR 10)		
Basic	13.45	12.28
Diluted	13.45	12.28

*Profit figures are Rs. in lakhs

35. Contingent Liabilities and Commitments

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(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	67.15	162.00
(ii) Bill discounted / Cheques purchased	1,218.29	42.22
Total	**1,285.44**	**204.22**
(II) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	5,318.91	915.32

36. RELATED PARTY TRANSACTION

(A) Relationships :

In accordance with the requirements of Indian AccountIng Standard (Ind AS-24) on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by management are as follows:

(a) Where Joint control exists :

Dhara Fine Chem Industries (Partnership Firm in which Company is holding 90% Share)

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

(b) Key Management Personnel :

Particulars	Designation	Original Date of Appointment
Haridas Kanani	Chairman and Managing Director	07-03-1989
Dr. Harin Kanani	Managing Director	15-07-2013
Shyamsunder Upadhyay	Executive Director	27-07-2015
Anurag Surana	Non-Executive and Non-Independent Director	15-05-2017
Sanjay Mehta	Independent Director	25-09-2012
Hitesh Reshamwala	Independent Director	15-09-2014
Prof. Ranjan Kumar Malik	Independent Director	06-10-2018
Avi Sabavala	Independent Director	06-10-2018

(c) Relatives of key management personnel and their enterprises, where transaction have taken place.

Particulars	Name of Interested Director
Kagashin Global Network (P) Ltd	Anurag Surana
OCS Services (India) Private Limited	Hitesh Reshamwala

(d) Other Related Parties :

Nil

(B) Transactions with related parties :

(Rs. in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Professional Fees/SEIS Script		
Kagashin Global Network (P) Ltd	96.00	84.00
OCS Services (India) Private Limited	18.19	-
Sitting Fees		
Sanjay Mehta	2.75	1.95
Hitesh Reshamwala	2.85	2.50
Prof. Ranjan Kumar Malik	1.95	1.45
Avi Sabavala	2.55	1.55
Director Salary		
Haridas Kanani	56.90	52.18
Dr. Harin Kanani	52.81	46.99
Shyamsunder Upadhyay	52.81	46.70

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

37. 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 Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
The Company has recognized the following amounts in the Statement of Profit and Loss for the year:		
Employers' Contribution to Provident Fund	116.00	86.04
Employers' Contribution to Employees' Pension Scheme, 1995	33.95	27.98
Total	**149.95**	**114.02**

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 Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Present value of obligation at end of the year	(320.00)	(381.12)
Fair value of Plan Assets	106.96	58.31
Net assets/(liability) recognized in Consolidated statement of assets and liabilities as provision	**(213.04)**	**(322.81)**

(b) Amount recognized in the Consolidated statement of profit and loss is as under:

(Rs. in Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Current Service Cost	41.06	23.63
Net Interest Cost	22.24	16.27
Expense Recognized in the Income Statement	**63.30**	**39.90**

(c) Amount recognized in other comprehensive income as under:

(Rs. in Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Actuarial (Gain)/Loss for the year on defined benefit obligation	(93.11)	74.20
Actuarial (Gain)/Loss for the year on plan assets	1.96	3.31
Net (Income)/Expense Recognized in the Income Statement	**(91.15)**	**77.51**

Notes to Consolidated Financial Statements

for the year ended March 31, 2021

(d) Movement in liability recognized in the Consolidated statement of assets and liabilities as under:

(Rs. in Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Present Value of defined benefit obligation as at the start of the year	381.12	270.83
Current Service Cost	41.06	23.63
Interest Cost	26.26	21.10
Actuarial loss/(gain) recognized during the year	(93.11)	74.20
Benefits paid	(35.33)	(8.64)
Past Service Cost including curtailment Gain/Losses		
Present Value of defined benefit obligation as at the end of the year	**320.00**	**381.12**

(e) Movement in plan assets recognized in the Consolidated statement of assets and liabilities as under:

(Rs. in Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Fair Value of plan assets at beginning of year	58.31	61.93
Interest Income	4.02	4.82
Expected return on plan assets - %	7.01%	6.89%
Employer's Contribution	81.92	(3.50)
Benefits Paid	(35.33)	(8.64)
Actuarial (Gain)/Loss on plan asset	(1.96)	(3.31)
Fair Value of plan assets at end of year	106.96	58.31
Actual Return on Plan assets, Excluding Interest Income	**(1.96)**	**(3.31)**

(f) Breakup of Actuarial (Gain)/Loss on Defined Benefit Obligation:

(Rs. in Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Actuarial (Gain)/Loss on arising from change in demographic assumption	(2.69)	
Actuarial (Gain)/Loss on arising from change in financial assumption	(2.95)	44.95
Actuarial (Gain)/Loss on arising from change in experience adjustments	(87.47)	29.25
Total Actuarial (Gain)/Loss	**(93.11)**	**74.20**

(g) Actuarial Assumption:

(Rs. in Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Expected Return on Plan Assets	7.01%	6.89%
Discount Rate	7.01%	6.89%
Future Salary Increase	6.00%	6.00%
Rate of Employee Turnover	2.00%	2.00%
Expected Average remaining working lives of employees (years)	15	15

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

(h) Sensitivity analysis for gratuity liability:

(Rs. in Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Impact of the change in discount rate		
Present value of obligation at the end of the year	320.00	381.12
- Impact due to increase of 1 %	(22.77)	(26.73)
- Impact due to decrease of 1 %	26.14	30.88
Impact of the change in Salary increase		
Present value of obligation at the end of the year	320.00	381.12
- Impact due to increase of 1 %	23.61	26.08
- Impact due to decrease of 1 %	(20.99)	(23.36)
Impact of the change in Employee Turnover		
Present value of obligation at the end of the year	320.00	381.12
- Impact due to increase of 1 %	2.17	2.81
- Impact due to decrease of 1 %	(2.47)	(3.20)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(i) Maturity Profile of defined benefit obligation: (from the fund)

(Rs. in Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Within next 12 months	37.45	70.01
Between 1-5 years	85.18	88.57
Beyond 5 years	506.57	584.43

(j) Category of Plan Assets:

(Rs. in Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Insurance Fund	106.96	58.31
Percentage of present obligation covered under Insurance Fund	33.42%	15.30%
Total	**106.96**	**58.31**

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

(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 Lakhs)

Description	As at March 31, 2021	As at March 31, 2020
Expense/(Income) to be recognized in Profit & Loss A/c	63.30	39.90
Total	**63.30**	**39.90**

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:

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 March 31, 2021 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.

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

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 Lakhs)

Particulars	Nature of Foreign currency	As at March 31, 2021		As at March 31, 2020	
		Amt in foreign currency	Amt in INR	Amt in foreign currency	Amt in INR
Assets	USD	-	-	-	-
	EURO	-	-	-	-
Liabilities	USD	-	-	-	-

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 Foreign currency exposure at the end of the reporting periods are as follows

(Rs. in Lakhs)

Particulars	Nature of Foreign currency	As at March 31, 2021		As at March 31, 2020	
		Amt in foreign currency	Amt in INR	Amt in foreign currency	Amt in INR
Trade Receivables & Other financial assets	USD	20.88	1,499.76	16.65	1,226.53
Trade Receivables & Other financial assets	EURO	0.76	65.88	1.16	91.83
Borrowings	USD	3.86	289.34	8.87	668.88
Borrowings	EURO	0.73	63.49	1.16	96.34
Trade Payable and other financial liabilities	USD	21.82	1,610.39	10.28	743.10
Trade Payable and other financial liabilities	EURO	-	-	-	-

(Rs. in Lakhs)

Particulars	As at March 31, 2021 Effect on profit before tax /pre - tax equity	As at March 31, 2020 Effect on profit before tax /pre - tax equity
Trade Receivables & Other financial assets		
Change in USD rate (+/- 5%)	74.99	90.93
Change in Euro rate (+/- 5%)	3.29	4.59
Borrowings, Trade Payables and other financial liabilities		
Change in USD rate (+/- 5%)	(94.99)	(103.74)
Change in Euro rate (+/- 5%)	(3.17)	0.07

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.

Notes to Consolidated Financial Statements
for the year ended March 31, 2021

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, 2021	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long term Borrowings	11,610.12		5,516.67	5,029.50	1,063.95
Short term borrowing*	9,989.86	9,989.86			
Trade Payable	6,608.51	6,608.51			
Statutory dues payable	81.01	81.01			
Other Liabilities	258.69	258.69			

*Short term borrowing includes current maturity of long term borrowings of Rs.1,411.29 lakhs

39. Operating Lease

The Company has taken office premises, factory land under operating lease. These are generally cancellable and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free deposits in accordance with the agreed terms. These Lease have terms of between 1years to 5 years.

The following rent expenses recognized:

(Rs. in Lakhs)

Year Ended	March 31, 2021	March 31, 2020
Within one year	157.21	131.33

40. 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 Lakhs)

Particulars		March 31, 2021	March 31, 2020
Revenue from External Customers	India	17,900.48	19,560.38
	Overseas includes Deemed Export	15,741.07	11,051.79
	Total	**33,641.55**	**30,612.17**

41. (i) Rupees in lakhs 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 Registration No. : 104167W

Jayesh J Shah
Partner
Membership No. : 039910

Place: Thane
Date: May 29, 2021

For & 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
Membership No. : A35131

Notice of 32nd Annual General Meeting

Notice is hereby given that the 32nd Annual General Meeting ("the AGM") of the members of **Neogen Chemicals Limited ("the Company")** will be held on **Tuesday, September 28, 2021 at 5.00 p.m.** through Video Conferencing ('VC') / Other Audio Visual Means (OAVM) 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, 2021 together with Reports of the Board of Directors ("the Board") & Auditors' thereon; and

b. Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 together with Report of Auditors' thereon.

2) To declare a final dividend on equity shares of the Company for the financial year ended March 31, 2021.

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.

Special Business:

4) 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) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the members of the Company hereby ratifies the appointment of Kishore Bhatia & Associates, Cost Accountants, (FRN- 00294), as the Cost Auditors of the Company, who were appointed by the Board of Directors of the Company to verify and review the cost records and conduct audit of the cost records of the Company for the financial year ending on March 31, 2022, at a remuneration of Rs. 2.75 lakhs (Rupees Two lakhs seventy five thousand) plus GST as applicable 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."

5. CHANGE IN DESIGNATION AND APPOINTMENT OF MR. SHYAMSUNDER UPADHYAY, AS A WHOLE-TIME DIRECTOR OF THE COMPANY AND TO FIX HIS REMUNERATION:

To consider and if thought fit, to pass, the following resolution with or without modification(s), as a **Special Resolution:**

"RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration committee and the approval of the Board through its resolution dated August 7, 2021 and pursuant to the provisions of Sections 152, 164, 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with relevant rules made thereunder (including any statutory modification or re-enactment thereof) and subject to due compliance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR) and Articles of Association of the Company, and subject to such approvals as may be necessary, approval of the members of the company be and is hereby accorded to the appointment and change in designation of Mr. Shyamsunder Upadhyay (DIN: 07274873) from Executive Director to Whole Time Director of the Company for a period of three years starting from August 7, 2021 till August 6, 2024 on the terms and conditions including remuneration as set out in the explanatory statement annexed to this Notice, and 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 appointment and/ or to recommend/decide from time to time the salary (including annual increments), perquisites, incentives and commission payable to Mr. Shyamsunder Upadhyay 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 of Directors and Mr. Shyamsunder Upadhyay;

RESOLVED FURTHER THAT Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments, and writings, as it may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

By order of the Board
For Neogen Chemicals Limited

Haridas Kanani
Chairman & Managing Director
DIN: 00185487

Place: Vadodara
Date: August 7, 2021

Regd. Office Address:
Office No. D-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
CIN No.:L24200MH1989PLC050919

Notes

1. Pursuant to the General Circular numbers 02/2021 dated January 13, 2021, 20/2020 dated May 5, 2020, 17/2020 dated April 13, 2020, 14/2020 dated April 8, 2020 issued by the Ministry of Corporate Affairs (MCA) and Circular number 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) in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID-19 pandemic" (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold Annual General Meeting (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 this notes.

2. In terms of Section 102 of the Companies Act, 2013 and Secretarial Standard on General Meetings, an explanatory statement setting out the material facts concerning special business under item no. 4 to 5 to be transacted at the AGM is annexed and forms part of these Notice.

3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI 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 reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("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 Friday, September 17, 2021 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 Friday, September 17, 2021. 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/ OAVM. 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

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 Companies Act, 2013 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 28, 2021. 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, September 17, 2021.

9. All communications including Notice of the 32nd Annual General Meeting, Annual Report 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). A copy of the Annual Report along with the Notice convening the 32nd 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.

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 32nd AGM.

11. The final dividend of Rs. 2.25 per equity share of face value of Rs. 10 each for the F.Y. 2020-21, as recommended by the Board of Directors in its meeting held on Saturday, May 29, 2021, 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, September 17, 2021 i.e. Cut-off date (Record Date) or those, whose names appear as beneficial owners as on Friday, September 17, 2021 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.

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 members 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 filed their Income Tax returns for FY 2018-19 and 2019-20 and the aggregate 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 FY 2021-22 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.

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:

Are requested to provide -

- **Insurance Companies:** For Public & Other Insurance Companies, a declaration that it has full beneficial interest with respect to the shares owned by it along with self-attested copy of PAN;
- **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;
- **Other Non-Individual shareholders:** Documentary evidence along with an attested copy of the PAN of Shareholders who are exempted from deduction of tax under Section 194 of the IT Act and categories who are covered under Section 196 of the IT Act.

In case where the shareholders provide a 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:

- 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 2021-22 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;
- 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;
- 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 the 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 copy of PAN card is provided/ available.

iii. 20% for resident shareholders if 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.

Aforesaid rates will be subject to 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 a declaration with the 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, September 17, 2021, 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, September 17, 2021, 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.

All communications/ queries in this respect should be addressed to the RTA by sending an email at rnt.helpdesk@linkintime.co.in

12. Members wishing to claim dividends that remain unclaimed for the FY 2018-19 and 2019-20 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, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Shares on which 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 concern 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 dividends. 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 (in case of shares held in physical mode) 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 dividends etc. will be attended to and processed at the office of the RTA i.e. Link Intime India Private Limited, C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai, Maharashtra, 400083, Phone No. +91 22 49186000 Email- vishal.parad@linkintime.co.in Contact Person – Mr. Vishal Parad, Associate. Please note that as per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities.

14. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to provisions of Section 72 of the Companies Act, 2013. Members holding shares in electronic mode may contact their respective DPs for availing this facility. Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the RTA.

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 quoting their Folio No. along with self-attested documentary proofs, 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.

16. The Company encourages members to intimate/update their e-mail addresses to receive the Annual Report and other communication electronically in support of the "Go Green" initiative of the Ministry of Corporate Affairs. Members may intimate/update their e-mail address by sending a mail to rnt.helpdesk@linkintime.co.in with their name and DPID /Client ID/ folio details. Members holding shares in Demat may please update their e-mails with the respective depository participant.

17. In 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.

18. The Register of Members of the Company shall remain closed from Monday, September 20, 2021 to Tuesday, September 28, 2021 (both days inclusive).

Voting through electronic mode:

1. In compliance with the provisions of Section 108 of the Companies Act, 2013 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Link Intime India Private Limited 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 25, 2021 at 9:00 A.M. and ends on Monday, September 27, 2021 at 5:00 P.M. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut- off date being Friday, September 17, 2021 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, September 17, 2021. 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, September 17, 2021 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 evoting (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/myeasi./Registration/EasiRegistration. 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 Instavote e-voting, members may refer the Frequently Asked Questions ('FAQs') and InstaVote 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 28, 2021 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 the 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 exercized his / her vote during the AGM through e-voting but not attended the AGM through the 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 Mr. 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 **Link Intime India Private Limited (LIIPL)** 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:

Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post June 9, 2021.

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	• If you are already registered for the NSDL IDeAS facility, please visit the e-Services 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-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting 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 and you will be re-directed to e-Voting service provider website 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 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://www.evoting.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 held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	• Existing users of who have opted for Easi / Easiest, they 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 New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK INTIME, CDSL. Click on e-Voting service provider name to cast your vote. • If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/ Easi Registration • 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 where the E Voting is in progress.
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. • Once login, you will be able to see e-Voting option. Once you 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 and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in ▶ Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: - A. **User ID:** Shareholders/ members holding shares in **physical form shall provide** Event No + 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. **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. E. 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). 2. Click on 'Login' under 'SHARE HOLDER' tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit' 4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon. 5. E-voting page will appear.

Type of shareholders	Login Method
	6. Refer to 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). 7. 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

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 authorized 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 & evoting service Provider is LINKINTIME, have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
  - In case shareholders/members is have 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.

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 times 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.: 1800 1020 990 and 1800 22 44 30
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 contact at 022- 23058738 or 22- 23058542-43.

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 send 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.

   Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour / Against'. 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 accounts shall choose the voting process separately for each of the folios/demat accounts.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting 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 ANNUAL GENERAL MEETING 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 to 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.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting 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 Friday, September 17, 2021.

2. Shareholders will get confirmation on a 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 shareholders may ask questions to the panellist, via active chat-board during the meeting.

5. Please remember to say the serial number and start your conversation with the panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when the moderator of the meeting/ management will announce the name and serial number for speaking.

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 5 of the accompanying notice:

ITEM NO.4

RATIFICATION OF REMUNERATION PAYABLE TO COST AUDITOR:

The Board has on recommendation of the Audit Committee, at its meeting held on May 29, 2021, 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, 2022 on a remuneration of Rs. 2.75 lakhs (Rupees Two lakhs seventy five thousand) plus GST and out of pocket expenses, if any.

In terms of the provisions of Section 148 (3) of the Companies Act, 2013 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. 4 of the accompanying notice, for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2022.

The Board recommends the Ordinary Resolution as set out at Item No. 4 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. 5

CHANGE IN DESIGNATION AND APPOINTMENT OF MR. SHYAMSUNDER UPADHYAY, AS A WHOLE-TIME DIRECTOR OF THE COMPANY AND TO FIX HIS REMUNERATION:

Mr. Shyamsunder Upadhyay (DIN: 07274873) was appointed as an Executive Director of the Company w.e.f. July 27, 2015 and was regularized by the shareholders in its AGM held on July 30, 2015 as an Executive Director of the Company liable to retire by rotation.

The Board of Directors on recommendation being received from the nomination and remuneration committee of the Company had at its meeting held on August 7, 2021, subject to the approval of the Members' of the Company, approved the Appointment and change in designation of Mr. Shyamsunder Upadhyay (DIN: 07274873) from an Executive Director to Whole Time Director of the Company for a period of 3 years starting from August 7, 2021. The Company has received a notice under Section 160 from a member signifying his intention to propose the candidature of Mr. Shyamsunder Upadhyay at the 32nd AGM, copy of which is available on the website of the Company www.neogenchem.com

Pursuant to the recommendation of Nomination and Remuneration Committee, Board's approval and pursuant to the provisions of the Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, if any, Members' approval is sought for Appointment and Change in Designation of Mr. Shyamsunder Upadhyay from an Executive Director to Whole Time Director of the Company for a period of 3 years with effect from August 7, 2021, on a remuneration (Total CTC) of Rs. 66 lakhs per annum effective from April 1, 2021 (including ex-gratia and allowances) as mentioned in the Agreement and such other terms and conditions as approved by the Board of Directors.

The abstract of the terms of his Appointment, Designation and Remuneration including minimum remuneration are set out hereunder:

Tenure
Three years with effect from August 7, 2021. He shall be liable to retire by rotation subject to approval of the members at this 32nd AGM.

Functions
Mr. Shyamsunder Upadhyay (DIN 07274873) as a Whole Time Director shall be responsible for compliances with the laws applicable to the specialty chemical manufacturing industry and working of all the plants of the Company. He shall continue to act as an Occupier of the Company under the Factories Act, 1948. He shall also discharge such other responsibilities as may be entrusted to him by the Chairman and Managing Director, Managing Director and/or the Board, from time to time.

Remuneration
Subject to the overall limit on remuneration payable to all the managerial personnel taken together, the remuneration payable to Mr. Shyamsunder Upadhyay as a Whole Time Director shall comprise of:

Basic Salary: Rs. 32.90 lakh per annum as a basic salary which shall be subject to annual increment as may approved by the Nomination and Remuneration Committee and the Board of Directors during his tenure as Whole Time Director and within the limits as may be specified under the Act read with rules made thereunder.

Other Allowance and Ex-Gratia: Upto Rs. 27.18 lakh per annum as other allowances such as house rent allowance, special allowance, conveyance, medical reimbursement, education and ex-gratia. Perquisites and allowances shall be evaluated as per the Income Tax Rules, 1962, wherever applicable and in the absence of any such rules, perquisites shall be evaluated at actual cost.

Bonus: As may be decided by the Board of Directors, on the recommendations of the Nomination and Remuneration Committee, from year to year.

Commission: The Whole Time Director may also be paid remuneration by way of commission (in addition to salary, perquisites and other allowances) calculated with reference to the Net Profits of the Company for a particular financial year as the Board may decide, subject to the overall ceilings laid down under the provisions of Sections 197 of the Companies Act, 2013 and as may be decided by the Board of Directors, on the recommendations of the Nomination and Remuneration Committee.

Sitting Fees: Mr. Shyamsunder Upadhyay shall not be paid any sitting fee for attending meetings of the Board or Committee(s) thereof.

Medical: Expenses incurred on actual basis will be provided as per the policy of the Company

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

Gratuity: Gratuity will be paid as per Payment of Gratuity Act, 1972 as amended from time to time.

Conveyance: The Company shall provide a Car with running and maintenance expenses.

Perquisites: All the other perquisites as per Company's policy which the Whole Time Director is entitled to receive.

Annual increment: It will depend upon the consistent performance and will not be a matter of right. The Nomination and Remuneration Committee and the Board reserves the right to grant or withhold annual increment as it may deem fit.

The Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee of the Board) shall have the authority to alter and vary the terms and conditions of the said appointment and / or to recommend/decide from time to time the salary (including increments), perquisites and commission payable to Mr. Shyamsunder Upadhyay, during his tenure as a Whole Time Director 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 of Directors and Mr. Shyamsunder Upadhyay.

Remuneration for a part of the Year
Remuneration for a part of the year shall be computed on a pro-rata basis.

Minimum Remuneration
In the event of absence or inadequacy of profits in any financial year, the remuneration payable to Mr. Shyamsunder Upadhyay as a Whole Time 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.

Termination

The appointment of Mr. Shyamsunder Upadhyay as a Whole Time Director may be terminated by either party giving to the other three calendar months' notice in writing. In the event of termination of this appointment of Mr. Shyamsunder Upadhyay as a Whole Time Director by the Company, he shall be entitled to receive compensation in accordance with the provisions of the Companies Act, 2013 or any statutory amendment or reenactment thereof.

The information required by the Listing Regulations with the Stock Exchanges is given below:

Mr. Shyamsunder Upadhyay is an Executive Director in the Company and is now proposed to be appointed as a Whole Time Director of the Company. He oversees manufacturing, maintenance, projects, logistics, plant administration and engineering store in the Company. He has a master's degree in science from Vikram University, Ujjain. He has 43 years of work experience in the field of chemicals and has previously been associated with companies, such as, Savita Chemicals, Wimco, Gharda Chemicals, Clariant India, Tytan Organics Limited, Arch Pharmalabs Limited and Laxmi Organic Industries Limited.

Mr. Shyamsunder Upadhyay holds 80 shares constituting 0.00% of the paid up equity capital of the Company. Mr. Shyamsunder Upadhyay is a member of Stakeholders Relationship Committee of the Company.

Directorship in other Public Companies	Committee Membership
N.A.	N.A.

Disclosure as required under Secretarial Standard 2 on General Meetings read with SEBI (LODR) Regulations, 2015 are provided as an Annexure to the Notice.

The Company has received from Mr. Shyamsunder Upadhyay consent in writing to act as Whole-time 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 Companies Act, 2013, 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. Shyamsunder Upadhyay, being the appointee and his relatives are/may be interested/ deemed to be interested in the resolution set out at 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.

An agreement entered into by and between the Company and Mr. Shyamsunder Upadhyay dated August 7, 2021 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 the 32nd AGM.

Approval of the members is sought for change in designation and appointment of Mr. Shyamsunder Upadhyay, as a Whole-Time Director of the company for a period of 3 years with effect from August 7, 2021 and to fix his remuneration in terms of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and on terms and conditions as mentioned above.

Pursuant to requirements of proviso to section 196 for appointment of a person who has attained the age of 70 years a special resolution is to be passed and a justification for appointing such person shall form part of the explanatory statement annexed to the notice. Accordingly, as Mr. Shyamsunder Upadhyay will be attaining an age of 70 years shortly, the board seeks approval of members by way of passing a special resolution for appointment and change in designation of Mr. Shyamsunder Upadhyay as a Whole Time Director of the Company for a period of 3 years with effect from August 7, 2021, keeping in view his rich and varied 43 years of work experience in the field of chemicals and his long association with the Company for over 7 years. It would be in the interest of the Company to induct him on the Board of Directors of the Company and to avail of his considerable expertise. During his tenure as Executive Director he played a key role in the Company's rise to its prominent position and its presence in the chemical business of the Company, boosting employee morale and focusing on delivering superior value to growth of the Company.

In view of the above, the Board of Directors recommends the Special Resolution set out at Item No. 5 of the Notice for approval of the members.

By order of the Board
For Neogen Chemicals Limited

Haridas Kanani
Chairman & Managing Director
DIN: 00185487

Place: Vadodara
Date: August 7, 2021

Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard–2 (SS-2) issued by the ICSI, details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting are as follows:

Name of Director	**Mr. Anurag Surana**	**Mr. Shyamsunder Upadhyay**
Designation	Non-Executive & Non Independent Director	Whole Time Director
Expertise in specific Professional areas	Mr. Anurag Surana is a Non-Executive Director of the Company. He has over 25 years' experience in the Specialty Chemical industry and is a known and reputed name in the 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, IFFCO MC Crop Science P Ltd, Nichino India Private Ltd. & Nichino Chemicals India Private Ltd.	Mr. Shyamsunder Upadhyay oversees manufacturing, maintenance, projects, logistics, plant administration and engineering store in the Company. He has a master's degree in science from Vikram University, Ujjain. He has 43 years of work experience in the field of chemicals and has previously been associated with companies, such as, Savita Chemicals, Wimco, Gharda Chemicals, Clariant India, Tytan Organics Limited, Arch Pharmalabs Limited and Laxmi Organic Industries Limited.
DIN	00006665	07274873
Date of Birth	January 22, 1965	September 30, 1953
Age	57 Years	68 years
Nationality	Indian	Indian
Original Date of Appointment	May 15, 2017	July 27, 2015
Qualification	Bachelor's degree in commerce with Honours from the University of Delhi	Master's degree in Science from Vikram University, Ujjain
Experience	Approx. 25 years	Approx. 43 year
No. of Shares held in the Company	2,25,000	80
List of Directorship held in other companies	1) Privi Specialty Chemicals Limited 2) Nichino India Private Limited 3) Nichino Chemical India Private Limited 4) IFFCO-MC Crop Science Private Limited 5) Kagashin Global Network Private Limited	N.A.
Terms and conditions of Appointment/ Reappointment	Appointment as a Non Executive and Non Independent Director liable to retire by rotation	Appointment as a Whole Time of Director of the company for a period of 3 years w.e.f. August 7, 2021, liable to retire by rotation.
Remuneration proposed to be paid	N.A.	As per Agreement
List of Chairmanship and Membership of Various committees in listed companies (Including Neogen Chemicals Limited)	**1) Neogen Chemicals Limited:** He is a member in following committee(s):- a) Nomination and Remuneration Committee b) Corporate Social Responsibility Committee c) Risk Management Committee **2) Privi Specialty Chemicals Limited:** He is a member in following committee(s):- a) Corporate Social Responsibility Committee b) Risk Management Committee Mr. Anurag Surana is not acting as a Chairman in any of the committees of a listed company.	**1) Neogen Chemicals Limited:** He is a member of following committee:- a) Stakeholders Relationship committee. Mr. Shyamsunder Upadhyay is not acting as a Chairman in any of the committees of a listed company.
Relationship with other directors and key managerial personnel of the Company	Not Applicable	Not Applicable

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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