



NEOGEN
CHEMICALS LTD.

August 29, 2019

<p>BSE Limited Department of Corporate Services, Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001</p> <p>Scrip Code No: 542665</p>	<p>The National Stock Exchange of India Limited Listing Department, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051</p> <p>Company Symbol: NEOGEN</p>
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Dear Sir/Madam,

Sub: Submission of Annual Report under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

Pursuant to Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are submitting herewith the Annual Report of the Company along with the Notice of Annual General Meeting for the Financial Year 2018-19, which is being dispatched/sent to the members by permitted mode(s).

The 30th Annual General Meeting ("AGM") of the Company will be held on Friday, September 20, 2019 at 4:00 P.M at Hotel Tip Top Plaza, Near Check Naka, L.B.S Marg, Thane West- 400604.

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members with the remote e-voting facility to cast their votes electronically on the resolutions mentioned in the AGM notice, using the electronic voting platform provided by Link Intime India Private Limited. The voting rights of Members shall be in proportion to the shares held by them, as on cut-off date i.e Thursday, September 12, 2019.

The same may please be taken on record.

Thanking you.

Yours faithfully
for **Neogen Chemicals Limited**



Lalit Karne
Company Secretary & Compliance Officer
Membership No: ACS 47403



Registered Office : 1002, Dev Corpora, Cadbury Junction,
Eastern Express Highway, Thane (W) 400 601, India.
CIN No. U24200MH1989PLC050919

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NEOGEN
CHEMICALS LTD.



Growing Together

Annual Report | 2018-19

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

Growing Together

Neogen believes in working like a family comprising all stakeholders for growth of all. This has been a deep-rooted philosophy at Neogen for the last 3 decades.

We now expand our Neogen family to include our shareholders.

This led us to build a robust and stable business model that is underpinned by dependable and enduring relationships. It enables us to survive market vagaries and deliver strong performance, thereby, make deeper impact on customers and ensure the prosperity of the business partners and the community.

The result of this is reflected in our sustained performance to the satisfaction of all stakeholders.



Driven by Innovation and Decades of Excellence

We are one of India's leading manufacturers of bromine and lithium-based specialty chemicals. Being a research-driven organisation, it has been our endeavour to innovate since our inception in 1991 to surpass the expectations of our customers by developing products that meet their growing needs and grow together with all stakeholders. Leveraging our expertise and the strong technical background of our promoters, we have built a robust portfolio of organic and inorganic products as well as extended our expertise in the areas of custom synthesis and manufacturing. Our strong focus on quality and innovation has won us the trust of leading customers globally who continue to do business with us.



Our Business Areas

Organic Chemicals Manufacturing



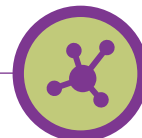
Producing bromine-based and other value-added advanced intermediaries formed by combining bromination with other chemistries

Inorganic Chemicals Manufacturing



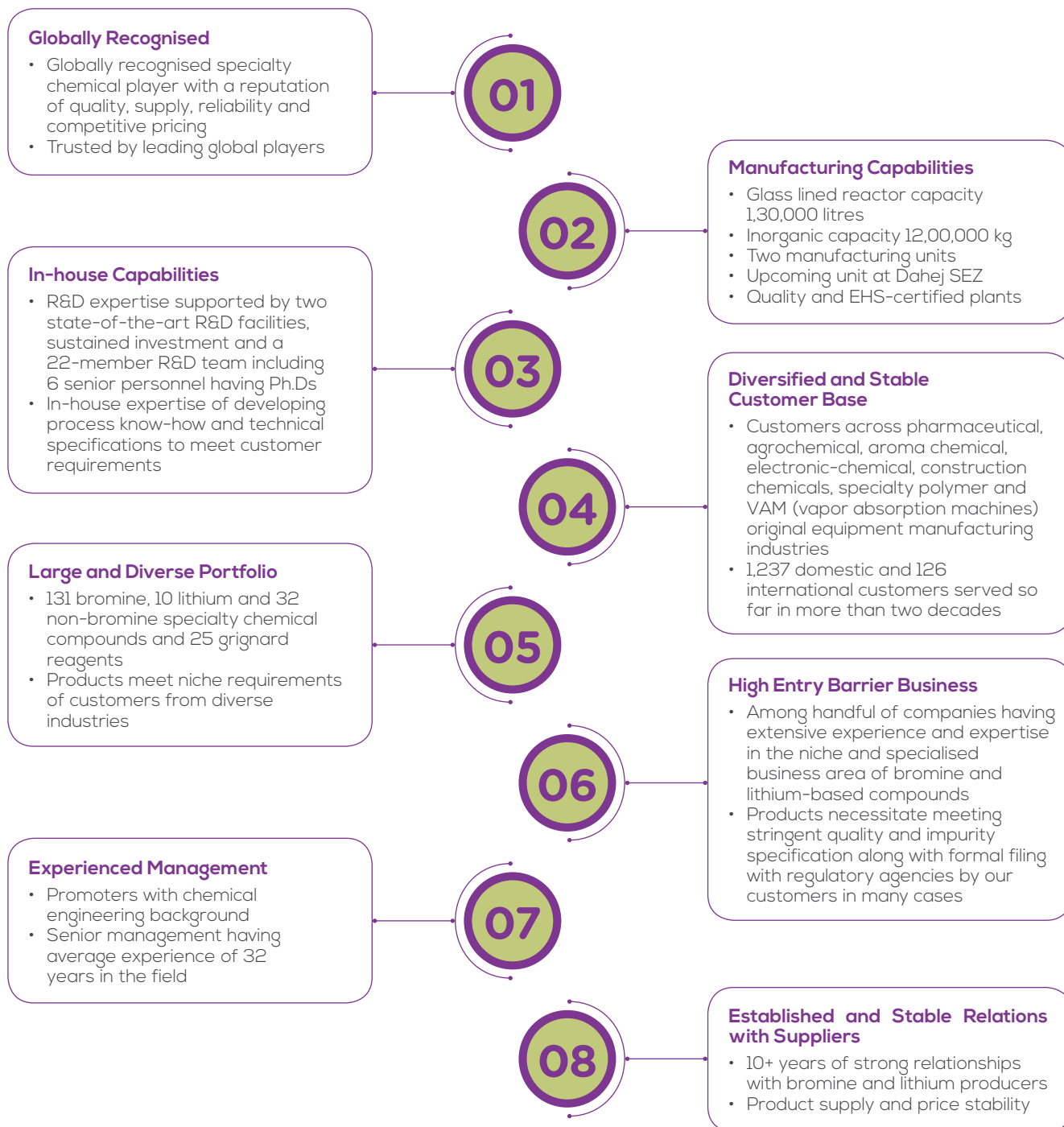
Producing inorganic lithium-based chemical products

Custom Synthesis & Manufacturing



Process & products developed for specific customers

Doing the right chemistry for growth...



Letter from the Chairman and Managing Director

We have invested in environment-friendly technologies and undertake various social programmes. Last but not the least, for our shareholders who have now become a part of Neogen family, we are focussed on delivering sustainable performance to maximise value creation and take them along in our exciting growth journey ahead.



Mr. Haridas Kanani

Chairman and Managing
Director

Dear Shareholders,

I am pleased to present before you the first annual report of the Company post our public listing. The kind of trust the investors have shown in our business, evident from the overwhelming response to our IPO, is truly gratifying. This reinforces our confidence and gives us motivation to move further with more rigour. FY 2018-19 has been another remarkable year for us as we continued to scale our business to greater heights.

Neogen is a specialty chemical player. We have been operating in the niche areas of bromine and lithium-based chemical compounds since 1991. For the last 28 years, we maintained unwavering focus on this segment, establishing core competencies in it, building on research capabilities and expanding portfolio with newer compounds to stay ahead of competition. With this, I am happy to state that today the Company is amongst the few globally to possess competencies that we have in these areas.

We have recently started to leverage our expertise and innovation capabilities to forward integrate and enter the areas of custom synthesis and contract manufacturing to provide more value-added products and services to our customers.

We have also expanded our portfolio to 198 diverse products which are marketed to customers across multiple sectors in 27 countries. We have, thus, successfully created a business model to avoid sectorial and geographical risks. Our business has been built on solid foundation and has stood the test of time by continuously showing growth in the 28 years of existence.

Regarding our business approach, we have always believed in the idea of working and growing together. Our business foundation is based on an enduring multidecade relationships with all our stakeholders which we have nurtured on the fundamental guiding principles of honesty, integrity and good governance.

For our customers, we continue to stress on innovation and forward integration to be able to deliver on their evolving needs. For our business partners, we have ensured sustained and growing business. For our employees, we have ensured a healthy work environment and career growth. For the communities, we have invested in environment-friendly technologies and undertake various social programmes. Last but not the least, for our shareholders who have now become a part of Neogen family, we are focussed on delivering sustainable performance to maximise value creation and take them along in our exciting growth journey ahead.

On behalf of the Board, I welcome all our shareholders and thank them for their belief in us. I also thank all other stakeholders for their unstinted support.

Warm Regards

Letter from the Joint Managing Director



Dr. Harin Kanani

Joint Managing
Director

Dear Shareholders,

I am happy to share with you our performance for FY 2018-19 and the progress we have made.

We delivered a remarkable performance in FY 2018-19, registering one of the strongest growths in recent years. Our revenues grew by 46% to Rs. 239 Crore and EBITDA by 50% to Rs. 43 Crore. The growth was primarily due to better capacity utilisation, improved productivity at Vadodara plant and favourable product mix. We witnessed good traction in our organic chemicals business; its revenues grew by 82% to Rs. 193 Crore. Revenues from inorganic chemicals business, however, declined by 17% to Rs. 48 Crore due to lower lithium prices and softer customer demand. Our products continue to find greater acceptance in new geographies. With this, the exports business grew by 91% to Rs. 118 Crore and accounted for 49% of overall revenues. This is in line with our geographical and customer diversification strategy.

One of the most important developments for us has been our successful listing on the stock exchanges. Recording a staggering oversubscription by over 41 times, I am truly humbled with the kind of response the investors have had on our IPO. It only reiterates that they have endorsed the strength of our business model and prospects. We appreciate this trust placed on us and are motivated to continue delivering on the expectations of all stakeholders with focus on long-term sustainability.

Strong operational performance supported by lower finance cost and lower tax rate ensured a large part of operating profit trickling down to bottomline. As a result, profit after tax growth was higher at 97% to Rs. 21 Crore with net margin expanding by 240 basis points to 8.8%.

While I am happy with this year's performance, a couple of factors makes our future more exciting. The first is the successful commercial breakthrough made in the custom synthesis and contract manufacturing business. While we began work in this space few years back, we made some breakthrough in the year

under review by scaling up and manufacturing of few products for our customers in Europe. We also have some very promising enquiries from our customers in Japan. We are confident of this business line and expect it to grow significantly in the coming years. Our quality, past track record and cost competitiveness makes us partner of choice. This business will allow us to extend our existing bromine-based compounds and enter into the space of multi-step chemistry advanced intermediates and contract manufacturing, thereby opening up additional growth opportunities.

Secondly, we have continued expanding our organisational structure ensuring a professionally-managed Company ready to meet the challenges and capture the opportunities available. We have enhanced our management bandwidth by identifying senior level positions and inducting experienced individuals in our fast growing Neogen family.

Thirdly, we have embarked on two major capex programmes to enhance our Organic and Inorganic Production capacities. One is a 12,00,000 kg inorganic specialty chemical greenfield project in Dahej SEZ, for which the construction activities have already commenced. It will help cater the anticipated demand increase in lithium compounds. The other is a 1,26,000 litres of Organic reactor capacity also at Dahej SEZ location which will help us in capturing demand from international markets, which in turn will help us double organic chemicals capacity to support the growth of our custom synthesis and manufacturing business. Post completion, both these facilities will still have land available which can be used for further expansions.

Our business is built on a strong foundation and has a robust infrastructure, skilled manpower and years of expertise in the niche field. With the recent breakthrough made in the fast-growing field of custom synthesis and manufacturing portfolio, focus on improving product mix and planned capacity expansion programmes, the future is promising. Innovation will continue to remain an important agenda in this forward integration journey. Last year, we have modernised our R&D facilities and strengthened our research team to support the future growth. Besides, doing multi-step synthesis will also increase the scope of doing innovation and add value to all stakeholders.

I thank all our stakeholders for their support and faith in us - the employees for their hard work and the passion they bring to work, the vendors and customers for doing business with us, the investors and bankers for their funding and the regulator SEBI and our legal and financial advisors for their support in IPO. We remain committed to put in our best efforts to achieve growth for the Company in the coming years.

Warm Regards

Growing with the Communities

At Neogen, we consider that community development is equally important as business development. We have dedicated ourselves to the betterment of the communities and the environment.

Facilitating afforestation

We supported United Way Mumbai in their Mission Mangroves project for planting 4,185 mangroves at wetland near Koparkhairane, land preparation work of which is in progress. Additionally, under the project two awareness programmes covering 137 school students residing near wetland were conducted.



Assisting Adivasi child education

We supported the salaries of teachers at Vasantshala Mother Tongue and Multilingual Training Centre at Tejgad in Chhota Udepur. The centre adopts the unique approach of imparting education to school drop-out Adivasi children in their mother tongue before transitioning to other languages. This helps the child adjust and enable them to continue education in Government schools after 1-3 years of learning here depending upon their learning gap and abilities.



In another such initiative, we supported NGO Shrimad Rajchandra Aatma Tatva Research Centre's educational programme – Shree Raj Educational Centre towards procuring notebooks and exercise books. This will assist in providing quality education to the rural and tribal children in the villages of Sudagadh Taluka of Raigad district.

Promoting Regional language

We supported Gujarati Sahitya Parishad in promoting Gujarati language. Financial assistance was provided towards – translating an anthropology of landmark works in modern world poetry into Gujarati; holding a two-day conference on world poetry, a multi-lingual event involving contemporary Indian poets and critics; and organising Yuva Manch, a conclave of young writers of Gujarati and other languages.



Supporting farmers with water irrigation facilities

We provided financial assistance to Bhasha Research and Publication Centre and Tapi Rachnatmak Trust to set-up borewells in Tapi district. This assisted small and medium Adivasi farmers with irrigation facilities. A total of 16 borewells were installed in FY 2018-19.



Eradicating malnutrition with kitchen gardens

We initiated the Project Poshan to create enabling environment for improving child nutrition through nutritional supplementation, growth monitoring, and capacity building for community health workers and parents. Under the initiative, we assisted United Way Mumbai to set up kitchen gardens at Anganwadi centres to solve the child hunger and malnutrition problems by supplementing their diet with nutritious vegetables and fruits along with educating pregnant and lactating mothers.



Promoting healthcare

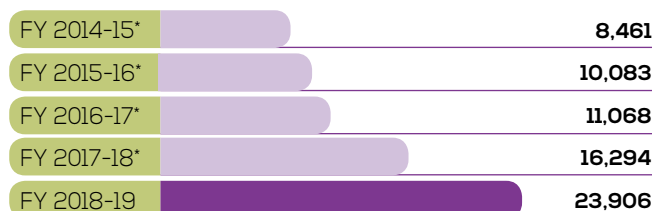
We support Inga Health Foundation – Maaya Centre for Skull & Facial Deformities, Bengaluru – based within the 240-bedder Yashomati Hospitals. It provides surgeries to children and youth affected by Congenital Skull & Facial anomalies. In FY 2018-19, it conducted 111 surgical treatments, 6 of which were sponsored by us.



Growing Together Translates into Increasing Returns

Revenue From Operations

(Rs. Lakhs)



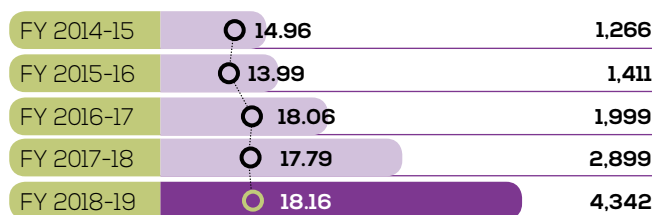


*Net of excise duty & other adjustments (as mentioned on page 354 of prospectus)

Net Worth

(Rs. Lakhs)



EBITDA & EBITDA Margin

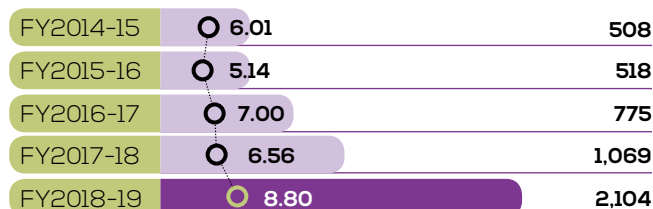



 EBITDA (Rs. Lakhs)
  EBITDA Margin (%)

Net Debt

(Rs. Lakhs)



PAT & PAT Margin


 PAT (Rs. Lakhs)
  PAT Margin (%)

Corporate Information

BOARD OF DIRECTORS

Mr. Haridas Kanani

Chairman and Managing Director

Dr. Harin Kanani

Joint Managing Director

Mr. Sanjay Mehta

Independent Director

Mr. Hitesh Reshamwala

Independent Director

Mr. Shyamsunder Upadhyay

Executive Director

Mr. Anurag Surana

Non-Executive and Non-Independent Director

Dr. Ranjan Kumar Malik

Independent Director

Ms. Avi Sabavala

Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Mahesh Tanna

Chief Financial Officer (CFO)

Mr. Lalit Karne

Company Secretary & Compliance Officer

STATUTORY AUDITORS

M/s. JMT & Associates

Chartered Accountants,

SECRETARIAL AUDITORS

M/s. DVD & ASSOCIATES

Company Secretaries

FINANCIAL INSTITUTIONS & BANKERS

State Bank of India

Citibank N.A.

Yes Bank Limited

REGISTERED OFFICE

Neogen Chemicals Limited

Office No., 1002, 10th Floor, Dev Corpora Bldg,

Opp. Cadbury Co., Pokhran Road No. 2,

Khopat, Thane - 400 601.

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited

C-101, 1st Floor, 247 Park, L.B.S. Marg,

Vikhroli (West), Mumbai - 400 083,

Maharashtra.

Directors' Report

To,
The Members,

Your Directors have pleasure in presenting their 30th (Thirtieth) Annual Report on the business and operations of the Company and the Audited Financial Statements for the Year ended 31st March, 2019.

1. Financial summary or highlights/Performance of the Company (Standalone & Consolidated)

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	2018 - 19	2017 - 18	2018 - 19	2017 - 18
Revenue including other income*	23,975.78	16,481.66	23,966.82	16,471.36
Total Expenses	21,041.38	14,728.84	21,041.38	14,728.84
Profit Before Tax	2,934.40	1,752.82	2,925.43	1,742.52
Provision for Taxation	750.00	647.70	750.00	608.00
Deferred Tax Liability	80.74	36.06	80.74	36.06
Profit After Tax	2,103.67	1,069.05	2,094.69	1,098.45
Other Comprehensive Income	10.20	3.51	10.20	3.51
Total Comprehensive Income	2,113.86	1,072.56	2104.89	1,101.96

* Revenue from Operations for the year 2017 - 2018 was inclusive of excise duty Rs. 285.91 Lakhs and share of profit on investment, before introduction of Goods and Service Tax (GST) effective from 1st July, 2017 accordingly the revenue from operations is strictly not comparable.

2. Brief description of the Company's working during the year/State of Company's affair

The Company reported a standalone total revenue of Rs. 23,975.78 Lakhs and consolidated total revenue of Rs. 23,956.52 Lakhs in Financial Year 2019 as compare to Standalone revenue of Rs. 16,481.66 Lakhs and consolidated revenue of Rs. 16,471.36 Lakhs in the previous year thereby registered growth of 45.47% for standalone and 45.51% for consolidated over the previous year. The standalone and consolidated Profit Before Tax (PBT) were Rs. 2,934.40 and Rs. 2,925.43 as compare to Rs. 1,752.82 and Rs. 1,742.52 respectively over the previous year. The standalone and consolidated Profit After Tax (PAT) stood at Rs.2,103.67 and Rs.2,094.69 as compare to Rs.1,069.05 and Rs.1,098.45 over the previous year.

3. Change in the nature of business:

There are no changes in the business line of the Company.

4. Dividend:

4A. Preference Shares:

The Directors of the Company has declared and paid Preference Dividend to Fully Redeemable

Cumulative Preference shares of Rs.1,04,86,000 and Dividend Distribution Tax of Rs. 21,45,221/- during the Financial Year

1. On 30th June, 2018 Rs. 4.85 per share amounting to Rs. 51,99,907/-
2. On 31st December, 2018 Rs. 4.94 per share amounting to Rs.52,86,093/-

The Directors of the Company has declared and paid Preference Dividend to Optionally Convertible Preference shares of Rs. 6,50,000/- on 30th September, 2018 at Rs. 10/- per share.

4B. Equity Shares:

For the financial year 2018-19 based on performance of the company, the board pleased to recommend the final dividend of Rs. 150/- (Rupees One & Fifty Paise) per equity share.

5. Reserves

The Board transferred amount of Rs. 34.67 Lakhs to General Reserves for the financial year under review.

6. Share Capital

Particulars	Opening Balance as on 1 st April 2018	Closing Balance as on 31 st March 2019
Equity shares:		
- Number of shares	2,00,00,000	20,078,793
- Amount (in Rs.)	20,00,00,000	200,787,930
10% Cumulative Optionally Convertible Preference Shares[#]:		
- Number of shares	1,30,000	*NIL
- Amount (in Rs.)	1,30,00,000	*NIL
9.8 % Fully Redeemable Cumulative Preference Shares[#]:		
- Number of shares	10,70,000	1,070,000
- Amount (in Rs.)	10,70,00,000	107,000,000

* The Company has made Allotment of 78,793 Fully Paid Equity Shares of Rs. 10/- each on Conversion of 1,30,000 Optionally Convertible Preference Shares of Rs. 100/- each at Board meeting held on 8th September, 2018.

[#] Considered as borrowings under Ind AS 109 and hence now shown as share capital in Financial Statement.

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 Shares during the year under review.

c. Bonus Shares

The Company has not issued any Bonus Equity 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.

7. Board of Directors and Key Managerial Personnel:

The present directors of the Company are:

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

Re-appointment of Independent Directors:

Pursuant to provisions of Section 149(10) of the Companies Act, 2013, the Independent Directors viz. Mr. Hitesh Reshamwala and Mr. Sanjay Mehta have been reappointed, subject to approval of members, as an Independent Directors for the second term of five (5) years commencing from 1st October, 2019 to 30th September, 2024. The detailed performance evaluation of Independent Directors was carried by the Board before recommending their reappointment to the shareholders.

During the year under review Dr. Ranjan Kumar Malik, was appointed as an Additional Independent Director and Ms. Avi Sabavala was appointed as an Additional Independent Woman Director of the Company w. e. f. 6th October, 2018.

The appointment of Dr. Ranjan Kumar Malik and Ms. Avi Sabavala were regularised and appointed as Independent Directors of the Company at the Extra Ordinary General Meeting held on 16th October, 2018.

All independent directors have separately submitted a declaration that each of them meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013. Further there has been no change in the circumstances which may affect their status as Independent Director during the year.

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 ensuing AGM, Mr. Anurag Surana (DIN: 00006665), Non-Executive and Non-Independent Director, retires by rotation and being eligible, offers himself for reappointment.

A detailed profile of 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 Notice of the AGM.

Key Managerial Personnel

The Company has appointed Mr. Mahesh Tanna as Chief Financial Officer of the Company w. e. f. 27th August 2018.

The Company has appointed Mr. Lalit Karne as Company Secretary with effect from 19th July, 2018.

8. Particulars of Employees

The information required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as "**Annexure 1**" to this report. The Statement containing particulars of employees as required under Section 197 of the Companies Act, 2013 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 Companies Act, 2013, the Report and accounts are being sent to the members and others entitled thereto, excluding the information on employees particulars which is available for inspection by the member at the Registered Office of the Company during business hours on all working days excluding Sunday and National Holidays upto the 30th AGM. If any member interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

9. Meetings:

Board Meetings:

The Board of Directors met 15 times i.e. on 14th April, 2018, 3rd May, 2018, 2nd July, 2018, 19th July, 2018, 28th August, 2018, 1st September, 2018, 8th September, 2018, 21st September, 2018, 6th October, 2018, 16th October, 2018, 31st October, 2018, 5th November, 2018, 26th November, 2018, 9th February, 2019 and 26th March, 2019 during the financial year under review.

Audit Committee Meetings:

The Audit Committee met 5 times during the year i.e. on 3rd May, 2018, 21st September, 2018, 16th October, 2018, 31st October, 2018 and 26th March, 2019.

Nomination and Remuneration Committee Meetings:

The Nomination and Remuneration Committee met 4 times during the year i.e. on 3rd May, 2018, 19th July, 2018, 6th October, 2018 and 16th October, 2018.

CSR Committee Meeting:

The CSR committee met 1 time during the year i.e. on 9th February, 2019.

Annual Evaluation by the Board:

The Nomination and Remuneration Committee have defined the evaluation criteria for the Board, its Committees and Directors. The Board functioning was evaluated on various aspects, including inter alia, 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 performance evaluation of the Independent Directors were carried out by the entire Board, excluding Directors being evaluated. Independent Directors were evaluated based on parameter such as qualification, experience, knowledge and competency. 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.

Familiarisation programme for Independent Directors

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 company operates, current business model of the Company, etc. through various initiatives. The details of aforementioned programme is available on company's website at www.neogenchem.com.

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

The Company does not have a subsidiary, any associate Company Or a holding Company. The Company holds 90% of the capital contribution in a partnership firm M/s. Dhara Fine. Consolidated Financial Statements of the Company have been prepared in accordance with relevant Accounting Standards issued by the Institute of Chartered Accountants of India forming part of this report. In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements, including Consolidated Financial Statements and related information are available on Company's website at www.neogenchem.com. These documents are also available for inspection by the Members at the Registered office of the Company during business hours on all working days except Sunday and National Holidays up to the date of forthcoming AGM of the Company.

11. Auditors:

Statutory Auditors

Members of the Company at the AGM held on 30th September, 2014, approved the appointment of M/s. JMT & Associates, Chartered Accountants (Firm Registration No. 104167W), as a Statutory Auditors for the period of five years till the conclusion of Annual General meeting to be held for the financial year ended 31st March 2019. The Board of Directors, in their meeting held on 25th May, 2019, approved the reappointment of JMT & Associates, as Statutory Auditors for the further period of 5 consecutive years from the conclusion of ensuing AGM till the conclusion of 34th AGM, subject to approval of Members in ensuing Annual General Meeting of the Company.

M/s. JMT & Associates, have expressed their willingness to get appointed and have confirmed that the appointment if made, would be 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, M/s. JMT & Associates, have

confirmed that they hold a valid certificate issued by Peer Review Board of the Institute of Chartered Accountants of India.

Based on the recommendation of the Audit Committee at its meeting held on 25th May, 2019, Board of Directors seek approval of the Members of the Company for reappointment of M/s. JMT & Associates, Chartered Accountants (Firm Registration No. 104167W) as a Statutory Auditors of the Company for the period of 5 consecutive years from the conclusion of this AGM till the conclusion of 34th AGM.

Statutory Auditors report

The Statutory Auditors Report to the shareholders for the year under review does not contain any modification opinion or qualifications and the observations and comments given in the report of the Statutory Auditors read together with Notes to Accounts and Auditors remarks are self-explanatory and hence do not call for any further explanation or comments under Section 134(f)(i) of the Companies Act, 2013.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, as amended, the Company has appointed DVD and Associates, Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure- 2" to this Report.

Cost Audit

M/s. Y.R Doshi & Associates, Cost Accountants, (Firm Registration No. 000286), were appointed as Cost Auditor of the Company for Financial Year 2018-19 as per the provisions of Companies Act, 2013.

Reporting of Frauds:

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Companies Act, 2013 and Rules made thereunder.

12. Management Discussion and Analysis Report

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

13. Risk management policy

In terms of the requirement of the Act, the Company has developed and implemented the Risk Management Policy and the same is reviewed periodically by the Board of Directors. Salient features of the policy are as under:-

- Neogen Chemicals Limited is committed to the identification and comprehensive management of risk.
- Risk is the effect of uncertainty on Neogen Chemicals Limited objectives and is inherent in our business. Risk management allows us to prevent losses or capitalize on opportunities.
- Understanding risk and our appetite for risk will be key considerations in our decision making.
- We aim to achieve a risk management culture through a series of risk management principles and policies.

14. Vigil Mechanism/Whistle- Blower Policy:

The Company has adopted a 'Whistle- Blower Policy' for Directors and Employees to report genuine concerns and to provide adequate safeguards against victimisation of persons who may sue such mechanism.

The functioning process of this mechanism has been elaborately mentioned in the Corporate Governance Report forming a part of this Annual Report. The said policy hosted on Company's website at <https://neogenchem.com/company-policy/>.

Nomination and Remuneration Policy:

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and to develop and recommend the Board a set of Corporate Governance Guidelines.

15. Extract of annual return:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** as a part of this Annual Report as "**Annexure 3**"

16. Declaration by Independent Directors

The Independent Directors of the Company have submitted declaration of independence confirming that they meet the criteria of independence under Section 149(6) of the Companies Act, 2013 and Listing Regulation.

17. 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

The Company 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 which includes a fresh issue of 32,55,813 Equity Shares of Rs. 10/- each for raising funds for the Company to the tune of Rs. 7,000 Lakhs and offer for sale by the selling shareholders of 29,00,000 Equity Shares of face value of Rs. 10/- each of the Company.

The 10,70,000, 9.8% Fully Redeemable Cumulative Preference shares were redeemed in full out of the proceeds of fresh issue of Equity Shares.

18. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

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

19. 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.

20. Deposits

The Company has not accepted any deposit as per the provisions of Section 73/76 of Companies Act, 2013 read with the Companies (Acceptance of Deposit Rules), 2014.

21. 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 Companies Act, 2013 are not applicable.

22. Particulars of contracts or arrangements with related parties:

The Board of Directors has adopted a policy on Related Party Transactions. The said policy is available on Company's website <https://neogenchem.com/company-policy/>.

The object of policy is to ensure proper approval, disclosure and reporting of transactions as applicable between the Company and any of its related parties. The Related Party Transactions are as mentioned in Notes to Accounts. All transactions are in Ordinary Course of business and are at arm's length. No material contracts or arrangements with related parties were entered into during the year under review. Therefore, there is no requirement to report any transaction in form AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rule, 2014.

23. Obligation of the company under the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

24. 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 Companies Act, 2013 read with Rule 8 (3) Companies (Accounts) Rules, 2014 is enclosed herewith as "Annexure 4" to this Board's Report.

25. Corporate Social Responsibility (CSR)

In accordance with the requirements of the provisions of Section 135 of the Companies Act,

2013, the Company has constituted CSR Committee. The Company has also formulated a CSR Policy which is available on Company's website at <https://neogenchem.com/company-policy/>.

During the year under review, in compliance with the provisions of Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility) Rules, 2014 and the various notifications/circulars issued by the Ministry of Corporate Affairs, the Company has contributed an amount of Rs. 27.25 Lakhs to various organisations engaged in activities specified in Schedule VII of the Companies Act, 2013. The Salient features of the CSR policy along with the Report on CSR activities are given in "Annexure- 5" to this Directors' Report.

26. Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- a) in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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 31st March, 2019 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.

27. Transfer of Amounts to Investor Education and Protection Fund

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

28. Corporate Governance Report and 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 received from DVD and Associate, Practising Company Secretary, forms part of this Annual Report and attached herewith "**Annexure -6**"

29. Compliance of Secretarial Standard of ICSI

In terms of Section 118(10) of the Companies Act, 2013, the Company is complying with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and approved by Central Government with respect to Meetings of Board of Directors.

30. Listing Agreement

In Compliance with SEBI Circular No. CIR/CFD/CMD/6/2015 dated 13th October, 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 8th May, 2019. The Company has paid Annual Listing Fees to both the Stock Exchanges.

31. 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 in the Organisation. The said Code is available on Company's website at <https://neogenchem.com/company-policy/>.

32. Committees of the board

In order to strengthen its functioning, the Board of Directors has constituted the following Committees as per the requirements of Companies Act, 2013 and the Listing Regulations:

- Audit Committee (Reconstituted on 16th October, 2018)
- Nomination and Remuneration Committee; (Reconstituted on 16th October, 2018)
- Stakeholders' Relationship Committee; (Constituted on 16th October, 2018)
- Corporate Social Responsibility Committee; (Reconstituted on 16th October, 2018)

Details of the Committees along with their charter, composition and meetings held during the year, are provided in the Corporate Governance Report which forms part of this Annual Report.

33. Acknowledgements

The Directors express their appreciation for the sincere co-operation and assistance of Central and State Government authorities, bankers, customers, suppliers and business associates. Your Directors also wish to place on record their deep sense of appreciation for the committed services by your Company's employees. Your Directors acknowledge with gratitude, the encouragement and support extended by our valued shareholders.

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

Haridas Kanani

Place: Thane

Chairman and Managing Director

Date: 9th August, 2019

DIN: 00185487

Annexure - 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. 3,73,055/

I) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year ending 31st March, 2019:

Sr. No.	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1	Mr. Haridas Kanani	12.29
2	Dr. Harin Kanani	11.06
3	Mr. Sanjay Mehta	0.16
4	Mr. Hitesh Reshamwala	0.32
5	Mr. Shyamsunder Upadhyay	10.60
6	Mr. Anurag Surana	NA
7	Dr. Ranjan Kumar Malik	0.27
8	Ms. Avi Sabavala	0.13

II) The percentage increase in remuneration of each Director, CFO, CS or Manager if any for the financial year ending 31st March, 2019:

Sr. No.	Name of the Director, CFO, CS or Manager	% Increase over last Financial Year
1	Mr. Haridas Kanani	71.76
2	Dr. Harin Kanani	37.98
3	Mr. Sanjay Mehta	NA
4	Mr. Hitesh Reshamwala	NA
5	Mr. Shyamsunder Upadhyay	14.64
6	Mr. Anurag Surana	NA
7	Dr. Ranjan Kumar Malik	NA
8	Ms. Avi Sabavala	NA
9	Mr. Mahesh Tanna	NA
10	Mr. Lalit Karne	NA

III) The percentage increase in the median remuneration of employees in the financial year ending 31st March, 2019:- 19.69%

IV) The Number of permanent employees on the rolls of the Company: 195

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 percentage increase in the salaries of employees excluding Key Managerial Personnel was 15.50% over the previous year. The average increase in the salaries of Key Managerial Personnel was not applicable since both the KMPs appointed in FY 2018-19. The increase in KMP remuneration was based on the recommendations of the Nomination & Remuneration Committee to revise the remuneration as per Industry Benchmark.

VIII) Comparison of each remuneration of KMP against the performance of the Company.

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

IX) Key parameters for any variable component of remuneration availed by the directors - NA

X) There are no employees getting remuneration higher than that of the Managing Director

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

No employee is a relative of any director / manager of the company

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

Place: Thane

Date: 9th August, 2019

Haridas Kanani

Chairman and Managing Director

DIN: 00185487

Annexure - 2

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2019

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

NEOGEN CHEMICALS LIMITED

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Neogen Chemicals Limited** (hereinafter called "the Company")

Secretarial Audit was conducted for the financial year from 1st April 2018 to 31st March 2019, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances of the Company and expressing our opinion thereon.

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 authorised 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 31st March 2019 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and legal compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of the following list of laws and regulations:

(i) The Companies Act, 2013 (the Act) and the rules made there under

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; Not Applicable as the Company was not listed as on 31st March 2019
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; Company was not listed as on 31st March 2019, further The Company was an unlisted public company and around 99.99 % of the shares were in dematerialised form and the Company has complied with the provisions of The Depositories Act, 1996 and the Regulations and Bye-laws there under. **[Not applicable to the Company during the Audit Period]**
- (iv) 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; **[Not applicable to the Company during the Audit Period]**
- (v) The following Regulations 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. **[Not applicable to the Company during the Audit Period]**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;. **[Not applicable to the Company during the Audit Period]**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable to the Company during the Audit Period]**.

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **[Not applicable to the Company during the Audit Period]**

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable to the Company during the Audit Period]**

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable to the Company during the Audit Period]**

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

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **[Not applicable to the Company during the Audit Period]**

(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 and National Stock Exchange 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.

**DVD & ASSOCIATES
COMPANY SECRETARIES**

Devendra Deshpande

Place: Thane

FCS No. 6099

Date: 9th August, 2019

CP No. 6515

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 400601

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever 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 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.

**DVD & ASSOCIATES
COMPANY SECRETARIES**

Place: Thane
Date: 9th August, 2019

Devendra Deshpande
FCS No. 6099
CP No. 6515

Annexure - 3

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31/03/2019

[Pursuant to Section 92 (3) of Companies Act, 2013 and Rule 12 (1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	U24200MH1989PLC050919
2.	Registration Date	07/03/1989
3.	Name of the Company	NEOGEN CHEMICALS LIMITED
4.	Category / Sub-Category of the Company	Company Limited By Shares/ Indian Non-Government Company
5.	Address of the Registered office & contact Details	Office No: 1002, 10 th Floor, Dev Corpora Bldg., Opp. Cadbury Co., Pokhran Road No. 2, Khopat, Thane-400601 Phone: 91- 22 2549 7300 Website: www.neogenchem.com Email: investor@neogenchem.com
6.	Whether listed Company (Yes/No):-	The Company was not listed as on 31 st March, 2019. The Company became listed as on 8 th May, 2019.
7.	Name, Address and Contact details of Registrar and Share Transfer Agent, if any	Link Intime India Private Limited C-101, 1 st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, Phone: 91-22 49186000; Fax: +91 22 49186060 Website: www.linkintime.co.in Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the company
1	Organic Chemicals	20119	80
2	Inorganic Chemicals	20119	20

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

The Company does not have any holding, subsidiary, associate, joint venture Company of its own.

Sr. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
			N.A.		

IV. SHAREHOLDING PATTERN : (Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 st April-2018]				No. of Shares held at the end of the year [As on 31 st -March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
A. Promoters & Promoter Group									
(1) Indian									
a) Individual/ HUF	1,85,66,680	0	1,85,66,680	92.83	1,82,33,453	0	1,82,33,453	90.81	2.02
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1) :	1,85,66,680	0	1,85,66,680	92.83	1,82,33,453	0	1,82,33,453	90.81	2.02
	0	0	0	0	0	0	0	0	0
(2) Foreign									
(a) NRIs - Individuals	10,00,000	0	10,00,000	5.00	10,00,000	0	10,00,000	4.98	0.02
(b) Other – Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	10,00,000	0	10,00,000	5.00	10,00,000	0	10,00,000	4.98	0.02
Total shareholding of Promoter & Promoter Group(A) = (A)(1)+(A)(2)	1,95,66,680	0	1,95,66,680	97.83	1,92,26,391	0	1,92,33,453	95.79	2.04
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify) INDIAN COMPANY	2,00,000	0	2,00,000	1.00	3,07,561	0	3,07,561	1.53	0.53
Sub-total (B)(1):-	2,00,000	0	2,00,000	1.00	3,07,561	0	3,07,561	1.53	0.53
2. Non-Institutions									
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 st April-2018]				No. of Shares held at the end of the year [As on 31 st -March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	13,284	36	13,320	0.07	1,50,535	0	1,50,535	0.75	0.68
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2,20,000	0	2,20,000	11	3,87,244	0	3,87,244	1.93	0.83
c) Others (specify)									
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	2,33,284	36	2,33,320	1.17	5,37,779	0	5,37,779	2.68	1.52
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4,33,284	36	4,33,320	2.17	8,52,402	0	8,45,340	4.21	2.04
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	1,99,99,964	36	2,00,00,000	100	2,00,78,793	0	2,00,78,793	100	0.39

(ii) Shareholding of Promoters & Promoter Group:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Haridas Kanani	1,39,99,680	69.99	0	1,39,99,680	69.72	0	0.27
2	Mrs. Beena Kanani	25,67,000	12.83	0	2,22,67,11	11.08	0	1.75
3	Dr. Harin Kanani	20,00,000	10	0	20,00,000	9.96	0	0.04
4	Ms. Pallika Kanani	10,00,000	5	0	10,00,000	4.98	0	0.02
5	Mrs. Harshida Malia	0	0	0	2,000	0	0	0
6	Mr. Amritlal Kanani & Mrs. Umema kanani	0	0	0	1,000	0	0	0
7	Mr. Rashmikant Gandhi & Mrs. Shashikala Gandhi	0	0	0	1,000	0	0	0
8	Mrs. Charulata Reshamwala	0	0	0	1,062	0	0	0
9	Mr. Arun Gandhi	0	0	0	1,000	0	0	0
10	Mrs. Asha Dalal	0	0	0	1,000	0	0	0

(iii) Change in Promoter and Promoter Group shareholding (please specify, if there is no change):

S. No.	Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		No. of shares	Reason	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mrs. Beena Kanani					
	At the beginning of the year	25,67,000		12.83		12.83
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	6,061 (08/09/2018)	Allotment by way of OCPS conversion		25,73,061	
		(2,00,000) (17/09/2018)	Transfer		23,73,061	
		21,500 (18/09/2018)	Transfer		23,51,561	
		10,250 (24/09/2018)	Transfer		23,41,311	
		61,750 (24/09/2018)	Transfer		22,79,561	
		27,850 (25/09/2018)	Transfer		22,51,711	
		9000 (26/09/2018)	Transfer		22,42,711	
		3,500 (27/09/2018)	Transfer		22,39,211	
		12,500 (28/09/2018)	Transfer		22,26,711	
	At the end of the year	22,26,711			22,26,711	11.08
2.	Mrs. Harshida Malia					
	At the beginning of the year	0		0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	2,000	Transfer	0	2,000	0
	At the end of the year	2,000		0	2,000	0
3.	Mr. Amritlal Kanani					
	At the beginning of the year	0		0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	1,000	Transfer	0	1,000	0
	At the end of the year	1,000		0	1,000	0

S. No.	Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		No. of shares	Reason	% of total shares of the company	No. of shares	% of total shares of the company
4.	Mr. Rashmikanth Gandhi					
	At the beginning of the year	0		0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	1,000	Transfer	0	1,000	0
	At the end of the year	1,000		0	1,000	0
5.	Mrs. Charulata Reshamwala					
	At the beginning of the year	0		0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	1,062	Transfer	0	1,062	0
	At the end of the year	1,062		0	1,062	0
6.	Mr. Arun Gandhi					
	At the beginning of the year	0		0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	1,000	Transfer	0	1,000	0
	At the end of the year	1,000		0	1,000	0
7.	Mrs. Asha Dalal					
	At the beginning of the year	0		0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	1,000	Transfer	0	1,000	0
	At the end of the year	1,000		0	1,000	0

(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRS and ADRS) as on 31.03.2019:

S. No.	Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date wise Increase / Decrease in Shareholding during the year	No. of shares	% of total shares of the company
1	Kagashin Global Network Pvt Ltd	2,00,000	1.00	1,00,000 (17/09/2018) Transfer	3,00,000	1.49
2	Mrs. Kalpana Mehta	20,000	0.1	12,122 (08/09/2018) Allotment	32,122	0.16
				2,000 (24/09/2018) Transfer	34,122	0.17
3	Mr. Pragna Thacker	0	0	6,061 (08/09/2018) Allotment	6,061	0.03
				5,000 (18/09/2018) Transfer	11,061	0.06
				5,000 (26/09/2018) Transfer	16,061	0.08
4	Mr. Mitesh Parikh	0	0	15,000 (25/09/2018) Transfer	15,000	0.07

S. No.	Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date wise Increase / Decrease in Shareholding during the year	No. of shares	% of total shares of the company
5	Mr. Khorshed Ghadiali	6,000	0.03	6061 (08/09/2018) Allotment	12,061	0.06
6	Mr. Gautam Shah	0	0	15000 (18/09/2018) Transfer	10,000	0.05
7	Mr. Jayawant Patil	7,000	0.04	-	7,000	0.03
8	Rajendra Paleja (HUF)	0	0	8000 (24/09/2018) Transfer	8,000	0.04
9	Ms. Mayuri Reshamwala	0	0	7000 (24/09/2018) Transfer	7,000	0.03
10	Mr. Chandrakant Reshamwala	0	0	6061 (08/09/2018) Allotment	6,061	0.03
				500 (24/09/2018) Transfer	6,561	0.03

(v) Shareholding of Directors and Key Managerial Personnel:

S. N.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Haridas Kanani				
	At the beginning of the year	1,39,99,680	69.99	1,39,99,680	69.99
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	1,39,99,680	69.72	1,39,99,680	69.72
2.	Dr. Harin Kanani				
	At the beginning of the year	20,00,000	10.00	20,00,000	10.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	20,00,000	9.96	20,00,000	9.96
3	Mr. Hitesh Reshamwala				
	At the beginning of the year	18	0.00	18	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	18 (Transfer)		18	
	At the end of the year	36	0.00	36	0.00
4	Mr. Shyamsunder Upadhyay				
	At the beginning of the year	80	0.00	80	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	80	0.00	80	0.00

S. N.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Mr. Anurag Surana				
	At the beginning of the year	2,00,000	1.00	2,00,000	1.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	1,00,000 (Transfer)	0.49	1,00,000	0.49
	At the end of the year	3,00,000	1.49	3,00,000	1.49
6	Mr. Sanjay Mehta				
	At the beginning of the year	80	0.00	80	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	2500 (Transfer)	0.01	2,500	0.01
	At the end of the year	2,580	0.01	2,580	0.01
7	Ms. Avi Sabavala				
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):		NIL		
	At the end of the year				
8	Dr. Ranjan Kumar Malik				
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):		NIL		
	At the end of the year				

V. INDEBTEDNESS:

Indebtedness of the Company including Interest outstanding/accrued but not due for payment:

(Amount in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	ICD	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,656.35	1,455.04	110.00	8,221.39
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6,656.35	1,455.04	110.00	8,221.39
Change in Indebtedness during the financial year				
* Addition	4,297.55	-	-	4,297.55
* Reduction	240.00	280.30	-	520.30
Net Change	4,537.55	280.30	-	4,817.86
Indebtedness at the end of the financial year				
i) Principal Amount	10,713.91	1,174.74	110.00	11,998.64
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	10,713.91	1,174.74	110.00	11,998.64

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. N.	Particulars of Remuneration	Name of MD/WTD/Manager (In Rs.)		Total Amount (In Rs.)
		Mr. Haridas Kanani (MD)	Dr. Harin Kanani (Joint MD)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	45,87,100	41,26,576	87,13,676
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission - as % of profit - others, specify	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00
	Total (A)	45,87,100	41,26,576	87,13,676
	Ceiling as per the Act	Remuneration paid to the Managing Directors is within the provisions under Section 197 of the Companies Act, 2013.		

B. Remuneration to other Directors:

					(Amount in Rs.)	
S. N.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Sanjay Mehta	Mr. Hitesh Reshamwala	Dr. Ranjan Kumar Malik	Ms. Avi Sabavala	
1	Independent Directors					
	Fee for attending board committee meetings	60,000	1,20,000	1,00,000	50,000	3,30,000
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (1)	60,000	1,20,000	1,00,000	50,000	3,30,000
2	Other Executive Directors	Mr. Shyamsunder Upadhyay				
	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				39,54,878	39,54,878
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				39,54,878	39,54,878
	Total (2)				39,54,878	42,84,878
3	Other Non-Executive Directors					
	Fee for attending board committee meetings		0	0	0	0
	Commission		0	0	0	0
	Others, please specify		0	0	0	0
	Total (3)		0	0	0	0
	Total (B)=(1+2+3)		0	0	0	42,84,878
	Total Managerial Remuneration (A+B)	0	0	0	0	1,29,98,554
	Overall Ceiling as per the Act	Overall remuneration paid to the Directors is within the ceiling limit provided under the provisions of Companies Act, 2013.				

* Overall ceiling as per Companies Act, 2013 is not applicable to sitting fees paid to Non-Executive Directors.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Amount in Rs.)

S. N.	Particulars of Remuneration	Mr. Mahesh Tanna CFO w.e.f. 27 August, 2018	Mr. Lalit Karne CS w.e.f. 19 July, 2018	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17,39,919	3,56,417	20,96,336
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total	17,39,919	3,56,417	20,96,336

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None
B. DIRECTORS					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None
C. OTHER OFFICERS IN DEFAULT					
Penalty	None	None	None	None	None
Punishment	None	None	None	None	None
Compounding	None	None	None	None	None

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

Place: Thane
Date: 9th August, 2019

Haridas Kanani
Chairman
DIN: 00185487

Annexure - 4

TO BOARD'S REPORT

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	Regularly maintained by installing energy efficient equipment's.
(ii)	the steps taken by the company for utilizing alternate sources of energy	NA
(iii)	the capital investment on energy conservation equipment's	NA

(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	<ul style="list-style-type: none"> • Addition of new product. • Process improvements for existing products • Increase in Market Share • Increase in production capacity utilisation • Improvement in Quality • Increase in productivity
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	N.A
	(a) the details of technology imported	N.A
	(b) the year of import;	N.A
	(c) whether the technology been fully absorbed	N.A
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A
(iv)	the expenditure incurred on Research and Development	Rs. 54.83 Lacs is capital expenditure Rs. 140.14 Lacs is revenue expenditure.

(c) Foreign exchange earnings and Outgo

The Foreign exchange earning was Rs. 6,898.13 Lakhs and outgo for the Financial year were Rs. 6,622.04, Lakhs for Import & Rs. 159.05 Lakhs for expenditure in foreign currency.

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

Place: Thane
Date: 9th August, 2019

Haridas Kanani
Chairman and Managing Director
DIN: 00185487

Annexure - 5

Annual report on Corporate Social Responsibility (CSR) activities as prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rule, 2014:

Sr. No.	Particulars	Details		
1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	<p>The Company undertakes its CSR activities through various projects/programs relating to activities enumerated in the Schedule VII of the Companies Act, 2013. The Company has spent its CSR funds in diversified areas as follows:</p> <ol style="list-style-type: none"> Promoting plantation of Mangrove trees and awareness through Mangrove awareness programs Water Management in village Promoting education in rural areas Promoting Arts, culture and languages Eradication of hunger, poverty and malnutrition for poor and needy people. <p>The Company has framed a CSR policy in compliance with the provisions of Companies Act, 2013 and Rule made thereunder. The CSR policy provides for carrying out CSR activities in respect of those areas as provided in Schedule VII of the Companies Act, 2013. The policy is placed on the Company's website at https://neogenchem.com/wp-content/uploads/2018/11/1.CSR-Policy.pdf</p>		
2	The Composition of the CSR Committee.	<ol style="list-style-type: none"> Mr. Haridas Kanani, Chairman of CSR Committee and Chairman & Managing Director of the Company. Ms. Avi Sabavala, an Independent Director Mr. Anurag Surana, Non-Executive and Non-Independent Director. 		
3	Average net profit of the company for last three financial years	Rs. 1,340.74 Lakhs		
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 26.81 Lakhs		
5	Details of CSR spent during the financial year.	Total Amount spent during the Financial Year ended 31st March, 2019	Total amount unspent, if any;	Manner in which amount spent during the Financial Year.
		Rs. 27.25 Lakhs	Nil	Table - A
6	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount:	N.A		

Table - A: The manner of CSR spent by Neogen Chemicals Limited is provided in details as below:

Sr. No	CSR Project/Activities Identified	Sector/Area in which the Project is covered	Project or programs a) Local area or others b) Specify the district where the project or programs was undertaken	Amount spent on the projects/ program	Amount spent Direct or through Implementing Agency
District (State)					
1	Mission Mangroves	Environment Protection	Mumbai, Maharashtra	2,72,000	United Way Mumbai
2	Project Poshan	Eradicating hunger, poverty and malnutrition	Maharashtra	4,53,000	United Way Mumbai
3	Tubewell Project	Improve water and land resources management for food, livelihoods and nature	South Gujarat	5,00,000	Bhasha
4	Vasantshala	Promoting education	Gujarat	5,00,000	Bhasha
5	Editing and Publication of Gujarati Literature	protection of art and culture	Ahmedabad Gujarat	4,00,000	Gujarati Sahitya Parishad
6	Support to underprivileged children	promoting health care including preventive health care	Maharashtra	2,50,000	Inga Health Foundation
7	Promoting Education	Promoting Education among children	Maharashtra	1,50,000	Shrimad Rajchandra Aatma Tatva Research Centre
8	Education Project	Promoting Education among children	Mumbai Maharashtra	2,00,000	Rural Community Development Centre

We Haridas Kanani, Avi Sabavala and Anurag Surana, the Members of the CSR Committee of Neogen Chemicals Limited, confirm that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and policy of the Company.

For and on behalf of the CSR Committee

Haridas Kanani

Chairman and Managing Director
DIN: 00185487

Avi Sabavala

Member of the Committee
DIN: 08246256

Anurag Surana

Member of the Committee
DIN: 00006665

Place: Thane

Date: 9th August, 2019

Annexure - 6

Annual Secretarial Compliance Report of NEOGEN CHEMICALS LIMITED for the year ended 31st March, 2019.

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 was not listed on 31st March 2019. It is listed as on the date of this certificate.
- (b) the filings/ submissions made by the listed entity to the stock exchanges: Not Applicable as the company was not listed on 31st March 2019. It is listed as on the date of this certificate.
- (c) website of the listed entity is updated as per the provisions of Listing Regulations,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2019 ("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; Not Applicable as the company was not listed on 31st March 2019. It is listed as on the date of this certificate and
 - II. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI"); **Not Applicable as the company was not listed as on 31st March 2019. It is listed as on the date of this certificate.**

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; **[Not applicable during the review period]**

- (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; **[Not applicable during the review period]**

- (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; **[Not applicable during the review period]**

and based on the above examination, We hereby report that, during the Review Period:

- (i) 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
NA	NA	NA	NA

- (a) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued there under insofar as it appears from our examination of those records. Not Applicable as The Company was not listed on 31st March 2019. It is listed as on the date of this certificate
- (b) 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	Observations/ remarks of the Practicing Company Secretary, if any
1	NA	NA	NA	NA
2.	NA	NA	NA	NA

- (c) 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 (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
NA	NA	NA	NA	NA

**DVD & ASSOCIATES
COMPANY SECRETARIES**

Devendra Deshpande

FCS No. 6099

CP No. 6515

Place: Thane

Date: 25 May, 2019

Report on Corporate Governance

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

The Company's Shares are listed with BSE Limited and National Stock Exchange of India Limited with effect from 8th May, 2019. This Report on Corporate Governance is prepared and presented on voluntary basis and on accounts of the belief and practices of the Management in good Corporate Governance.

1 Corporate Governance Philosophy:

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2019. The Company's philosophy is to achieve business excellence and optimize long term values & ethical business conduct for its stakeholders. The Company believes strongly that good corporate governance is intrinsic to the management of the Company affairs; it ensures fairness, transparency and integrity of the management. We value, practice and implement ethical and transparent business practices aimed at building trust amongst various stakeholders. We believe that the Corporate Governance is a key element in improving efficiency and growth as well as enhancing investor confidence.

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

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

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 is in compliance with the provisions of the Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations with regard to the composition of the Board.

The Board of Directors of the Company comprises an optimum combination of Executive and Non-Executive Directors. The Board comprises of 8 (Eight) Directors as on 31.03.2019, of which 4 (Four) are Non-executive Directors. The Board comprises of 4 (Four) Independent Directors including one Woman Independent Director i.e. 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 Companies Act, 2013. 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 fulfil 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 Companies Act, 2013 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 Director hold directorship in more than 8 listed entities as provided under Regulation 17(a)(a) 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 Companies Act, 2013 or act 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.

Profile of Directors

A brief profile of each Directors is as follows:

a. Mr. Haridas Kanani:

Mr. Haridas Kanani is the Chairman and Managing Director of our Company. He oversees the manufacturing, research and development and general operation and management of our Company's manufacturing units. He holds a bachelor's degree in chemical engineering from the Indian Institute of Technology, Bombay. He has previously worked with Excel Industries Limited. He then founded Chem Ocean Industries which set up one of India's first Bromine plants using indigenous technology at Navalakhi, Gujarat. Due to a flood in the decade of 1970s the Bromine Plant was destroyed, and he set up the firm Chem Ocean Consultant which provided consultancy, technology and engineering technologies to set up Bromine plants for other companies. In 1985 he set up Prachi Chemicals to manufacture organic and inorganic bromides. He then later established our Company in 1989 and has since served on the Board of our Company.

b. Dr. Harin Kanani:

Dr. Harin Kanani is the Joint Managing Director of our Company. He heads various business divisions of our Company including research and development, business development, quality control, purchase, marketing and finance. He holds a bachelor's degree in chemical engineering from the Indian Institute of Technology, Bombay and a master's degree and a doctorate in chemical engineering from the University of Maryland. He has also served as a research fellow at the University of Maryland, where he has published 4 first author manuscripts in the field of chemical engineering. He has also presented various talks and presentations at national and international conferences. He has also participated in the Small and Medium

Enterprises Programme from IIM Ahmedabad. He has previously worked with companies such as Asian Paints India Limited and as a research scientist at Pioneer Hi-Bred International Inc. in the United States. He joined our Company in 2008 as a general manager and has been on the Board of our Company as a Whole Time Director in 2013 and a Joint Managing Director since the year 2017.

c. Mr. Sanjay Mehta

Mr. Sanjay Mehta is an Independent Director in our Company. He is a practicing Chartered Accountant. He is also a fellow member of the Institute of Chartered Accountants of India with 42 years of experience and a Graduate Member of the Institute of Cost and Works Accountants of India. He is a founding partner of the chartered accountancy firm M/s Akkad Mehta & Co. He has expertise in corporate audit and taxation, regulatory compliances, international taxation and corporate law.

d. Mr. Hitesh Reshamwala:

Mr. Hitesh Reshamwala is an Independent Director in our Company. He is a practicing Chartered Accountant with 29 years of practice. He has completed a 3 month course on 'Independent Director's Studies' conducted by the Bombay Chartered Accountants Society and S.P. Jain Institute of Management and Research. He has expertise in tax and statutory compliances.

e. Mr. Shyamsunder Upadhyay:

Mr. Shyamsunder Upadhyay is an Executive Director in our Company. He oversees operations, maintenance, projects, logistics, administration and engineering store in our Company. He has a master's degree in science from Vikram University, Ujjain. He has 41 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.

f. Mr. Anurag Surana:

Mr. Anurag Surana is a Non-Executive and Non-Independent Director in our Company. He has a bachelor's degree in commerce with Honours from the University of Delhi. He founded a

consulting company Kagashin Global Network Private Limited, specialising in consulting with companies in the chemical, agrochemical and fertilizers sector in India and abroad. He was previously an executive director on the board of PI Industries Limited an agrochemical and specialty chemicals manufacturer for 14 years.

g. Dr. Ranjan Kumar Malik:

Dr. Ranjan Kumar Malik is an Independent Director in our Company. He has a bachelor's degree in science (engineering and technology) with a gold medal from the University of Kanpur, he also has a masters' in chemical engineering from the Indian Institute of Technology, Kanpur, and a doctor in philosophy from the University of Wisconsin-Madison, USA. He was a former professor at the department of chemical engineering at the Indian Institute of Technology, Bombay for 30 years. He is currently an Emeritus Fellow at the Indian Institute of Technology, Bombay. He is also a member of the Indian Institute of Chemical Engineers.

h. Ms. Avi Sabavala:

Ms. Avi Sabavala is an Independent Director in our Company. She has a bachelors' degree in science (honours) from the University of Delhi, she also has a masters' degree in arts (social work) from the University of Delhi. She also has a bachelors' degree in law from the Maharaja Sayajirao University, Baroda, and a diploma in management from the Indira Gandhi National Open University. She is a former president of the Baroda Management Association, she is also a visiting faculty for the Gujarat Energy Training & Research Institute from 2008.

Core Skills/Expertise/Competencies of Board:

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 company's business.
- Should possess the highest personal and professional ethics, integrity and values.

- Must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.
- Must have behavioral competencies such as collaborative and ability to work as a team member, seeking and giving feedback to/from individual directors, be challenging but supportive in the board room.
- Willingness and ability to devote adequate time and energy to fulfil board and committee responsibilities, strategic thinking, integrity with high ethical standards, trust, accountability and avoid situations leading to conflict to interest.
- Any person to be appointed as Director shall not possess the disqualifications contained in the Companies Act, 2013, as amended from time to time.

II. Independent Directors

An Independent Director shall comply and meet with all the criteria laid down in Listing Regulations and the Companies Act, 2013 and Rules made thereunder.

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.

Board Procedure:

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business. The Board Meetings (including Committee Meetings) of the Company are scheduled in advance 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 taken by passing resolution(s), by 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 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.

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.

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 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 31st March, 2019 are given below.

Composition of the Board and Directorship held during the Year 2018-2019 and meetings Attended:

Name of Director	Category	Attendance of meeting during the 2018-19		As on 31 st March, 2019 (Including position in the Company)			Name of other Listed entities in which person is a Director
		Board	AGM	No. of Directorship*	Committee ^s		
					Chairman	Member	
Mr. Haridas Kanani	Promoter, Chairman & Manging Director	15	Yes	1	0	0	Nil
Dr. Harin Kanani	Promoter & Joint Manging Director	15	Yes	1	0	2	Nil
Mr. Anurag Surana	Non-Executive & Non-Independent Director	3	No	2	0	0	Nil
Mr. Sanjay Mehta	Non Executive Independent Director	9	Yes	3	1	5	1) Span Divergent Ltd 2) Meera Industries Ltd
Mr. Hitesh Reshamwala	Non Executive Independent Director	12	Yes	1	0	1	Nil
Mr. Shyamsunder Upadhyay	Executive Director	12	Yes	1	0	1	Nil
Dr. Ranjan Kumar Malik®	Non Executive Independent Director	5	No	1	1	1	Nil
Ms. Avi Sabavala®	Non Executive Independent Director	2	No	1	0	0	Nil

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

§ 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.

° Dr. Ranjan Kumar Malik and Ms. Avi Sabavala were appointed as an Independent Directors of the Company w.e.f 6th October, 2018.

a) Board of Directors Meetings:

The Board of Directors met 15 times i.e. on 14th April, 2018, 3rd May, 2018, 2nd July, 2018, 19th July, 2018, 28th August, 2018, 1st September, 2018, 8th September, 2018, 21st September, 2018, 6th October, 2018, 16th October, 2018, 31st October, 2018, 5th November, 2018, 26th November, 2018, 9th February, 2019 and 26th March, 2019 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 Companies Act, 2013 and Secretarial Standard on Meeting of the Board of Directors.

b) Directors' Inter-se Relationship:

Dr. Harin Kanani is a son of Mr. Haridas Kanani. None of the other Directors are related to each other.

c) Familiarization programme for Independent Directors

As per Section 149 read with Schedule IV, part III of the Companies Act, 2013 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 in the Company, nature of the industry in which company operates, business model of the Company, etc. through various initiatives. The details of aforementioned programme is available on company's website at <https://neogenchem.com/company-policy/>.

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

During the year under review Dr. Ranjan Kumar Malik, was appointed as an Additional, Non Executive Independent Director of the Company w. e. f. 6th October, 2018.

During the year under review Ms. Avi Sabavala, was appointed as an Additional, Non Executive Independent Woman Director of the Company w. e. f. 6th October, 2018.

Further Dr. Ranjan Kumar Malik and Ms. Avi Sabavala were appointed as a Non-executive, Independent Director of the Company in the Extra Ordinary General Meeting held on 16th October, 2018.

During the year under review Mr. Mahesh Tanna, was appointed as CFO of the Company w. e. f. 27th August, 2018.

During the year under review Mr. Lalit Karne, was appointed as Company Secretary of the Company w. e. f. 19th July, 2018

Code of Conduct:

The Company has adopted Code of Conduct for Directors and Senior Management of the Company. The same has been posted on Company's website at <https://neogenchem.com/company-policy/>. The Members of the Board and Senior Management of the Company have submitted their affirmation on compliance with the code for effective period.

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 Companies Act, 2013 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/company-policy/>.

3. Committees of the Board:

As required by "the Act" and listing agreement with Stock Exchange and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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,

The terms of reference of these Committees are determined by the Board and their relevance 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:**1. Brief description of terms of reference:**

The terms of reference of this committee cover the matters specified for the audit committee under 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.

2. Audit Committee Meetings:

The Audit Committee met 5 times during the year i.e on 3rd May, 2018, 21st September, 2018, 16th October, 2018, 31st October, 2018 and 26th March, 2019.

3. Composition and Attendance: (Reconstituted on 16th October, 2018)

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

The Company Secretary acts as the Secretary to the committee.

4. Powers of audit committee:

The Audit Committee has an authority to investigate into any matter in relation to the items specified in terms of reference referred to it by the board and for this purpose the Audit Committee has power to obtain professional advice from external sources and have full access to information contained in the records of the Company.

5. 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.
 - IV. 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;

3. Approval of payment to statutory, internal and cost auditors for any other services rendered by them, as applicable;
4. Reviewing, with the management, the annual 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 Companies Act, 2013;
 - 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.

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| <p>VIII. Compliance with accounting standards;</p> <p>IX. Contingent liabilities; and</p> <p>X. Claims against the Company and their effect on the financial statements; the term "financial statement" shall have the meaning prescribed to such term under Section 2(40) of the Companies Act, 2013.</p> <p>5. Reviewing, with the management:</p> <p>I. the quarterly, half-yearly and annual financial statements and such other periodical statements before submission to the Board for approval;</p> <p>II. the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.); and</p> <p>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.</p> <p>6. Reviewing and monitoring the auditor's independence and performance along-with the effectiveness of audit process;</p> <p>7. Examination of the financial statement and the auditor's report thereon;</p> <p>8. 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;</p> <p>9. 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;</p> | <p>10. Scrutinizing:</p> <p>I. the need for omnibus approval and ensuring that such approval is in the interest of the Company; and</p> <p>II. Inter-corporate loans and investments.</p> <p>11. Valuation of undertakings or assets of the company, wherever it is necessary;</p> <p>12. Evaluation of internal financial controls and risk management systems;</p> <p>13. Reviewing with the management-performance of statutory, cost and internal auditors and also the adequacy of the internal control systems;</p> <p>14. 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;</p> <p>15. Discussion with internal auditors of any significant findings and follow up there on;</p> <p>16. 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;</p> <p>17. 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;</p> <p>18. 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;</p> <p>19. Formulating the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the internal auditor.</p> |
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20. 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;
21. Reviewing the functioning of the whistle blower mechanism;
22. Making recommendations to the Board in relation to the establishment of a vigil mechanism;
23. 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;
24. 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
25. Carrying out any other function as is mentioned in 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. Powers of Audit Committee:

1. To investigate any activity within its terms of reference;
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.

VII. 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 SEBI 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 SEBI Listing Regulations.

B. Nomination and Remuneration Committee:

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

I. Nomination and Remuneration Committee Meetings:

The Nomination and Remuneration Committee met 4 times during the year i.e on 3rd May, 2018, 19th July, 2018, 6th October, 2018 and 16th October, 2018.

II. Composition and Attendance: (Reconstituted on 16th October, 2018)

Sr. No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1	Mr. Hitesh Reshamwala	Non-Executive, Independent	Chairman	4	4
2	Mr. Sanjay Mehta	Non-Executive, Independent	Member	4	2
3	Mr. Anurag Surana	Non-Executive, Non- Independent	Member	4	2

The Company Secretary acts as the Secretary to the committee.

III. Terms of reference of the Nomination and Remuneration Committee:

- 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;
- Reviewing the terms and conditions of services including remuneration in respect of technical director and managing director and submitting their recommendations to the Board;
- Formulation of criteria for evaluation of independent directors and the Board;
- Devising a policy on Board diversity;
- 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;
- 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.
- 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;
- 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;
- 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;
- Making recommendations to the Board in relation to the appointment, promotion and removal of the senior management personnel at such level(s);
- Reviewing, amending, modifying and approving all other human resources related policies of our Company from time to time;
- Reviewing and recommending to the Board, manpower plan/ budget and sanction of new senior management positions from time to time in the future;
- Reviewing and recommending to the Board matters relating to revision of compensation/ salary and long term wage settlements;
- 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 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 program 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 Companies Act, 2013;
25. Developing a succession plan for our Board and senior management and regularly reviewing the plan;
26. Consideration and determination of the nomination and remuneration policy based on performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate;
27. Ensuring that it proactively maintains a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company; and
28. Performing such other activities as may be delegated by the Board and / or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

IV. Remuneration policy:

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is consonance with the existing industry practice.

V. Performance evaluation criteria for Independent Directors:

The Nomination and Remuneration 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 SEBI (Listing Obligations and Regulation Requirements), 2015.

VI. Remuneration to Directors and Senior Management Employees

- Details of remuneration / sitting fees paid during the year 2018-19 and number of shares held as on 31st March, 2019 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	Contribution to Provident Fund	Pension	Other Perquisites	Bonus	Sitting Fees	Commission	Total	No. of Shares Held
Mr. Haridas Kanani	45,87,100	1,50,000	0	0	25,000	0	0	47,62,100	1,39,99,680
Dr. Harin Kanani	41,26,576	1,50,000	0	0	25,000	0	0	43,01,576	20,00,000
Mr. Shyamsunder Upadhyay	39,54,878	1,50,000	0	0	30,000	0	0	41,34,878	80
Mr. Anurag Surana	0	0	0	0	0	0	0	0	3,00,000
Mr. Sanjay Mehta	0	0	0	0	0	60,000	0	60,000	2,580
Mr. Hitesh Reshamwala	0	0	0	0	0	1,20,000	0	1,20,000	36
Dr. Ranjan Kumar Malik	0	0	0	0	0	1,00,000	0	1,00,000	Nil
Ms. Avi Sabavala	0	0	0	0	0	50,000	0	50,000	Nil

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 Nomination & Remuneration 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 shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board Meetings. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board of Directors of such sum as may be approved by the Board of Directors within overall limits prescribed under "the Act" and the Companies (Managerial Remuneration) Rules, 2014.

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

IX. Remuneration to Senior Management Employees:

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

- The relationship 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 includes 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 Managing Director will carry out individual performance review based on the standard appraisal matters and after taking into account the appraisal score card and other factors mentioned herein above, recommends the annual increment to the Nomination & Remuneration Committee for its review and approval.

C. Stakeholders' Relationship Committee:

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

i) Brief description of terms of reference:

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

ii) 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

iii) Composition and Attendance: (Constituted on 16th October, 2018)

Sr. No.	Name	Category	Designation
1	Dr. Ranjan Malik [®]	Non-Executive, Independent	Chairman
2	Dr. Harin Kanani	Executive	Member
3	Mr. Shyamsunder Upadhyay	Executive	Member

[®]Dr. Ranjan Kumar Malik was appointed as a member of the committee w.e.f. 16th October, 2018.

The Company Secretary acts as the Secretary to the committee.

iv) Policy relating to investors:

The Company adopted the policy relating to Investor relations and the same has been properly executed.

v) No Complaints were received during the Financial Year 2018-19.

vi) Meeting and Attendance during the year:

During the year 2018-19, no meeting of Stakeholder Relationship Committee was held as this was not mandatory to the company.

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 CSR Policy of the Company is available on the website of the Company under heading "Policies" in the investor relations tab. The details of CSR Policy of the Company has also been disclosed in the Director's Report section of Annual Report.

I. CSR Committee Meeting:

The CSR committee met 1 time during the year i.e on 9th February, 2019.

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 Companies Act, 2013 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 programs 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;

II. Composition and Attendance: (Reconstituted on 16th October, 2018)

Sr. No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1	Mr. Haridas Kanani	Executive	Chairman	1	1
2	Ms. Avi Sabavala [®]	Non-Executive, Independent	Member	1	0
3	Mr. Anurag Surana	Non-Executive, Non-Independent	Member	1	1
4	Dr. Harin Kanani [®]	Executive	Member	Resigned on 16.10.2018	

The Company Secretary acts as the Secretary to the committee.

[®] Ms. Avi Sabavala was appointed as a member of the committee w.e.f. 16th October, 2018 and Dr. Harin Kanani resigned from the committee w.e.f. 16th October, 2018.

5. Assistance to the Board to ensure that our Company spends towards the corporate social responsibility activities in every Fiscal, such percentage of average net profit/ amount as may be prescribed in the Companies Act, 2013 and/ or rules made thereunder;
6. Providing explanation to the Board if the Company fails to spend the prescribed amount within the financial year;
7. Providing updates to our Board at regular intervals of six months on the corporate social responsibility activities;
8. Regulation of its own proceedings subject to the terms of reference;
9. Reviewing and recommending the corporate social responsibility plan for the ensuing Fiscal to our Board;
10. Approval of any project that may come during the year and which is not covered in the corporate social responsibility plan up to such amount as may be prescribed by our Board from time to time; and
11. Performance of such other functions as the Corporate Social Responsibility Committee may deem appropriate after the approval of the Board, or as may be directed by the Board from time to time.

4. GENERAL BODY MEETING:

The Details of Annual and Extra ordinary General Meetings held during last three financial years are as below:

Note:

1. MEANS OF COMMUNICATION:

a. Quarterly Results:

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

The Company had published its quarterly and yearly financial results for the financial year ended 31st March, 2019.

a. Newspapers wherein Results normally Published:

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

b. Website

The results of the Company also displayed on the website of the Company at www.neogenchem.com 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.

c. Official News Release:

The Company shall regularly publish information, update on its financial results and also displays official news releases in the investor relations section of its website 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.

d. Presentations and Analyst Meet:

The Company holds analysts meet for investors regarding Company's working and future outlook.

Date	General Meeting	Time	Location	Major Events
11 th August, 2018	AGM	4:30 PM	Office No. 1002, 10 th Floor, Dev Corpora Building, Opp. Cadbury Co., Pokhran Road No. 2, Khopat, Thane-400601	<ul style="list-style-type: none"> Adoption of New set of Article of Association of Company as per Companies Act, 2013. Change of Terms of Optionally Convertible Preference Shares of the Company.
22 nd July, 2017	AGM	3:00 PM	Hotel Fortune Park, Lake City, Near Jupiter Media Park, Agrata Conference Hall, Eastern Express Highway, Thane-400604	NA
4 th August, 2016	AGM	11:00 AM	Office No. 115, 1 st Floor, Vardhman Industrial Complex, Old Agra Road, Gokul Nagar, Thane-400601	NA

2. GENERAL SHAREHOLDER INFORMATION:

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

AGM-Day, Date & Time	Venue
Friday, 20 th September, 2019 at 4:00 PM	Hotel TIP TOP Plaza, Near Check Naka, L.B.S Marg, Thane West-400604

- b) **Financial Year:** 1st April to 31st March.
- c) **Book Closure:** Friday, 13th September, 2019 to Friday, 20th September, 2019 (Both days inclusive) for the purpose of AGM and dividend.
- d) **Cut-off Date:** Thursday, 12th September, 2019 for the eligibility of members for remote e-voting and Dividend.
- e) **Listing:**

Name of the Exchange	Stock Code
BSE Limited (BSE)	542665
National Stock Exchange Limited	NEOGEN

Annual Listing Fee has been paid to the Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited for the year 2019 - 20.

- f) **Market Price data** - high, low during each month in last Financial Year

The Company got listed on 8th May, 2019, hence, the provision of the above data is not applicable.

- j) **Shareholding Pattern as on 31st March 2019:**

Category of shareholder	No. of Shares	% age of shareholding
A. Promoter & Promoter Group		
1) Indian	1,82,33,453	90.81
Indian Individual / Hindu Undivided Family		
Indian Body Corporate		
Sub Total A1		
2) Foreign		
Individuals (NRI/Foreign Individuals)	10,00,000	4.98
Total Promoter Holding (A)	1,92,33,453	95.79
B. Public Shareholding		
1) Institutions		
2) Financial Institutions / Banks		
3) Non- institutions		
Individual share capital upto ₹ 2 Lakh	2,00,961	1.00
Individual share capital in excess of ₹ 2 Lakh	34,122	0.17
Any Other (Specify)		
Body Corporate	3,07,561	1.53
Directors	3,02,696	1.51
Sub-Total = B3	8,45,340	4.21
B = B1 + B2	8,45,340	4.21
Total Shareholding = A + B	2,00,78,793	100.00

- g) **Performance in comparison with BSE SENSEX:** NA

- h) **Registrar & Share Transfer Agents:**

The Company was not required to appoint Registrar and Share Transfer Agent being an unlisted company during the Financial year ending on 31st March, 2019. Subsequent to listing of shares of the company on BSE and NSE, the company has appointed M/s. Link Intime India Private Limited (Formally known as Intime Spectrum Registry Limited) as its Registrar and Share Transfer Agent to carry out the share transfer work on behalf of the Company.

- i) **Share Transfer System:**

To facilitate the speedy approvals and administrative convenience, the Board has formed a Stakeholders' Relationship Committee, represented by the Board of Directors, to examine the share transfer and related applications. The Committee supervises and ensures efficient transfer of shares and proper and timely attendance of such applications. The committee has been delegated the power of approving transfer, transmission, rematerialisation, dematerialization etc. of shares of the Company.

As of 31st March 2019, the Stakeholders' Relationship Committee consists of 3 (three) members. The share transfer requests are processed through M/s Link Intime India Private Limited.

k) Distribution of Shareholding as on 31.03.2019:

Shareholding of Shares	Number of Shareholders	% to share holders	Total Shares held	% of Shareholding
up to 5,000	73	76.84	90,608	0.45
5,001 - 10,000	12	12.63	84,550	0.42
10,001 - 20,000	3	3.16	43,122	0.21
20,001 - 30,000	1	1.05	34,122	0.17
30,001 - 40,000	-	-	-	-
40,001 - 50,000	-	-	-	-
50,001 - 1,00,000	-	-	-	-
1,00,001 - Above	6	6.32	1,98,26,391	98.75
Total	95	100.00	2,00,78,793	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 ISIN is INE136S01016 for dematerialization of shares. As on 31st March 2019, all the equity shares were held in dematerialized form.

Plant locations:

- Plot No. 43, Trans- Thane Creek Industrial Area, MIDC, Village Mahape, Navi Mumbai-400710, Maharashtra
- Plot No. 526A, Off Padra Jambusar Road, Village Karakhadi, Tal. Padra, Dist. Vadodara-391450, Gujarat

m) Address for Correspondence:**Company:**

Mr. Lalit Ashok Karne
Company Secretary
Secretarial Department
Office No, 1002, 10th Floor,
Dev Corpora Bldg, Opp. Cadbury Co.,
Pokhran Road No. 2, Khopat, Thane - 400601
Tel: +91 22 2549 7300
Email: investor@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,
Vikhroli (West), Mumbai, Maharashtra - 400083
Telephone No: +91 22 49186000
Fax No: +91 22 49186060
Email Id: saili.lad@linkintime.co.in

n) Unclaimed Dividend:

There are no unclaimed and unpaid Dividends with the Company and therefore transfer of unclaimed and unpaid dividend as well as transfer of shares to IEPF is not applicable for the financial year 2018-19

o) Code of Conduct:

The Board of Directors has adopted the code of conduct for Directors and senior management. The said code has been communicated to the Directors and the members of the senior management. They have confirmed compliance with the said code. The code has been uploaded on the Company's website viz. www.neogenchem.com

p) CEO / CFO Certification:

A certificate from the Managing Director & CFO on the Financial Terms of the Company in terms of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 was placed before the Board, who took the same on record.

q) Management Discussion And Analysis:

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

r) Reconciliation of Share Capital: The same was not applicable for the financial year ended on 31st March, 2019.**7. Disclosures:****a) Disclosure on materially significant related party transactions:**

During the financial year 2018-19, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. Related party transactions during

the year have been disclosed as part of financial statements as required under Indian Accounting Standard issued by The Institute of Chartered Accountants of India. The Audit Committee reviews these transactions. The Policy on Related Party Transactions has been uploaded on the website of the Company i.e. www.neogenchem.com.

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, whistleblower policy and affirmation that no personnel has 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.

d) Details of Code of Conduct and High Standard:

To promote ethical conduct and maintain high standards in carrying out business transactions of the company, a Code of Conduct has been laid down for procedures to be followed by Board members and the senior management employees. This code is also posted on the company's web-site.

e) Managing Director and Chief Financial Officer Certifications:

The Managing Director and CFO have issued a certificate pursuant to the provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, 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 and Senior Management Personnel, that:

- The Board of Directors has laid down a Code of Conduct for all Board Members 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**

Haridas Kanani

Chairman & Managing Director

DIN: 00185487

Certificate of Non-Disqualification of Directors

[Pursuant to Schedule V para C Clause 10 of the SEBI (LODR), 2015]

We have examine declarations received from the Directors of Neogen Chemicals Limited and other relevant registers, records, forms, returns, filed by the Company.

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, we hereby certify that none of the 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 31st March, 2019.

For **DVD & Associates**

Company Secretaries

Devendra Deshpande

FCS No. 6099

CP No. 6515

Certification by Chief Executive Officer (CEO) 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 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 in internal control over financial reporting during the year;
 2. Significant changes 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

Mahesh Tanna

Chief Financial Officer (CFO)

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 31st March, 2019, 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

Sanjay Pichholia
Partner
Membership No.: 122651

Place: Thane
Date: 9th August, 2019

Management Discussion and Analysis

Global Economic Overview

2018 was a challenging year for the global economy. As a result, the global economic growth in 2019 is likely to further slip to 3.3%. However, the economy is expected to start rebounding from the latter part of 2019 and pick up growth to 3.6% in 2020.

Source: IMF's World Economic Outlook Report - April 2019

Indian Economic Overview

India continues to remain one of the fastest growing major economies in the world despite moderation in real GDP growth to 6.8% in FY 2018-19 from 7.2% in FY 2017-18.

Source: Economic Survey Report FY 2018-19

The fundamentals of Indian economy has substantially improved supported by on-going structural reforms and progressive policy measures.

Industry Overview

The global specialty chemical market is expected to grow at a CAGR of 5.47% from USD 743.80 billion in 2017 to USD 970.55 billion in 2022. Agrochemicals segment dominated the global specialty chemical industry followed by polymers and plastic additives segments.

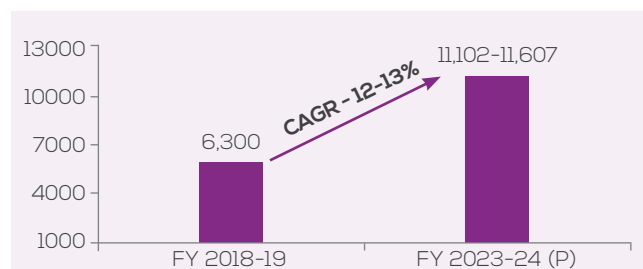
Asia-Pacific especially, China and India, are likely to be the major revenue contributors to the specialty chemicals market throughout the forecast period.

Source: CRISIL Research

Indian Specialty Chemical Industry

The size of Indian Chemical Industry after registering a growth of 7-8% CAGR during FY 2013-14 to FY 2018-19, stood at Rs. 6,300 billion in FY 2018-19. Specialty chemicals accounts for 20-25% of the overall chemicals industry and is expected to grow significantly at a CAGR of 12-13% over the next five years. The industry serves both domestic and global market.

Indian specialty chemicals industry - Market size (Rs. billion)



Source: CRISIL Research Report; P: Projected

Overview of key end-user industries for specialty chemicals in India

Pharmaceutical Intermediates market

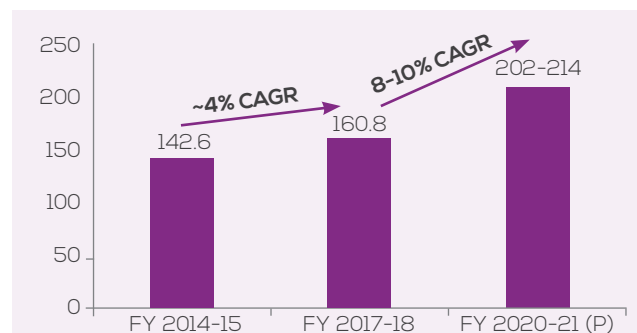
Specialty chemicals are used by pharmaceutical manufacturers as intermediates in making drugs. India has emerged as a key manufacturing hub of Active Pharmaceutical Ingredients (APIs) and generic formulations. The pharmaceutical intermediates market which stood at Rs. 553 billion in FY 2017-18 is expected to reach Rs. 677-716 billion in FY 2020-21, exhibiting a CAGR of 7-9% over the forecasted period.

Source: CRISIL Research

Agrochemicals

Specialty chemicals are used as intermediates in agrochemical industry. With strong growth drivers in place, the agrochemical consumption is expected to grow at a CAGR of 8-10% in the next 5 years

Domestic crop protection market size (Rs. billion)



Source: CRISIL Research; P: Projected

Heating, ventilation and air conditioning (HVAC) / Electronic Chemicals

The domestic HVAC market is expected to grow at a CAGR of 11-12% from Rs. 240-246 billion in FY 2017-18 to reach Rs. 330-345 billion in FY 2020-21. Growth is expected to be driven by higher demand for commercial spaces, development of smart cities, on-going and upcoming airport and metro infrastructure.

Source: CRISIL Research

Polymer, Paints, Coatings and Construction Chemicals

As per IBEF Infrastructure Report, May 2019, India is expected to become the third largest construction market globally by 2022. CRISIL Research expects construction

industry in India to grow at a CAGR of 8-10% led by an increase in housing and infrastructure investments.

Company Overview

Neogen Chemicals Ltd. (hereinafter referred to as NCL / the Company) is one of India's leading manufacturers of bromine and lithium-based specialty chemicals.

Product Portfolio

NCL's product portfolio includes specialty organic bromine-based compounds, other specialty organic chemical compounds and specialty inorganic lithium-based chemical compounds.

Organic Chemicals: Product offerings in this segment include bromine compounds and other organic compounds containing chlorine, fluorine and iodine-based and combinations thereof along with niche products such as Grignard reagents. This segment also offers Advanced Intermediates manufactured by combining bromination with other chemistries to create forward-integrated value-added products. The major end-users in this segment include pharmaceutical, agrochemical, flavour and fragrance and electronic-chemical. This segment contributed 82% to FY 2018-19 total revenues.

Inorganic Chemicals: The products in this segment includes specialty, inorganic lithium-based chemical compounds which are used in eco-friendly Vapor Absorption Machines (VAM) for cooling air/water/process equipment. These products find application in industries such as heating ventilation and air-conditioning (HVAC) and refrigeration, construction chemicals, pharmaceutical and specialty polymer. This segment contributed 17% to FY 2018-19 total revenues.

The Company is further expanding its organic chemical segment by undertaking custom synthesis and contract manufacturing.

Business Development and Strategies

Enhancing the production capacities

NCL is focussed on increasing its production capacities. Presently, the Company is developing a greenfield manufacturing unit at Dahej SEZ, in Gujarat and is also proposing to expand its organic chemical operations in Dahej SEZ. The proposed Dahej SEZ facility is expected to cater to the anticipated increase in demand for inorganic chemicals and will almost double the Company's total inorganic specialty chemical manufacturing capacity to 24,00,000 kg production per annum. Looking at the pipeline and the growing number of enquiries for advanced intermediates and Contract Manufacturing from the

clients in Europe and Japan, the Company further proposes to expand its Organic Chemical manufacturing capacity by setting up a Multi-Product Plant at Dahej.

Increasing the share of contract manufacturing portfolio

The Company has entered into contract manufacturing arrangements with a few international pharmaceutical, agrochemical, aroma and specialty polymer companies. Going forward, NCL aims to increase the size and scale of contract manufacturing business to be able to enter into long term contracts with assured margins and product off-take thereby strengthening the continuous flow of business. The Company has several projects in the R&D which are enquiries from Innovator and Generic companies. The Management has a clear strategy to focus on development of the Custom Synthesis and Contract Manufacturing business.

Expanding growth in domestic and global markets

There is a strong demand potential for bromine and lithium-based products in India and overseas, owing to growing demand in their final application industries. The Company targets to increase its exports share by leveraging its strong manufacturing capabilities, long-standing customer relationships, strong R&D competencies and robust product portfolio.

Focus on higher value addition advanced specialty intermediates

Over the last few years, the Company has done forward integration by focussing on combining bromination with other chemistries to make advance intermediates that are traditionally manufactured by customers. This value addition will reduce a processing stage for customers and free-up their specialised capacity for making final molecules such as APIs, specialty polymers, electronic chemicals etc. This also benefits the NCL with higher margin and increased profitability. The Company intends to enhance its presence in the segment to strengthen business sustainability and cater to the increasing demand for such advanced intermediates, for which it is proposing capacity expansion programme.

Financial Performance

Standalone financial performance for FY 2018-19 vs. FY 2017-18

Standalone revenue including other income for FY 2018-19 increased by 45% and stood at Rs. 23,975.78 Lakhs as compared to Rs. 16,481.66 Lakhs in FY 2017-18. Revenues from organic chemicals segment increased 82% to Rs. 19,300 Lakhs led by better capacity utilisation and efficiency in operations. Revenues from inorganic chemicals segment declined

by 17% to Rs. 4,800 Lakhs due to decline in prices of lithium and softer demand. The revenue growth was majorly on account of higher capacity utilisation, favourable product mix and increased productivity in Vadodara facility. Consequently, EBITDA for FY 2018-19 increased to Rs. 4,341.90 Lakhs as compared to Rs. 2,899.23 Lakhs in FY 2017-18, exhibiting a growth of 50%. Net Profit for FY 2018-19 increased two-fold to Rs. 2,103.67 Lakhs as compared to Rs. 1,069.05 Lakhs in FY 2017-18 as the higher EBITDA was supported by lower finance cost due to higher export and improved rating and reduction in tax rate. The Earnings per Share (EPS) for FY 2018-19 grew to Rs. 10.48 as compared to Rs. 5.35 in FY 2017-18, a growth of 96%.

Consolidated Financial Performance for FY 2018-19 vs. FY 2017-18

Consolidated revenue including other income for FY 2018-19 increased by 45% and stood at Rs. 23,966.82 Lakhs as compared to Rs. 16,471.36 Lakhs in FY 2017-18. The higher capacity utilisation with economies of scale resulted in EBITDA increasing from Rs. 2,899.23 Lakhs in FY 2017-18 to Rs. 4,341.90 Lakhs in FY 2018-19. Net Profit for FY 2018-19 increased by 91% to Rs. 2,094.69 Lakhs as compared to Rs. 1,098.45 Lakhs in FY 2017-18. The Earnings per Share (EPS) for FY 2018-19 grew to Rs. 10.43 as compared to Rs. 5.49 in FY 2017-18.

The Company recorded a Networth of Rs. 7,020.07 Lakhs as on March 31, 2019 as against Rs. 5,041.50 Lakhs as on March 31, 2018. Total Debt increased to Rs. 11,998.64 Lakhs as on March 31, 2019 from Rs. 8,221.39 Lakhs as on March 31, 2018. During the same period, the Net Fixed Assets increased to Rs. 8,271.19 Lakhs as against Rs. 6,699.92 Lakhs, while Cash and Cash Equivalents stood at Rs. 116.64 Lakhs as against Rs. 31.73 Lakhs.

Ratio	2017-18	2018-19
Operating Profit	₹ 2,899.22 Lakhs	₹ 4,341.90 Lakhs
Operating Profit Margin	17.68%	18.16%
PAT	₹ 1,069.05 Lakhs	₹ 2,103.67 Lakhs
PAT Margin	6.52%	8.80%
Current Ratio	1.28	1.37
Inventory Turnover	3.64	3.91
Net Debt to Equity level	1.63	1.70
Interest Coverage ratio	2.61	3.40
Debtors Turnover ratio	4.98	5.01
Return on Networth	21.13%	29.86%

Corporate Social Responsibility (CSR)

NCL undertakes strong and continuous efforts in framing its CSR policies and participation in social welfare measures where it can provide maximum benefits to the society at large. The Company has constituted

a CSR Committee and also formulated a CSR policy to govern such initiatives. The Committee decides / recommends to the Board on details of CSR activities to be undertaken.

Human Resources

Human resources are vital in the successful growth of a Company. NCL strives to maintain a balance between business needs and individual aspirations by adoption of new technology and progressive employee centric policies and practices. The Company remains focussed on attracting the best talent in the industry and nurturing them through robust learning and development mechanisms. The Company has a strong employee retention mechanism where it motivates them through regular engagement and undertakes fair and transparent performance appraisal. NCL ensures a safe, conducive and productive work environment for its talented pool of employees who continue to play key roles in enhancing business efficiency, devising strategies and evolving business as per industry requirements.

Environment, Health and Safety (EHS)

NCL has implemented an effective audit and verification approach across all operations to track all the products and processes and ensure they comply with its EHS policies, procedures and practices. The Company strictly adheres to the laws, regulations and contractual commitments concerning air emissions, wastewater discharges, solid and hazardous waste material handling, worker health and safety, and the investigation and remediation of contamination or other environmental restoration.

Quality

NCL's products and manufacturing processes are subject to stringent quality standards and specifications. The Company has strict quality control processes and systems to recheck and monitor the operations to ensure that they meet production standards and compliance with regulatory requirements at every stage of its operations. Further, the Company's customers regularly carry out audits of its products, facilities and manufacturing processes to ascertain quality.

Internal Control System

NCL has laid down internal control policies, guidelines and procedures in accordance with the nature, size and complexity of business operations. The management looks after designing, implementing and maintaining adequate internal control relevant to the accuracy in preparation and presentation of the financial information. The Company's

internal team and Audit Committee closely supervise the business operations. The committees also ensure adherence and adequacy to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. Any irregularity, failure or deviation of internal control systems are reported to the management so that timely and adequate measures are undertaken to ensure undisrupted functioning of the business.

Risk and Mitigation

The Company has developed and implemented the Risk Management Policy which is reviewed periodically by the Board of Directors. The below risks which are under the purview of the Company's control are managed through a robust risk management process of risk identification and mitigation, through risk reduction strategies and plans. NCL constantly monitors the success of the risk mitigation measures to control them.

- **Regulatory Risk:** NCL operates in a number of global markets and is exposed to the risk of changing regulations.

Mitigation: The Company has strong policies for quality and Safety, Health and Environment (SH&E), which it continues to upgrade on an on-going basis to remain compliant to local norms in various international markets. The Company's manufacturing facilities are certified with ISO 9001:2015 for quality, ISO 14001:2015 for environmental standards and BS OHSAS 18001:2007 for operational health and safety by Bureau Veritas Certification Holding SAS-UK branch. The Company works closely with various international customers to understand their specific requirement and local regulatory requirement and adheres to the same.

- **Innovation Risks:** NCL has inculcated the culture of innovation in product and processes to ensure sustainable growth. Inappropriate investment in processes and technology and poor R&D could adversely impact the Company's business integrity along with its reputation.

Mitigation: NCL has two R&D facilities, one each in Vadodara and Mahape manufacturing units. The Company has a dedicated 22-member R&D team which comprises ~10% of total workforce.. The team includes 5 senior personnel with doctorates in science (Ph.D.) from reputed institutions. All R&D initiatives are led by the Senior Leadership. Since

inception, the Company's product portfolio has grown from around 20 products to 198 products. At present, the Company is committed to strengthen its R&D capabilities on a continuous basis.

- **Forex risks:** NCL derives approximately 50% of its revenues from outside India including 16% deemed exports (where the Company supplies products to its EOU, SEZ customers who eventually export their end products). Being exposed to a significant number of geographies, any unfavourable movement in currency will lead to financial losses.

Mitigation: The risk is minimised with a natural hedge as the Company procures about 40-60% of its raw materials from domestic sources. The Company keeps track of currency movements on an ongoing basis and enters into forward contracts to hedge the foreign currency exposure. Further, the Company has pass-through mechanism with its customers for price reset on monthly basis for foreign exchange movement.

- **Raw Material Risk:** The Company is exposed to the risk of availability of raw materials and fluctuation in raw material prices.

Mitigation: NCL has built a long-standing relationship with its suppliers to ensure steady availability of raw materials at competitive prices. Further, the Company enters into short-term supply contract for a period of around one year and manages the inventory of raw materials and finished products in response to changing market scenario. Large volume annual contract also provides the Company significant rate negotiation power. Further, the Company follows the back to back contracts with suppliers and customers for large volume.

Cautionary Statement

Certain statements in the management discussion and analysis may be forward looking within the meaning of applicable securities law and regulations and actual results may differ materially from those expressed or implied. These statements are likely to address the Company's growth strategy, financial results, product potential and development programmes based on certain assumptions and expectation of future event, actual results could differ materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of subsequent developments, information of events.

Independent Auditor's Report

TO THE MEMBERS OF NEOGEN CHEMICALS LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of NEOGEN CHEMICALS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other Matters

The comparative financial information of the Company for the transition date opening Balance Sheet as at 1st April, 2017 included in this standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by our firm expressed an unmodified opinion on that Standalone Ind AS Financial Statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion is not modified in respect of these matters.

Basis for Opinion

We conducted our audit of the Standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Transition to Ind AS accounting framework (as described in note 40 of the Standalone Ind AS Financial Statements)</p> <p>Effective 1 April 2018, the Company adopted the Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs with the transition date of 1 April 2017. The following are the major impact areas for the Company upon transition:</p> <ul style="list-style-type: none"> • Classification and measurement of financial assets and financial liabilities • Measurement of Business Combinations and Embedded derivative in financials assets and liabilities • Accounting for loan fees and costs • Accounting for employee stock options <p>The migration to the new accounting framework (Ind AS) is a complicated process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date.</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none"> • Evaluated management's transition date choices and exemptions for compliance/acceptability under Ind AS 101. • Understood the methodology implemented by management to give impact on the transition. • Assessed the accuracy of the computations related to significant Ind AS adjustments • Tested the select system reports with the help of our IT specialists to check the completeness and accuracy of the data and reports used to perform computations for giving effect to Ind AS transition adjustments. • Confirmed the approvals of Audit Committee for the choices and exemptions made by the Company for compliance/acceptability under Ind AS 101. • Assessed areas of significant estimates and management judgment in line with principles under Ind AS. • Assessed the appropriateness of the disclosures made in the financial statement.
	<p>Information Technology</p> <p>IT systems and controls The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. From a financial reporting perspective the Company uses and we have tested the financial accounting and reporting system and other tools for overall financial reporting. We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. • We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. • For a selected group of key controls over financial and reporting system, we independently performed procedures to determine that these control remained unchanged during the year or were changed following the standard change management process. • Evaluated the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission. • Other areas that were independently assessed included password policies, security configurations, system interface controls, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment. • Obtained report related to information technology audit carried out by the subject matter expert engaged by the management and assessed the impact if any on our audit procedures.

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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Ind AS 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 Ind AS 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 (II) 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 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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.
- g) 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.

- h) 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.

For **JMT & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 104167W

Thane
May 25, 2019

SANJAY PICHHOLIA
Partner (Membership No.122651)

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, 2019 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, 2019 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, 2019 on account of dispute are given below:

Name of Statute	Nature of Dues	Period(s) to which the amount relates	Amount Involved
Income Tax Act 1961	Penalty imposed for additional income (As explained an appeal has been filed)	A.Y.2010-11	5,93,860
Income Tax Act 1961	Tax Demand (As explained it is demand against additional depreciation for which reply has been given)	A.Y.2015-16	2,71,290

- 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 not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. 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.

For **JMT & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 104167W

Thane
May 25, 2019

SANJAY PICHHOLIA
Partner (Membership No.122651)

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, 2019 in conjunction with our audit of the Standalone Ind AS 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **JMT & ASSOCIATES**

Chartered Accountants

Firm's Registration No. 104167W

Thane

May 25, 2019

SANJAY PICHHOLIA

Partner (Membership No.122651)

Standalone Balance Sheet

as at 31 March 2019

(Rs. in Lakhs)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Assets				
(1) Non-current assets				
(a) Property, plant and equipment	4	8,271.19	6,699.92	5,658.23
(b) Capital work-in-progress	5	38.53	137.89	125.95
(c) Intangible assets	6	10.80	5.05	0.26
(d) Intangible assets under development		-	-	-
(e) Financial assets		-	-	-
(i) Investments	7	45.00	45.00	45.00
(ii) Loans		-	-	-
(iii) Other financial assets	8	253.88	416.07	440.03
(f) Other non-current assets	9	40.20	62.86	12.66
Total Non-current Assets		8,659.60	7,366.79	6,282.13
(2) Current Assets				
(a) Inventories	10	7,237.82	4,999.27	4,001.27
(b) Financial assets				
(i) Trade receivables	11	6,065.91	4,136.31	3,216.06
(ii) Cash and cash equivalents	12a	116.64	31.73	57.70
(iii) Bank balances other than (ii) above	12b	85.51	149.97	249.95
(iv) Loans		-	-	-
(v) Other current financial assets	13	76.58	37.92	68.70
(c) Other current assets	14	2,426.42	1,335.48	1,388.48
Total Current Assets		16,008.88	10,690.68	8,982.16
Total Assets		24,668.48	18,057.47	15,264.29
Equity and Liabilities				
(1) Equity				
(a) Equity share capital	15	2,007.88	2,000.00	2,000.00
(b) Other equity	16	5,038.08	3,058.41	2,229.42
Total Equity		7,045.96	5,058.41	4,229.42
(2) Non current liabilities				
(a) Financial liabilities				
- Borrowings	17	5,059.40	3,849.48	3,676.04
- Other Non current Financial Liabilities	18	200.00	217.40	217.30
(b) Long Term Provisions	19	202.27	172.49	118.22
(c) Deferred tax liabilities (net)	20	487.88	402.95	365.03
Total Non-current Liabilities		5,949.55	4,642.32	4,376.59
(3) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	6,516.57	4,122.32	3,014.91
(ii) Trade payables	22	4,281.86	3,667.24	3,098.03
(iii) Other financial liabilities	23	583.90	343.80	362.95
(b) Other current liabilities	24	180.58	153.10	154.40
(c) Short-term provisions	25	110.06	70.28	27.99
Total Current liabilities		11,672.97	8,356.74	6,658.28
Total Liabilities		17,622.52	12,999.06	11,034.87
Total Equity and Liabilities		24,668.48	18,057.47	15,264.29

Corporate information and significant accounting policies 1 to 3

Other Notes to Accounts & the accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached.

For **JMT & Associates**
Chartered Accountants
Firm's Regn No: 104167W

For & on behalf of the Board of Directors

Sanjay Picholia
Partner
Membership No: 122651

Haridas Kanani
Chairman & Managing Director
DIN: 0000185487

Dr. Harin Kanani
Joint Managing Director
DIN: 0005136947

Place: Thane
Date: May 25, 2019

Mahesh Tanna
CFO

Lalit Karne
Company Secretary

Standalone Statement of Profit and Loss

for the year ended 31 March 2019

(Rs. in Lakhs)

Particulars	Notes	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Income			
I. Revenue from operations	26	23,905.82	16,401.21
II. Other income	27	69.96	80.45
Total Income (I+II)		23,975.78	16,481.66
III. Expenses			
Cost of materials consumed	28	15,965.28	10,255.91
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(1,896.11)	(772.73)
Excise Duty		-	285.91
Employee benefits expense	30	1,115.43	870.05
Finance costs	31	1,193.78	1,041.66
Depreciation and Amortization Expenses	4	283.68	185.20
Other Expense	32	4,379.32	2,862.85
Total Expenses		21,041.38	14,728.84
IV. Profit/(loss) before taxes		2,934.40	1,752.82
V. Income tax			
1. Current Tax		750.00	647.70
2. Deferred Tax	20	80.74	36.06
		-	-
VI. Profit for the year		2,103.67	1,069.05
VII. Other comprehensive income			
Items that will not be reclassified to statement of profit or loss			
Statement of other comprehensive income		14.39	5.36
Income tax related to items that will be reclassified to profit or loss		(4.19)	(1.86)
Other comprehensive (expense)/ income, net of tax	33	10.20	3.51
VIII. Total comprehensive income for the year		2,113.86	1,072.56
IX. Earnings per equity share	34		
- Basic		10.48	5.35
- Diluted		10.48	5.35

Corporate information and significant accounting policies

1 to 3

Other Notes to Accounts & the accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached.

For **JMT & Associates**

Chartered Accountants

Firm's Regn No: 104167W

Sanjay Pichholia

Partner

Membership No: 122651

Place: Thane

Date: May 25, 2019

Haridas Kanani

Chairman & Managing Director

DIN: 0000185487

Mahesh Tanna

CFO

For & on behalf of the Board of Directors

Dr. Harin Kanani

Joint Managing Director

DIN: 0005136947

Lalit Karne

Company Secretary

Standalone Statement of Change in Equity

A Equity share capital

(Also refer Note 15)

(Rs. in Lakhs)

Particulars	Total Equity
As on 1 st April 2017	2,000.00
Issue of Share Capital During the Year	-
As on 31 st March 2018	2,000.00
Issue of Share Capital During the Year	7.88
As on 31 st March 2019	2,007.88

B Other Equity

(Also refer Note 16)

(Rs. in Lakhs)

Particulars	Surplus						Total Other Equity
	General Reserve	Surplus as per Profit and Loss	Capital Redemption Reserve - Fully Redeemable Preference Shares (FRCPS)	Capital Redemption Reserve - Optionally Convertible Preference Shares (OCPS)	Capital Reserve on Business Combination	Security Premium	
Balance as at 1st April 2017	89.95	1,322.42	75.00	21.67	720.39	-	2,229.42
Profit/Loss for the year	-	1,069.05	-	-	-	-	1,069.05
Other comprehensive income for the year	-	3.51	-	-	-	-	3.51
Total comprehensive income for the year	-	1,072.56	-	-	-	-	1,072.56
Transfer to General Reserve	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve - FRCPS	-	(75.00)	75.00	13.00	-	-	13.00
Transfer to Capital Redemption Reserve - OCPS	-	(13.00)	-	-	-	-	(13.00)
Final Dividend	-	(200.00)	-	-	-	-	(200.00)
Tax on Interim & Final Dividend	-	(43.57)	-	-	-	-	(43.57)
Balance as at 31st March 2018	89.95	2,063.41	150.00	34.67	720.39	-	3,058.41
Profit/Loss for the year	-	2,103.67	-	-	-	-	2,103.67
Security Premium	-	-	-	-	-	144.87	144.87
Other comprehensive income for the year	-	10.20	-	-	-	-	10.20
Total inclusive of comprehensive income for the year	-	2,113.87	-	-	-	144.87	2,258.73
Transfer to General Reserve	-	-	-	-	-	-	-
Transfer to/from Capital Redemption Reserve - FRCPS	-	(75.00)	75.00	-	-	-	-
Transfer to/from Capital Redemption Reserve - OCPS	34.67	-	-	(34.67)	-	-	-
Final Dividend	-	(200.00)	-	-	-	-	(200.00)
Taxes Paid	-	(37.83)	-	-	-	-	(37.83)
Tax on Interim & Final Dividend	-	(41.24)	-	-	-	-	(41.24)
Balance as at 31st March 2019	124.62	3,823.20	225.00	-	720.39	144.87	5,038.08

As per our report of even date attached.

For **JMT & Associates**
Chartered Accountants
Firm's Regn No: 104167W

Sanjay Pichholia
Partner
Membership No: 122651

Place: Thane
Date: May 25, 2019

For & on behalf of the Board of Directors

Haridas Kanani
Chairman & Managing Director
DIN: 0000185487

Mahesh Tanna
CFO

Dr. Harin Kanani
Joint Managing Director
DIN: 0005136947

Lalit Karne
Company Secretary

Standalone Statement of Cash Flow

for the year ended 31 March 2019

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(loss) before extra - ordinary Items & tax	2,934.40	1,752.82
Adjustments for:		
Depreciation and amortisation expense	283.68	185.20
Liabilities/Provision no longer required written back	-	-
Finance Costs	1,193.78	1,041.66
Interest & Other income	(38.57)	(35.69)
Fair Value Gain / Loss on Derivative Contracts	20.01	(44.66)
Employee Benefit Expenses	55.17	25.70
Provision for doubtful debts & Other Recievables and Loan & advances	-	-
Provision for loans/advances given to subsidiary/associate	-	-
Provision for impairment of investment in subsidiary and associate	-	-
Operating profit before working capital changes	4,448.47	2,925.03
Movement in working capital		
(Increase)/decrease in current and non-current long term loans & advances	(68.68)	56.92
(Increase)/decrease in inventories	(2,238.55)	(997.98)
(Increase)/decrease in current and non-current financial assets - Loans	-	(102.54)
(Increase)/decrease in other current and non-current financial assets	271.65	146.99
(Increase)/decrease in other current and non-current assets	(978.56)	10.72
(Increase)/decrease in trade receivables	(1,929.60)	(920.25)
Increase/(decrease) in current and non-current financial liabilities (Including Working Capital utilised)	422.74	34.95
Increase/(decrease) in non-current provisions	29.77	8.89
Increase/(decrease) in current provisions	(418.23)	(75.62)
Increase/(decrease) in other current and non-current liabilities	19.49	(81.73)
Increase/(decrease) in trade payables	614.62	569.21
Cash flow from/(utilised in) operating activities post working capital changes	(4,275.35)	(1,350.44)
Income tax paid/Refunds (net)	(551.02)	(400.00)
Net cash flow from/(utilised in) operating activities (A)	(377.90)	1,174.59
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including intangible assets, capital advances, capital creditors and intangible assets under development)	(1,838.05)	(1,388.52)
Interest received	-	-
- Bank & Others	10.33	26.19
- Other Income	9.68	9.50
Capital WIP (net)	(176.43)	94.69
Investment in Partnership Firm	(23.40)	-
Amount received from Partnership Firm	-	0.84
Net cash used in investing activities (B)	(2,017.88)	(1,257.30)

Standalone Statement of Cash Flow (Contd.)

for the year ended 31 March, 2019

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) of long term borrowings	1,428.92	96.60
Proceeds / (Repayment) of short term borrowings	2,394.25	1,107.42
Statutory fees for raising Share Capital	-	-
Finance Cost	(993.74)	(822.14)
Dividends Paid	(311.37)	(317.86)
Prior Period Taxes	(37.83)	(39.70)
Tax on Dividend	(64.01)	(67.56)
Net cash flow from/(utilised in) financing activities (C)	2,416.22	(43.24)
Increase/(decrease) in cash and cash equivalents (A+B+C)	20.44	(125.95)
Cash and cash equivalents at the beginning of the year	181.70	307.65
Cash and cash equivalents at the end of the year	202.14	181.70
Notes to cash flow statement		
1. Components of cash and cash equivalents :		
- Cash in hand	22.05	10.91
- Balances with bank (Current Account)	94.59	20.82
- Balances with bank (Deposit Account)	85.50	149.97
	202.14	181.70
2. The above cash flow statement has been prepared under the indirect method as set out in Indian Accounting standard 7 "Statement of Cash Flows"		
3. The accompanying Standalone Statement of Significant Accounting Policies and Notes to Financial Information are integral part of this statement		

As per our report of even date attached.

For **JMT & Associates**
Chartered Accountants
Firm's Regn No: 104167W

For & on behalf of the Board of Directors

Sanjay Pichholia
Partner
Membership No: 122651

Haridas Kanani
Chairman & Managing Director
DIN: 0000185487

Dr. Harin Kanani
Joint Managing Director
DIN: 0005136947

Place: Thane
Date: May 25, 2019

Mahesh Tanna
CFO

Lalit Karne
Company Secretary

Notes to Standalone Financial Statements

for the year ended 31 March 2019

1. Corporate information

Neogen Chemicals Limited is Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having Corporate Identity Number U24200MH1989PLC050919. Company has its registered office at Thane, Maharashtra. The Company is engaged in the business of manufacturing of eco - friendly speciality chemicals which are used in Pharmaceutical, Engineering & Agro-Chemical industries. Neogen has developed significant expertise in highly demanding field of Bromine Compounds, Lithium compounds & more recently advance intermediates for pharmaceutical industries & Agro-Chemical 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 under development 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. It has various certificates like ISO 9001:2015, ISO 14001 & ISO 18001 for Safety & Environment, Star Export House from Government of India and Crisil rating.

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. The Equity Shares of the Company are listed on 8th May, 2019 on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE)..

2. Basis of preparation and Significant accounting policies

2.1 Basis of Preparation and Statement of compliance

The accompanying standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2017 notified under section 133 of the Companies Act, 2013, (the

'Act') and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

These Financial Statements are the first standalone Financial Statements of the Company under Ind AS. Previous period numbers for the year ended 31st March, 2018 in the Financial Statements have been restated to confirm to Ind AS. Accordingly, the date of transition to Ind AS is 1st April, 2017.

As these are the Company's first standalone Financial Statements prepared in accordance with Ind AS, Ind AS 101, "First-time adoption of Indian Accounting Standards" has been applied. An explanation of how the transition to Ind AS has affected the previously reported Financial position, Financial performance and cash flows of the company is provided in Note to accounts.

Historical cost convention

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.

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, unless otherwise stated.

2.2 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 31 March 2019

2.3 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

2.4 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.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended March 31, 2019 are as follows:

a) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

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

Depreciation on property, plant and equipment is provided using the straight-line method as per the estimated useful life which corresponds to the rates prescribed under Schedule II of the Companies Act, 2013:

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 equipment's	10 years
I T Equipments	3 years
Furniture and fixtures	10 years
Vehicles	8 years

Leasehold improvements are amortized over the period of lease which ranges from 1 to 99 years.

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 consolidated statement of profit and loss when the asset is derecognized.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2017 measured as per the previous Indian

Notes to Standalone Financial Statements

for the year ended 31 March 2019

GAAP and use that carrying value as the deemed cost of the property, plant and equipment. The Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) while preparing Financial Information for the years ended March 31, 2019, March 31, 2018, April 1, 2017. Accordingly, suitable adjustments in the accounting heads are made to the financial statements as of and for the years ended April 1, 2017 and March 31, 2018.

b) Intangible assets

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific assets to which it states.

Subsequent measurement (depreciation and useful lives)

The Company amortizes intangible assets with a finite useful life using the straight-line method over six years. Gains or losses arising from derecognition 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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at April 1, 2017 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment. The Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) while preparing Financial Information for the years ended March 31, 2019, March 31, 2018 and April 1, 2017. Accordingly, suitable adjustments in the accounting heads are made to the financial

statements as of and for the years ended March 31, 2018 and April 1, 2017.

c) 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.

d) Cash and cash equivalents

Cash and cash equivalent comprise cash at banks and on hand and short-term deposits

Notes to Standalone Financial Statements

for the year ended 31 March 2019

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.

e) 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 gains and losses are presented in the statement of profit and loss on a net basis

f) 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 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.

g) Revenue Recognition

Revenue is recognized to the extent it is probable that future economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable net of related rebates. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from sale of goods is recognized when substantial risk and rewards of the ownership are transferred to the buyer under the terms of the contract.

h) 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 recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Where the grant relates to an asset, it is recognized as deferred income and

Notes to Standalone Financial Statements

for the year ended 31 March 2019

credited to income in equal amounts over the expected useful life of the related asset.

i) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard 19- Employee Benefits.

j) 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.

k) 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.

l) 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 number of equity shares outstanding during the financial year. The number of equity shares outstanding during the financial year is adjusted for events including a bonus issue.

Notes to Standalone Financial Statements

for the year ended 31 March 2019

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m) Lease

Finance leases as a lessee

Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

n) Operating leases as a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to standalone statement of profit or loss on a straight-line basis over the period of the lease, unless the increase in rent is to compensate the lessor for the effects of inflation.

o) 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 and geographical segment. The board of directors is collectively the company's 'Chief Operating Decision maker' or 'CODM' within the meaning of -Ind AS 108.

p) 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2019

(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, 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.

q) 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 identifiable assets acquired and the liabilities assumed if any are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

Notes to Standalone Financial Statements

for the year ended 31 March 2019

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 acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) 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.

r) Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognized at cost as per Ind AS 27. Except where investments 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.

s) Investments and other financial assets

a. Classification

The Company classifies its financial assets in the following measurement categories:

- i. those to be measured subsequently at fair value (either through other comprehensive

income, or through the Statement of Profit and Loss), and

- ii. those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

b. Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

t) Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

- i. Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely 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 through statement of Profit and Loss. Interest income from these financial assets is included in other income.

u) short-term obligations

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 service are recognized in respect of employees' services up to the end

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of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

v) other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the discount rates for Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss.

a. Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans
- (b) such as gratuity and pension; and
- (c) defined contribution plans such as provident fund etc.

b. Pension and gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined 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 market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

c. Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred. Further for certain employees, the monthly contribution for Provident Fund is made to a Trust administered by the Company. The interest payable by the Trust is notified by the Government. The Company has an obligation to make good the shortfall, if any.

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 these benefits. The Company recognizes 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 recognizes costs 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.

3. Recent accounting pronouncement Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian

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for the year ended 31 March 2019

Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the standalone financial information and the impact is not material.

Ind AS 115- Revenue from Contract with Customers

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects

the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)
- The Company is not expected to have any impact of this pronouncement on its standalone financial information.

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Note 4: Property, plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended 31 March 2019 and 31 March 2018 and as at 1st April 2017

Description	Freehold Land	Leasehold Land	Factory buildings	Plant & Machinery	Structure & FRP Gratings	M.S. Instruments	Quality Control	R&D Equipments	Effluent Treatment Equipments	Safety Equipments	Office Equipments	I.T. Equipments	Motor Car	Furniture & Fixtures	Total
(Rs. in Lakhs)															
Gross carrying value (at deemed cost)															
Balance as at 1 April 2017 *	2,805.81	320.14	574.31	1,228.38	402.16	110.57	64.55	61.98	23.09	17.00	42.10	806	122	6.91	5,658.23
Additions	-	469.20	99.41	602.79	28.63	1.81	5.40	3.04	0.07	5.66	8.06	-	-	2.04	1,226.11
Deletions / discarded / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	2,805.81	789.34	673.72	1,831.17	430.79	112.38	69.95	65.02	23.16	22.66	50.15	806	122	8.95	6,884.33
Additions	-	118.02	177.43	1,049.63	41.24	156.96	54.83	0.30	2.67	36.29	53.21	72.27	72.27	90.69	1,853.55
Deletions / discarded / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 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	806	122	99.64	8,737.88
Accumulated depreciation															
As at 1 April 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	9.27	27.71	71.44	30.68	12.98	7.43	5.13	2.63	3.03	12.40	0.55	0.55	1.16	184.41
Deletions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	-	9.27	27.71	71.44	30.68	12.98	7.43	5.13	2.63	3.03	12.40	0.55	0.55	1.16	184.41
Charge for the year	-	14.60	33.95	125.68	32.83	19.71	10.90	5.26	2.69	6.11	21.26	2.14	2.14	7.14	282.27
Deletions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	-	23.87	61.66	197.12	63.51	32.69	18.33	10.39	5.33	9.14	33.66	2.68	2.68	8.30	466.69
Net carrying amount															
As at 1 April 2017	2,805.81	320.14	574.31	1,228.38	402.16	110.57	64.55	61.98	23.09	17.00	42.10	806	122	6.91	5,658.23
As at 31 March 2018	2,805.81	780.07	646.01	1,759.73	400.11	99.40	62.52	59.90	20.53	19.63	37.75	806	122	7.79	6,699.92
As at 31 March 2019	2,805.81	883.49	789.49	2,683.69	408.52	236.65	106.45	54.93	20.50	49.81	69.70	806	122	91.35	8,271.19

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

*Refer note below for the gross block value and the accumulated depreciation on 1 April 2017 under the previous GAAP.

Description	Freehold Land	Leasehold Land	Factory buildings	Plant & Machinery	Structure & FRP Gratings	M.S. Instruments	Quality Control	R&D Equipments	Effluent Treatment Equipments	Safety Equipments	Office Equipments	I.T. Equipments	Motor Car	Furniture & Fixtures	Total
(Rs. in Lakhs)															
Gross Block	1,709.98	15.67	767.11	1,732.73	643.64	109.42	75.64	52.19	31.59	40.26	96.89	96.89	13.44	54.45	5,343.00
Accumulated Depreciation	-	-	801.7	931.11	236.84	34.86	15.44	7.03	4.03	15.67	53.90	53.90	12.22	8.23	819.49
Net Block	1,709.98	15.67	686.94	1,381.62	406.80	74.56	60.20	45.16	27.56	24.59	43.00	43.00	12.22	46.21	4,523.51

Details of mortgage:

The secured obligations i.e. Loan Facility together with all other amounts payable shall be secured by:

1. First charge mortgage and charge on all immovable properties including Leasehold Land, both present and future pertaining the project. These covers:
 - Land situated at Karakhadi of Padra Taluka, district Vadodara, Gujarat
 - Land situated at Mahape at Navi Mumbai district, Maharashtra
 - Personal Guarantee of Directors
2. First charge by way of hypothecation of Plant and Machineries

Depreciation and Amortization charged during the year to the Statement of profit and loss on fixed assets:

Particulars	31 March 2019	31 March 2018
Depreciation during the year	282.27	184.41
Amortization during the year - Computer Software	1.41	0.79
Total	283.68	185.20

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for the year ended 31 March 2019

Note 5: Capital Work in Progress

Following are the changes in the carrying value of Capital work in progress for the year ended March 31, 2019 and the year ended 31 March 2018 & as at 1 April 2017.

(Rs. in Lakhs)

Description	Balance as at 31 March 2019	Balance as at 31 March 2018	Balance as at 1 April 2017
Opening	137.89	125.94	68.67
Additions	38.53	131.91	63.39
Capitalised during the year	(137.89)	(119.96)	(6.11)
Closing	38.53	137.89	125.95

Note 6: Intangible Assets

Following are the changes in the carrying value of Intangible assets for the year ended March 31, 2019, 31st March 2018 and 1 April 2017

(Rs. in Lakhs)

Description	Balance as at 31 March 2019	Balance as at 31 March 2018	Balance as at 1 April 2017
Computer Software			
Opening	5.83	0.26	0.26
Additions	7.16	5.57	-
Deletions / discarded / adjustments	-	-	-
	12.99	5.83	0.26
Less: Accumulated Amortization			
Opening balance	0.78	-	-
Charge for the year	1.41	0.78	-
Deletions	-	-	-
	2.19	0.78	-
Net Carrying Amount	10.80	5.05	0.26

The Company has availed the deemed cost exemption in relation to the intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

* Refer note below for the gross block value and the accumulated amortization on 1 April 2017 under the previous GAAP.

Description	Computer software
Gross Block	1.67
Accumulated amortization	(1.41)
Net Block	0.26

Note 7: Non-Current Financial Assets - Investments (Measured At Cost)

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Investment in Partnership Firm - Dhara Fine Chem Industries	45.00	45.00	45.00
	45.00	45.00	45.00

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for the year ended 31 March 2019

Note 8 : Non-current other financial assets

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Unsecured, considered good			
Security Deposits - Utilities	253.88	185.21	214.17
Other financial assets (non - current) - measured at Fair Value Through P & L			
Derivative Asset for Early Redemption Right for Fully Redeemable Preference Shares	–	230.86	225.86
	253.88	416.07	440.03

*There are no loans & advances from Directors/Promoters/Issuer and their family

Note 9: Other Non-Current Assets

(Unsecured, considered good)

(Rs. in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Capital advances	40.20	62.86	12.66
	40.20	62.86	12.66

Note 10: Inventories*

(at lower of cost and net realisable value)

(Rs. in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
- Raw materials	1,339.29	987.00	698.75
- Work in Progress	4,821.40	3,083.80	2,568.04
- Finished goods	933.34	774.84	582.58
- Stores & Spares	117.71	115.09	125.61
- Fuel	6.42	9.59	8.63
- Packing	19.66	28.95	17.66
	7,237.82	4,999.27	4,001.27

*Hypotheciated with Banks for Working Capital Limits

Note 11: Trade Receivables*

(Rs. in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
- Unsecured, considered good - Outstanding for more than Six months	113.59	50.45	71.03
Unsecured considered goods - Others			
For Export	1,430.13	1,644.48	1,331.52
For Domestic	4,522.19	2,441.38	1,813.51
	6,065.91	4,136.31	3,216.06

*Hypotheciated with Banks for Working Capital Limits

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12 (a): Cash and Cash Equivalents

(Rs. in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Balance with banks :			
- in current account	94.59	20.82	45.68
	-	-	-
Cash in hand	22.05	10.91	12.02
	116.64	31.73	57.70

12 (b): Bank Balances Other Than Those Disclosed in Note 12 (a) Above

(Rs. in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
- in deposit accounts held as margin money against Bank Guarantee & Letter of credit	85.51	149.97	249.95
- in deposit accounts with original maturity of more than three months but within twelve months	-	-	-
	-	149.97	-

Note 13: Other Current Financial Assets

(Rs. in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Loan to Related Parties - Partnership firm Dhara Fine Chem Industries (Joint Venture)*	38.40	15.00	42.97
*Refer Note 37 - Related Party Disclosures			
Other (Measured at Amortised Cost)			
Loans and Advances to employees	15.73	9.78	13.73
Excess payment of EMI Recoverable/ Recoverable from Financial Institutions	-	6.35	4.58
Receivables from Dhara Fine Chem Industries (Asset measured at Fair Value through Profit or loss)	22.45	6.58	7.42
Derivative Asset for Forwards Contracts	-	0.21	-
	76.58	37.92	68.70

Note 14: Other Current Assets

(Rs. in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Advances to Trade Creditors	128.43	32.16	44.68
Balances with Government Authorities :	2,057.49	1,254.37	1,288.08
Preliminary Pre-Operative Expenses	175.24	-	-
Prepaid expenses	65.26	48.95	55.72
	2,426.42	1,335.48	1,388.48

Notes to Standalone Financial Statements

for the year ended 31 March 2019

Note 15: Equity Share Capital

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised						
Equity Shares of Rs. 10/- each	25,000,000	2,500.00	25,000,000	2,500.00	25,000,000	2,500.00
Optionally Convertible Preference Shares of Rs. 100/- each	500,000	500.00	500,000	500.00	500,000	500.00
Fully Redeemable Cumulative Preference Shares of Rs. 100/- each	2,000,000	2,000.00	2,000,000	2,000.00	2,000,000	2,000.00
Total		5,000.00		5,000.00	-	5,000.00
Issued, Subscribed and Fully Paid up					-	-
Equity Shares of Rs.10/- each fully paid-up	20,078,793	2,007.88	20,000,000	2,000.00	20,000,000	2,000.00
Fully Redeemable Cumulative Preference Shares of Rs. 100/-each**						
		2,007.88		2,000.00		2,000.00

** On transition to Ind AS, as per Ind AS 109 the same has been considered under Long term borrowings

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

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April, 2017	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year						
Equity Shares outstanding at the beginning of the year	20,000,000	2,000.00	20,000,000	2,000.00	20,000,000	2,000.00
Add: Issued during the year	-	-				
Bonus Equity Shares allotted during the year	-	-	-	-	-	-
Conversion of OCPS to Equity	78,793	7.88	-	-	-	-
Equity shares/Preference shares allotted	-	-	-	-	-	-
Less: Reclassified as Debt Component						
Optionally Convertible Preference Shares	-	-	-	-	-	-
Fully Redeemable Cumulative Preference Shares	-	-	-	-	-	-
At the end of the year						
Equity Shares outstanding at the end of the year	20,078,793	2,007.88	20,000,000	2,000.00	20,000,000	2,000.00
Fully Redeemable Cumulative Preference Shares**						

** On transition to Ind AS, as per Ind AS 109 the same has been considered under Long term borrowings

Notes to Standalone Financial Statements

for the year ended 31 March 2019

Note 15.2: (a) Rights, Preferences & Restrictions of each class of shares

- The Company has only one class of equity shares which enjoys the same rights in respect of voting, payment of dividend and repayment of capital. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(b) Particulars of shares issued/allotted as fully paid-up by way of consideration other than cash

The Company has allotted 20,00,000 and 1,55,00,000 bonus equity shares in financial year 2012-13 and 2015-16 respectively. The Company has allotted bonus equity shares in the proportion of 4 equity shares for every 5 equity shares held (FY 2012-13) and 62 fully paid equity shares for every 18 equity shares held (FY 2015-16). The face value of bonus shares of Rs. 200.00 Lakhs and Rs. 1,550.00 Lakhs allotted out of reserves and surplus.

(c) Particulars of shares reserved for options and contracts/commitments for sale of shares/ disinvestment

The Company has not reserved any shares for issue of options and contracts/commitments for sale of shares/ disinvestment.

(d) Particulars of calls unpaid

There is no calls unpaid, thus such disclosure is not applicable.

(e) Subdivision of Shares

There is no subdivision of shares during this period, thus such disclosure is not applicable.

(f) Shares Forfeited

There is no forfeiture of shares, thus such disclosure is not applicable.

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

Class of Shares / Name of Shareholder	As at 31 st March, 2019		As at 31 st March, 2018		As at 1 April, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with Voting Rights						
Mr. Haridas T. Kanani	1,39,99,680	69.72%	1,39,99,680	70.00%	1,39,99,680	70.00%
Mrs. Beena H Kanani	22,26,711	11.09%	25,67,000	12.84%	29,74,000	14.87%
Dr. Harin Kanani	20,00,000	9.96%	20,00,000	10.00%	20,00,000	10.00%
Ms. Pallika H Kanani	10,00,000	4.98%	10,00,000	5.00%	10,00,000	5.00%

Note 15.4: Details of Optionally Convertible Preference Shares held by each preference shareholder holding more than 5% without voting rights (Classified as Debt Component under Ind AS)

Class of Shares / Name of Shareholder	As at 31 st March, 2019		As at 31 st March, 2018		As at 1 April, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Preference shares without Voting Rights						
Anju Bajaj	-	0.00%	10,000	7.69%	10,000	7.69%
Beena H Kanani	-	0.00%	10,000	7.69%	10,000	7.69%
Chandrakant Reshamwala	-	0.00%	10,000	7.69%	10,000	7.69%
Delphine Fernandes	-	0.00%	10,000	7.69%	10,000	7.69%
Dhruv Hitesh Reshamwala	-	0.00%	10,000	7.69%	10,000	7.69%

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Class of Shares / Name of Shareholder	As at 31 st March, 2019		As at 31 st March, 2018		As at 1 April, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
H.M. Mehta HUF	-	0.00%	10,000	7.69%	10,000	7.69%
Kalpna Mehta	-	0.00%	10,000	7.69%	10,000	7.69%
K.J. Ghadiali & Jimmy Ghadiali	-	0.00%	10,000	7.69%	10,000	7.69%
Nayana C. Reshamwala	-	0.00%	10,000	7.69%	10,000	7.69%
Pinank R. Paleja	-	0.00%	10,000	7.69%	10,000	7.69%
Pragna J Thacker & Jawahar Thacker	-	0.00%	10,000	7.69%	10,000	7.69%
Rajendra V Paleja	-	0.00%	10,000	7.69%	10,000	7.69%
Sanjay Mehta HUF	-	0.00%	10,000	7.69%	10,000	7.69%
Total	-	0.00%	1,30,000	100.00%	1,30,000	100.00%

Note 15.5 : The Company has allotted 10% Cumulative Optionally Convertible Preference Shares having a par value of Rs. 100 per share redeemable/convertible into equity shares after expiry of 12 years from the date of allotment. These shareholders are not eligible to vote.

Note 15.6: Details of Fully Redeemable Cumulative Preference Shares held by each preference shareholder holding more than 5% without voting rights (Classified as Debt Component in Ind AS)

No single holder was holding more than 5% shares as on 31st March 2019, 31st March 2018 & 1st April 2017.

The Company has allotted 10% Cumulative Non-Convertible Fully Redeemable Preference shares having a par value of Rs. 100 per share redeemable after expiry of 12 years from the date of allotment. These shareholders are not eligible to vote. Company have option to redeem the preference shares within 1 year from the date of allotment.

Note 16: Other Equity

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
General Reserve	124.62	89.95	89.95
Retained Earnings (including other comprehensive income)	3,823.21	2,063.41	1,322.42
Capital Redemption Reserve-FRCPS	225.00	150.00	75.00
Capital Redemption Reserve-OCPS	-	34.67	21.67
Securities Premium	144.87	-	-
Capital Reserve on Business Combination (refer note 44)	720.38	720.38	720.38
Total	5,038.08	3,058.41	2,229.42

(Rs. in Lakhs)

General Reserve	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Opening balance	89.95	89.95	89.95
Add: Additional during the year	34.67	-	-
Less: Bonus Shares allotted out of General reserves	-	-	-
Closing balance	124.62	89.95	89.95

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(Rs. in Lakhs)

Statement of P&L	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Opening balance	2,063.41	1,322.42	1,322.42
Add: Profit/(loss) for the year	2,103.67	1,069.05	
Other comprehensive income /(loss) (net of taxes)	10.20	3.51	
Less:			
Transferred to CRR-FRCPS	75.00	75.00	
Transferred to CRR- OCPS	-	13.00	
Dividend on Equity Shares	200.00	200.00	
Tax on Interim/Proposed dividend paid during the year	41.23	43.57	
Others	37.83	-	
Closing balance	3,823.21	2,063.41	1,322.42

(Rs. in Lakhs)

Capital Redemption Reserve-FRCPS	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Opening balance	150.00	75.00	75.00
Add: Transferred from Profit/(loss) for the year	75.00	75.00	
Closing balance	225.00	150.00	75.00

(Rs. in Lakhs)

Capital Redemption Reserve-OCPS	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Opening balance	34.67	21.67	21.67
Add: Transferred from Profit/(loss) for the year	-	13.00	-
Less: Transferred to General Reserve	(34.67)	-	-
Closing balance	-	34.67	21.67

(Rs. in Lakhs)

Securities Premium	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Opening balance	-	-	-
Add: during the year	144.87	-	-
Closing balance	144.87	-	-

Nature and Purposes of other Reserves:

Nature	Purpose
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 Redemption Reserve-OCPS	This reserve represents provision made out of current year profit for the purpose of redemption of optionally convertible preference shares
Capital Reserve on Business Combination	This represents the capital reserve on account of business combination purchase of unit of Solaris Chemtech industries Ltd.

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for the year ended 31 March 2019

Note 17: Borrowings

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Secured (at amortised cost)			
Term loans from Banks and Financial Institutions	3,774.67	2,284.44	2,183.94
Unsecured	-	-	-
- From Banks	-	-	-
- Deposits from Related Parties	-	-	-
- Deposits from Inter Corporate companies	110.00	110.00	110.00
- Debt component for Fully Redeemable Preference Shares	1,174.73	1,339.39	1,267.33
- Debt component for Optionally Convertible Preference Shares	-	115.65	114.77
Total	5,059.40	3,849.48	3,676.04

*Refer Note 39 for Company's exposure to liquidity risk and interest rate risk.

Note 18: Other Non-Current Financial Liabilities

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Retention Money (measured at amortised cost)	200.00	200.00	200.00
Measured at Fair Value through profit and loss	-	-	-
Derivative Liability for Options for Optionally Convertible Preference Shares	-	17.40	17.30
Total	200.00	217.40	217.30

Note 19: Long-Term Provisions

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Provision for employee benefits (Refer Note 38)			
Gratuity	105.84	104.73	79.82
Compensated Absences	96.43	67.76	38.40
Total	202.27	172.49	118.22

Note 20: Deferred tax Liabilities (Net)*

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018	As on 01 April 2017
Tax effect of items constituting deferred tax asset/(liabilities):			
Provision for employee benefits:	(79.89)	(84.50)	(51.08)
Provision for Derivative Valuation	-	79.97	64.48
Long term borrowing	(36.68)	(81.90)	(55.02)
Property, Plant & Equipment	604.45	489.68	404.63
Others	-	(0.30)	2.02
Total	487.88	402.95	365.03

* Inclusive of Other Comprehensive Income Tax

Notes to Standalone Financial Statements

for the year ended 31 March 2019

Note 21: Current Financial Liabilities - Borrowings

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Secured (at amortised cost)			
- Loans repayable on demand -Banks	5,910.74	3,619.46	2,114.18
- Cash credit facilities	605.83	502.86	900.73
Total	6,516.57	4,122.32	3,014.91

*Refer Note 39 for Company's exposure to liquidity risk and interest rate risk.

Note 22: Trade Payables

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Micro, Small and Medium Enterprises*	22.95	-	-
Others	4,258.91	3,667.24	3,098.03
Total	4,281.86	3,667.24	3,098.03

*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 31st March, 2017, 31st March, 2018 & 31st March, 2019.

Note 23: Current - Other Financial Liabilities

(measured at Amortised Cost)

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Current maturities of long-term debt - Secured*	422.67	249.59	213.82
Other payable - Outstanding Expenses/Other Liabilities	-	-	-
Others payables	92.26	41.79	62.31
Salary payable	65.09	51.04	45.90
Other Deposits	100	1.38	1.38
Measured at Fair Value through profit and loss			
Derivative Liability for Forwards Contracts	2.88	-	39.54
Total	583.90	343.80	362.95

*Refer Note 39 for Company's exposure to liquidity risk and interest rate risk.

Note 24: Other Current Liabilities

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Statutory dues payables (includes TDS, PF, WCT, Others)	47.57	7.30	68.50
Provision for taxation (net of advance tax)	133.01	145.80	85.90
Total	180.58	153.10	154.40

Notes to Standalone Financial Statements

for the year ended 31 March 2019

Note 25: Short-Term Provisions

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Provision for employee benefits			
Gratuity	66.07	47.35	25.04
Compensated Absences	43.99	22.93	2.95
Total	110.06	70.28	27.99

Note 26: Revenue from Operations

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Sale of products Comprises Manufactured goods of Chemicals		
Sales	24,079.80	17,652.32
Less: GST Recovered	1,648.75	1,891.20
Net Sales (excluding GST)	22,431.05	15,761.12
Other Operating Revenue	1,474.77	640.09
Total Net Revenue	23,905.82	16,401.21

Note 27: Other Income

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Interest from banks on Fixed Deposits	9.72	17.98
Interest on loan to partnership firm	9.97	-
Interest income-others	0.61	8.21
Other Non Operating Income:		
Other Income	18.57	-
Share of Profit from Partnership firm	9.67	9.50
Fair Value Gain on Derivative Contract (Preference Shares)	21.42	5.00
Fair Value Gain on Derivative Forwards	-	39.76
Total	69.96	80.45

Note 28: Cost of Materials Consumed

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Opening stock	987.00	698.75
Purchases	16,317.57	10,544.16
	17,304.57	11,242.91
Less: Closing stock	1,339.29	987.00
Cost of raw material consumed	15,965.28	10,255.91

Notes to Standalone Financial Statements

for the year ended 31 March 2019

Note 29: Changes in Inventories of Finished Goods and Work in Progress

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Opening Stock :		
Finished Goods	774.84	517.85
Work-in-Process	3,083.79	2,568.04
Less:		
Closing Stock:		
Finished Goods	933.34	774.84
Work-in-Process	4,821.40	3,083.79
Changes In Inventories:		
Finished goods	(158.50)	(256.98)
Work-in-Process	(1,737.61)	(515.75)
Changes in inventories of finished goods and work in progress	(1,896.11)	(772.73)

Note 30: Employee Benefits Expense

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Salaries, wages and bonus	894.93	706.69
Contribution to provident and other funds (refer note 38)	165.75	123.59
Staff welfare	54.75	39.77
Total	1,115.43	870.05

Note 31: Finance Costs

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Interest expenses on borrowings	924.72	770.59
Other finance cost and bank charges	69.02	56.27
Interest cost on FRCPS and OCPS	200.04	214.80
Total	1,193.78	1,041.66

Note 32: Other Expenses

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
PRODUCTION EXPENSES		
Conversion Charges	366.33	142.84
Contract Labour charges	319.79	245.83
Fuel & Power	763.99	620.86
Quality Control Expenses	160.57	140.10
Research and Development Expenses	140.14	89.06
Consumption of Packing Materials	293.00	187.35
Other Production Expenses	975.18	715.37

Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
MARKETING EXPENSES		
Exhibition Expenses	259.35	182.49
Other Marketing Expenses	50.11	19.61
SELLING & DISTRIBUTION EXPENSES		
Clearing Charges	64.06	60.79
Sea & Air Freight (Export) Expenses	328.52	150.26
Other Selling & Distribution Expenses	92.14	25.87
ADMINISTRATIVE EXPENSES		
Professional Fees	268.03	93.44
Miscellaneous Expenses	11.18	34.32
Other Admin Expenses	218.25	134.81
CSR Expense	27.25	19.75
Transaction cost pertaining to FRCPS Derivative	21.42	-
Fair Value Loss pertaining to OCPS Derivative	20.01	0.10
Total	4,379.32	2,862.85

Payment to auditors(excluding applicable taxes) (included in professional fees)

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Audit Fees	5.00	4.00
Tax Audit Fees	1.00	0.50
Other Fees	-	0.64
Total Other Comprehensive Income	6.00	5.14

Note 33: Other Comprehensive Income

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Items that will not be reclassified to profit or loss		
(i) Remeasurements of the defined benefit plans (net of tax)	14.39	5.36
(ii) Income tax relating to items that will be reclassified to profit or loss	(4.19)	(1.85)
Total Other Comprehensive Income	10.20	3.51

Notes to Standalone Financial Statements

for the year ended 31 March 2019

Note 34: Earnings Per Share

Particulars	As at 31 March 2019	As at 31 March 2018
a) Profit attributable to equity shareholders	2,103.67	1,069.05
b) Number of equity shares for calculation of basic and diluted earnings per share (Nos.)	20,078,793	20,000,000
c) Nominal value per share (INR)	10	10
d) Earnings per share (face value of INR 10)		
Basic (INR)	10.48	5.35
Diluted (INR)	10.48	5.35

*Profit figures are Rs. in Lakhs

Note 35: Contingent Liabilities and Commitments

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
(I) Contingent Liabilities		
(a) Contingent liability for Letters of Credit issued by the Bank and Bank Guarantee for Excise, Customs etc.		
(i) Letter of Credit / Bank Guarantee	74.69	140.37
(ii) LC's Bill Discounted / Cheques Purchased	743.32	291.25
(b) Contingent Liability towards NMMC Cess/LBT	16.01	16.01
Total	834.02	447.63
(II) Capital Commitments	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	83.07	122.82

Note 36: 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.

The following rent expenses recognized:

(Rs. in Lakhs)

Year Ended	31 March 2019	31 March 2018
Rent	264.10	155.74

Note 37: 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 Chem Industries (Partnership Firm in which Company is holding 90% Share)

Notes to Standalone Financial Statements

for the year ended 31 March 2019

(b) Key Managerial Personnel:

Particulars	31 March 2019	31 March 2018
Haridas Kanani	Haridas Kanani	Haridas Kanani
Dr. Harin Kanani	Dr. Harin Kanani	Dr. Harin Kanani
Shyamsundar Upadhyay	Shyamsundar Upadhyay	Shyamsundar Upadhyay
Sanjay Mehta	Sanjay Mehta	Sanjay Mehta
Anurag Surana	Anurag Surana	Anurag Surana
Hitesh Reshamwala	Hitesh Reshamwala	Hitesh Reshamwala
Dr. Ranjan Kumar Malik	Dr. Ranjan Kumar Malik	-
Avi Sabawala	Avi Sabawala	-

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

Particulars	31 March 2019	31 March 2018
Akkad Mehta & Co.	-	Akkad Mehta & Co.
Kagashin Global Network (P) Ltd.	Kagashin Global Network (P) Ltd.	Kagashin Global Network (P) Ltd.

(d) Other Related Parties:

Nil

(B) Transactions with related parties

(Rs. in Lakhs)

Particulars	Transaction during the year/period ended	
	31 March 2019	31 March 2018
Income		
Share of Profit - Dhara Fine Chem Industries	9.68	3.21
Interest Received - Dhara Fine Chem Industries	-	11.45
Expenses		
Job work charges - Dhara Fine Chem Industries	93.76	70.30
Purchase - Dhara Fine Chem Industries	4.20	108.63
Professional Fees		
Akkad Mehta & Co	-	5.90
Kagashin Global Network (P) Ltd	42.00	23.5
Sitting Fees		
Sanjay Mehta	0.60	-
Hitesh Reshamwala	1.20	-
Dr. Ranjan Kumar Malik	1.00	-
Avi Sabawala	0.50	-
Salary		
Haridas Thakarshi Kanani	45.87	26.50
Dr. Harin Kanani	41.27	29.70
Shyamsundar R Upadhyay	39.55	34.20
Lease Rent		
Haridas Thakarshi Kanani	9.00	9.00
Dr. Harin Kanani	-	4.80
Loan		
Dhara Fine Chem Industries, Partnership Firm	38.40	28.00

Notes to Standalone Financial Statements

for the year ended 31 March 2019

Note 38: 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 31 March 2019	As at 31 March 2018
The Company has recognized the following amounts in the Statement of Profit and Loss for the year:		
Employers' Contribution to Provident Fund	60.82	45.35
Employers' Contribution to Employees' Pension Scheme, 1995	22.11	18.79
Total	82.93	64.14

(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 31 March 2019	As at 31 March 2018	As at 1 April, 2017
Present value of obligation at end of the year	(270.83)	(230.53)	(184.71)
Fair value of Plan Assets	61.93	78.45	79.84
Net assets/(liability) recognized in Standalone statement of assets and liabilities as provision	(208.90)	(152.08)	(104.87)

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

(Rs. in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018	As at 1 April, 2017
Current Service Cost	16.39	12.79	6.24
Net Interest Cost	11.76	7.62	2.99
Past Service Cost	-	32.17	-
Expense Recognized in the Income Statement	28.15	52.58	9.23

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

(Rs. in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018	As at 1 April, 2017
Actuarial (Gain)/Loss for the year on defined benefit obligation	27.71	5.81	72.15
Actuarial (Gain)/Loss for the year on plan assets	2.48	(11.18)	(0.29)
Net (Income)/Expense Recognized in the Income Statement	30.19	(5.37)	71.86

Notes to Standalone Financial Statements

for the year ended 31 March 2019

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

(Rs. in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018	As at 1 April, 2017
Present Value of defined benefit obligation as at the start of the year	230.53	184.71	105.80
Current Service Cost	16.39	12.79	6.24
Interest Cost	11.76	13.43	8.45
Actuarial loss/(gain) recognized during the year	27.71	5.81	72.15
Benefits paid	(21.62)	(18.38)	(7.93)
Past Service Cost including curtailment Gain/Losses	-	32.17	-
Present Value of defined benefit obligation as at the end of the year	264.77	230.53	184.71

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

(Rs. in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018	As at 1 April, 2017
Fair Value of plan assets at beginning of year	78.45	79.84	68.37
Interest Income	6.06	5.80	5.46
Expected return on plan assets - %	7.79%	7.73%	7.27%
Employer's Contribution	1.52	0.00	13.65
Benefits Paid	(21.62)	(18.38)	(7.93)
Actuarial (Gain)/Loss on plan asset	(2.48)	11.18	(0.29)
Fair Value of plan assets at end of year	61.93	78.45	79.27
Actual Return on Plan assets, Excluding Interest Income	(2.48)	11.18	(0.29)

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

(Rs. in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Actuarial (Gain)/Loss on arising from change in demographic assumption	-	-	-
Actuarial (Gain)/Loss on arising from change in financial assumption	(115)	(7.52)	9.34
Actuarial (Gain)/Loss on arising from change in experience adjustments	28.87	13.33	62.81
Total Actuarial (Gain)/Loss	27.72	5.81	72.15

(g) Actuarial Assumption:

(Rs. in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Expected Return on Plan Assets	7.79%	7.73%	7.27%
Discount Rate	7.79%	7.73%	7.27%
Future Salary Increase	5.00%	5.00%	5.00%
Rate of Employee Turnover	2.00%	2.00%	2.00%
Expected Average remaining working lives of employees (years)	15	14	13

Notes to Standalone Financial Statements

for the year ended 31 March 2019

(h) Sensitivity analysis for gratuity liability:

(Rs. in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Impact of the change in discount rate			
Present value of obligation at the end of the year	264.77	230.53	184.71
- Impact due to increase of 1 %	(18.05)	(14.87)	(12.74)
- Impact due to decrease of 1 %	20.54	16.95	14.52
Impact of the change in Salary increase			
Present value of obligation at the end of the year	264.77	230.53	184.71
- Impact due to increase of 1 %	17.23	15.48	11.66
- Impact due to decrease of 1 %	(16.21)	(14.61)	(10.86)
Impact of the change in Employee Turnover			
Present value of obligation at the end of the year	264.77	230.53	184.71
- Impact due to increase of 1 %	4.63	3.76	3.14
- Impact due to decrease of 1 %	(5.16)	(4.19)	(3.47)

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 31 March 2019	As at 31 March 2018	As at 1 April 2017
Within next 12 months	28.65	39.32	18.99
Between 1-5 years	125.11	64.33	61.17
Beyond 5 years	414.23	353.96	279.66

(j) Category of Plan Assets:

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Insurance Fund	61.93	78.45	79.84
	[100%]	[100%]	[100%]
Total	61.93	78.45	79.84

Notes to Standalone Financial Statements

for the year ended 31 March 2019

(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)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Expense/(Income) to be recognized in Profit & Loss A/c	(13.33)	49.35	17.28
Total	(13.33)	49.35	17.28

Note 39: Financial Risk Management Framework

A) Capital Management

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 and long term funding requirements. Interest on Short term and long term borrowings is subject to floating interest rate and are repriced regularly and hence the Company is exposed to Interest rate risks. However, since the borrowings are not significant, the Company does not see any major risk.

If the interest rates had been 1% higher / lower and all other variables held constant, impact on the Company's profit for the year ended 31st March, 2019 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 Standalone Financial Statements

for the year ended 31 March 2019

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:

(Amount in Lakhs)

Particulars	Nature of Foreign currency	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
		Amt in foreign currency	Amt INR	Amt in foreign currency	Amt in INR	Amt in foreign currency	Amt in INR
Assets	USD	-	-	-	-	3.74	243.24
	EURO	-	-	-	-	-	-
Liabilities	USD	-	-	-	-	-	-

(Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Effect on profit before tax	Effect on pre-tax equity	Effect on profit before tax	Effect on pre-tax equity	Effect on profit before tax	Effect on pre-tax equity
Change in USD rate (+0.5%)	-	-	-	-	1.20	1.20
Change in USD rate (+0.5%)	-	-	-	-	(1.20)	(1.20)
Change in Euro rate (+0.5%)	-	-	-	-	-	-
Change in Euro rate (+0.5%)	-	-	-	-	-	-

Price Risks

The Company does not have much exposure to price risk due to annual contracts and pass through mechanism for imports

ii) 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.

iii) 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2019

The entity's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the entity's liquidity position and cash and cash equivalents on the basis of expected cash flows. The entity takes into account the liquidity of the market in which the entity operates.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments

(Rs. in Lakhs)

Particulars	Balance as on 31 March, 2019	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long term Borrowings	5,059.40	-	1,725.75	1,677.79	1,655.86
Short term borrowing*	6,939.24	6,939.24	---	---	--
Trade Payable	4,281.86	4,281.86	---	---	--
Statutory dues payable	47.57	47.57	---	---	--
Other Liabilities	49.96	49.96	---	---	--
Advance from customer	--	--	---	---	--

* Short term borrowing includes current maturity of long term borrowings Rs. 422.67 lakhs

Note 40: First Time Adoption of Ind AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS. The accounting policies set out in Note no. 3 have been applied in preparing the financial statements for the year ended 31st March, 2019, the comparative information presented in these financial statements for the year ended 31st March, 2018 and in the preparation of an opening Ind AS balance sheet at 1st April, 2017 (the Company's date of transition).

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standard Rules), 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has impacted the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Note 41: Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions in the transition from previous GAAP to Ind AS.

Ind AS optional exemptions

a) Deemed Cost

Ind AS 101 permits a first time adopter to elect to measure an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date. The exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets'.

b) Exchange differences on long-term foreign currency monetary items

Under previous GAAP, exchange differences arising on reporting of long-term foreign currency monetary items (i) relating to acquisition of depreciable capital assets were allowed to be adjusted to the carrying amount of such assets (to be adjusted over the balance life of the related asset) and (ii) in other cases were allowed to be accumulated in a 'Foreign Currency Monetary item Translation Difference Account' (to be adjusted over the balance period of the related long term monetary asset/ liability).

Notes to Standalone Financial Statements

for the year ended 31 March 2019

Ind AS 101 includes an optional exemption that allows a first time adopter to continue with the above accounting policy in respect of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of first Ind AS financial reporting period i.e. 1st April, 2017 or to discontinue with such policy.

Ind AS mandatory exceptions

a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

- Investments in equity instruments carried at FVPL and OCI
- Impairment of financial assets based on expected credit loss model

b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has assessed the same accordingly.

Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Note 42: Reconciliation of equity as at date of transition i.e. 1st April, 2017 and 31st March, 2018

(Rs. in Lakhs)

Particulars	As at 31 st March'2018			As at 1 st April'2017		
	As per Previous GAAP	Adjustment on transition to Ind AS	As per Ind AS	As per Previous GAAP	Adjustment on transition to Ind AS	As per Ind AS
ASSETS						
A) Non-current assets						
Property, plant and equipment	5,847.68	852.24	6,699.92	4,523.51	1,134.72	5,658.23
Capital work-in-progress	137.89	0.00	137.89	31.26	94.69	125.95
Investment Property	0.00	0.00	0.00	0.00	0.00	0.00
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00
Intangible assets	4.40	0.65	5.05	0.26	0.00	0.26
Intangible assets under development	0.00	0.00	0.00	0.00	0.00	0.00
Financial Assets						
- Investments	51.59	(6.59)	45.00	52.42	(7.42)	45.00
- Loans	200.21	(15.00)	185.21	257.14	(42.97)	214.17
- Trade Receivables	0.00	0.00	0.00	0.00	0.00	0.00
- Others (to be specified)	0.00	230.86	230.86	94.69	131.17	225.86
Deferred tax assets (Net)	0.00	0.00	0.00	0.00	0.00	0.00
Other Non - current assets	62.86	0.00	62.86	331.05	(318.39)	12.66
Total Non Current Assets (A)	6,304.63	1,062.16	7,366.79	5,290.33	991.80	6,282.13

Notes to Standalone Financial Statements

for the year ended 31 March 2019

(Rs. in Lakhs)

Particulars	As at 31 st March'2018			As at 1 st April'2017		
	As per Previous GAAP	Adjustment on transition to Ind AS	As per Ind AS	As per Previous GAAP	Adjustment on transition to Ind AS	As per Ind AS
B) Current assets						
Inventories	4,999.27	0.00	4,999.27	4,001.27	0.00	4,001.27
Financial assets						
- Investments	0.00	0.00	0.00	0.00	0.00	0.00
- Trade Receivables	4,136.31	0.00	4,136.31	3,216.06	0.00	3,216.06
- Cash and Cash Equivalents	31.73	0.00	31.73	57.70	0.00	57.70
- Bank Balances	149.97	0.00	149.97	249.95	0.00	249.95
- Others (to be specified)	16.14	21.78	37.92	18.31	50.39	68.70
Other current assets	1,335.48	0.00	1,335.48	1,388.48	0.00	1,388.48
Total current assets (B)	10,668.88	21.80	10,690.68	8,931.77	50.39	8,982.16
Total Assets (A + B)	16,973.51	1,083.96	18,057.47	14,222.10	1,042.19	15,264.29
EQUITY AND LIABILITIES						
A) Equity						
Equity Share Capital	2,000.00	0.00	2,000.00	2,000.00	0.00	2,000.00
Other equity	3,577.60	(519.19)	3,058.41	2,740.78	(511.36)	2,229.42
Total Equity (A)	5,577.60	(519.19)	5,058.41	4,740.78	(511.36)	4,229.42
Liabilities						
B) Non – current liabilities						
Financial liabilities						
- Borrowings	2,408.75	1,440.73	3,849.48	2,312.15	1,363.89	3,676.04
- Others	0.00	217.40	217.40	0.00	217.30	217.30
Provisions	373.88	(201.39)	172.49	364.99	(246.77)	118.22
Deferred tax liabilities (Net)	253.82	149.13	402.95	206.96	158.07	365.03
Total Non-current liabilities (B)	3,036.45	1,605.87	4,642.32	2,884.10	1,492.49	4,376.59
C) Current liabilities						
Financial liabilities						
- Borrowings	4,122.32	0.00	4,122.32	3,014.91	0.00	3,014.91
- Trade Payables	3,667.24	0.00	3,667.24	3,098.03	0.00	3,098.03
- Others	253.70	90.10	343.80	218.74	144.21	362.95
Other current Liabilities	49.08	104.02	153.10	130.82	23.58	154.40
Provisions	267.12	(196.84)	70.28	134.74	(106.75)	27.99
Total Current liabilities (C)	8,359.46	(2.72)	8,356.74	6,597.24	61.05	6,658.28
Total Liabilities (B + C)	11,395.91	1,603.15	12,999.06	9,481.33	1,553.54	11,034.87
Total Equity and Liabilities	16,973.51	1,083.96	18,057.47	14,222.11	1,042.18	15,264.29

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Notes to Standalone Financial Statements

for the year ended 31 March 2019

Note 42.1: Reconciliation of total comprehensive income for the year ended 31st March, 2018

(Rs. in Lakhs)

Particulars	Figures for the reporting period 31 st March' 2018		
	As per Previous GAAP	Adjustment on to transition to Ind AS	As per Ind AS
INCOME			
Revenue from Operations	16,294.11	107.10	16,401.21
Other Incomes	35.69	44.76	80.45
Total Income	16,329.80	151.86	16,481.66
EXPENSES			
Cost of Materials Consumed	10,255.91	0.00	10,255.91
Changes in Inventories of Finished Goods, Work-in-progress and Trading Goods	(772.73)	0.00	(772.73)
Excise Duty	285.91	0.00	285.91
Employee Benefits Expenses	844.35	25.70	870.05
Finance Costs	822.14	219.52	1,041.66
Depreciation / Impairment & Amortisation Expenses	221.76	(36.56)	185.20
Other Expenses	2,755.65	107.20	2,862.85
Total Expenses	14,412.98	315.86	14,728.84
Profit / (Loss) before exceptional items and tax	1,916.81	(163.99)	1,752.82
Exceptional Item	0.00	0.00	0.00
Profit / (Loss) before tax	1,916.81	(163.99)	1,752.82
Tax Expenses			
Current Tax	647.70	0.00	647.70
Deferred Tax	46.86	(10.80)	36.06
PROFIT / (LOSS) FOR THE YEAR	1,222.25	(153.20)	1,069.05
OTHER COMPREHENSIVE INCOME			
(A) (i) Items that will not be reclassified to Profit or Loss	0.00	5.36	5.36
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.00	(1.86)	(1.86)
(B) (i) Items that will be reclassified to Profit or Loss	0.00	0.00	0.00
(ii) Income tax relating to items that will be reclassified to profit or loss	0.00	0.00	0.00
Total Other Comprehensive Income	0.00	3.51	3.51
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,261.95	(189.39)	1,072.56

Note 42.2: Reconciliation of total equity as at date of transition i.e. 1st April, 2017 and 31st March, 2018

(Rs. in Lakhs)

Particulars	As at 1 st April, 2017	As at 31 st March, 2018
Total equity (Shareholders fund) as per Previous GAAP	4,740.78	5,577.60
Adjustments		
Remeasurement and Restatement	(669.44)	(668.32)
Income Tax Effect	158.08	149.13
Total Adjustment	(511.36)	(519.19)
Total Equity as per Ind AS	4,229.42	5,058.41

Notes to Standalone Financial Statements

for the year ended 31 March 2019

Note 42.3: Reconciliation of total comprehensive income for the year ended 31st March, 2018

(Rs. in Lakhs)

Particulars	For the year ended 31 st March, 2018
Profit after Tax as per Previous GAAP	1,261.95
Less : Adjustments	
Financial Assets and Liabilities accounted for at Fair Value	219.52
Remeasurment of Defined Employees Benefits Plan	25.70
Depreciation and Amortisation	(36.57)
Others	(15.76)
Total Adjustment	192.89
Profit after Tax as per Ind AS	1,069.05
Remeasurement of defined benefits plan	5.36
Deferred tax Adjustments - OCI (During the year)	(1.86)
Total Comprehensive Income as per Ind AS	1,072.56

Note 43: Working note for first time adoption to Ind AS

A) Proposed Dividend

Under previous IGAAP, dividend proposed by the Board of Directors after the reporting date but before the approval of financial statement were considered to be adjusting event as per AS 4 and accordingly recognised as liability at the reporting date (along with DDT).

As per Para 12 of the Ind AS 10 "Events after reporting period", if an entity declares dividends to holders of equity instruments (as defined in Ind AS 32, Financial Instruments: Presentation) after the reporting period, the entity shall not recognise those dividends as a liability at the end of the reporting period.

As per Para 13 of the Ind AS 10 "Events after reporting period", If dividends are declared after the reporting period but before the financial statements are approved for issue, the dividends are not recognised as a liability at the end of the reporting period because no obligation exists at that time. Such dividends are disclosed in the notes in accordance with Ind AS 1, Presentation of Financial Statements.

From the above explanation dividend so proposed by the Board of Directors are considered to be non-adjusting event. Accordingly, provision for proposed dividend and DDT recognised under previous IGAAP has been reversed.

Subsequently, the Company has recorded and paid the dividend in the year ended 31st March, 2018.

B) Trade Receivables

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables is low.

C) Remeasurement of Defined Benefit Plans

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit cost for 31st March, 2019 is reduced by 14.39 Lakhs and remeasurement gains/ losses on defined benefit plans has been recognised in the OCI net of tax.

Notes to Standalone Financial Statements

for the year ended 31 March 2019

F) Expenses Directly Attributable to Sales

Under previous GAAP, expenses directly attributable to sales were recognised as an expense. Under Ind AS 18, such expenses are presented under revenue from sale of goods.

Note 44: Business Combination

The Company has purchased business unit of Solaris Chemtech Industries Ltd. situated at Karakhadi of Padra Taluka, district Vadodara, Gujarat during the financial year 2016-17 through business transfer agreement dated 21st October 2016.

Total Purchase Consideration paid for acquiring unit is Rs. 3,315.88 Lakhs.

Fair Value of Assets & Liabilities is as follows:	INR in Lakhs
Non-Current Assets	
Land	2,635.64
Factory Buildings	425.25
Plant & Machineries	375.74
R & D Equipments	39.47
Quality Control Instruments	66.61
Safety Equipments	15.82
M.S. Structure & FRP Gratings	55.27
Effluent Treatment Equipments	37.50
Current Assets	
Trade receivables	606.12
Inventories	473.26
Other Short-Term Loan & Advances	327.99
Less: Net Liabilities	
Trade Payables	(236.44)
Other Current Liabilities	(21.35)
Long Term Provisions	(48.24)
Provisions for Obsolete Items	(535.47)
Net Assets Taken Over	4,217.17
Less: Purchase Consideration	(3,315.88)
Less: Deferred Tax Asset/(Liability)	(180.91)
Balance Amount of Capital Reserve	720.38

Note 45 : Operating Segment Disclosure

The company is in the business of Manufacturing of Speciality Chemicals and accordingly has one reportable business segment.

Note 46 :

- Rupees in Lakhs are rounded off nearest to two decimals and totals of notes, schedules may vary due to said rounding off.
- Previous period figures have been regrouped/rearranged/recasted wherever necessary, to conform to current period presentation

Consolidated Financial Statements

Independent Auditor's Report

TO THE MEMBERS OF NEOGEN CHEMICALS LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of NEOGEN CHEMICALS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 Ind AS 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, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other Matters

The comparative financial information of the Company for the transition date opening Balance Sheet as at 1st April, 2017 included in this Consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by our firm expressed an unmodified opinion on that Consolidated Ind AS Financial Statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion is not modified in respect of these matters.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements.

Sr. Key Audit Matter No.	Auditor's Response
<p>1 Transition to Ind AS accounting framework (as described in note 40 of the Consolidated Ind AS Financial Statements)</p> <p>Effective 1 April 2018, the Company adopted the Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs with the transition date of 1 April 2017. The following are the major impact areas for the Company upon transition:</p> <ul style="list-style-type: none"> • Classification and measurement of financial assets and financial liabilities • Measurement of Business Combinations and Embedded derivative in financials assets and liabilities • Accounting for loan fees and costs • Accounting for employee stock options <p>The migration to the new accounting framework (Ind AS) is a complicated process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date.</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none"> • Evaluated management's transition date choices and exemptions for compliance/acceptability under Ind AS 101. • Understood the methodology implemented by management to give impact on the transition. • Assessed the accuracy of the computations related to significant Ind AS adjustments • Tested the select system reports with the help of our IT specialists to check the completeness and accuracy of the data and reports used to perform computations for giving effect to Ind AS transition adjustments. • Confirmed the approvals of Audit Committee for the choices and exemptions made by the Company for compliance/acceptability under Ind AS 101. • Assessed areas of significant estimates and management judgment in line with principles under Ind AS. • Assessed the appropriateness of the disclosures made in the financial statement.
<p>Information Technology</p> <p>IT systems and controls The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. From a financial reporting perspective the Company uses and we have tested the financial accounting and reporting system and other tools for overall financial reporting. We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. • We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. • For a selected group of key controls over financial and reporting system, we independently performed procedures to determine that these control remained unchanged during the year or were changed following the standard change management process. • Evaluated the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission. • Other areas that were independently assessed included password policies, security configurations, system interface controls, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment. • Obtained report related to information technology audit carried out by the subject matter expert engaged by the management and assessed the impact if any on our audit procedures.

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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements

represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Ind AS 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 Ind AS 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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.
- g) 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.

- h) 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.

For **JMT & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 104167W

Thane
May 25, 2019

SANJAY PICHHOLIA
Partner (Membership No.122651)

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1(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, 2019 in conjunction with our audit of the Consolidated Ind AS 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

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, 2019, 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.

Thane
May 25, 2019

For **JMT & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 104167W

SANJAY PICHHOLIA
Partner (Membership No.122651)

Consolidated Balance Sheet

as at 31 March 2019

(Rs. in Lakhs)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Assets				
(1) Non-current assets				
(a) Property, plant and equipment	4	8,271.19	6,699.92	5,658.23
(b) Capital work-in-progress	5	38.54	137.89	125.95
(c) Intangible assets	6	10.81	5.05	0.26
(d) Intangible assets under development		-	-	-
(e) Financial assets				
(i) Investments	7	52.58	42.28	48.78
(ii) Loans		-	-	-
(iii) Other financial assets	8	253.89	416.07	440.03
(f) Other non-current assets	9	40.21	62.86	12.66
Total Non-current Assets		8,667.22	7,364.07	6,285.91
(2) Current Assets				
(a) Inventories	10	7,237.82	4,999.27	4,001.27
(b) Financial assets				
(i) Trade receivables	11	6,065.91	4,136.31	3,216.06
(ii) Cash and cash equivalents	12a	116.64	31.73	57.70
(iii) Bank balances other than (ii) above	12b	85.51	149.97	249.95
(iv) Loans		-	-	-
(v) Other current financial assets	13	44.21	24.50	58.61
(c) Other current assets	14	2,426.41	1,335.47	1,388.48
Total Current Assets		15,976.50	10,677.25	8,972.07
Total Assets		24,643.72	18,041.32	15,257.98
Equity and Liabilities				
(1) Equity				
(a) Equity share capital	15	2,007.88	2,000.00	2,000.00
(b) Other equity	16	5,012.19	3,041.50	2,222.81
Total Equity		7,020.07	5,041.50	4,222.81
(2) Non current liabilities				
(a) Financial liabilities				
- Borrowings	17	5,059.40	3,849.48	3,676.04
- Other Non current Financial Liabilities	18	200.00	217.40	217.30
(b) Long Term Provisions	19	202.27	172.49	118.22
(c) Deferred tax liabilities (net)	20	487.88	402.95	365.03
Total Non-current Liabilities		5,949.55	4,642.32	4,376.59
(3) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	6,516.57	4,122.32	3,014.91
(ii) Trade payables	22	4,281.87	3,667.24	3,098.03
(iii) Other financial liabilities	23	583.90	343.80	362.95
(b) Other current liabilities	24	181.68	153.86	154.70
(c) Short-term provisions	25	110.08	70.28	27.99
Total Current liabilities		11,674.10	8,357.50	6,658.58
Total Liabilities		17,623.65	12,999.82	11,035.17
Total Equity and Liabilities		24,643.72	18,041.32	15,257.98

Corporate information and significant accounting policies 1 to 3

The accompanying Consolidated Statement of Significant Accounting Policies and Notes to Financial Information are integral part of this statement.

As per our report of even date attached.

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

For & on behalf of the Board of Directors

Sanjay Pichholia
Partner
Membership No: 122651

Haridas Kanani
Chairman & Managing Director
DIN: 0000185487

Dr. Harin Kanani
Joint Managing Director
DIN: 0005136947

Place: Thane
Date: 25 May 2019

Mahesh Tanna
CFO

Lalit Karne
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31 March 2019

(Rs. in Lakhs)

Particulars	Notes	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Income			
I. Revenue from operations	26	23,905.82	16,401.21
II. Other income	27	50.70	66.31
Total Income (I+II)		23,956.52	16,467.52
III. Expenses			
Cost of materials consumed	28	15,965.28	10,255.91
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(1,896.11)	(772.73)
Excise Duty		0.00	285.91
Employee benefits expense	30	1,115.43	870.05
Finance costs	31	1,193.78	1,041.66
Depreciation and Amortization Expenses	4	283.68	185.20
Other Expense	32	4,379.32	2,862.85
Total Expenses		21,041.38	14,728.84
IV. Profit/(loss) before share of Profit		2,915.14	1,738.68
Share of Profit/(Loss) on Investments		10.30	3.84
V. Profit/(loss) before taxes		2,925.43	1,742.52
VI. Income tax			
1. Current Tax		750.00	608.00
2. Deferred Tax	20	80.74	36.06
VII. Profit for the year		2,094.69	1,098.45
VIII. Other comprehensive income			
Items that will not be reclassified to statement of profit or loss			
Statement of other comprehensive income		14.39	5.36
Income tax related to items that will be reclassified to profit or loss		(4.19)	(1.85)
Other comprehensive (expense)/ income, net of tax	33	10.20	3.51
IX. Total comprehensive income for the year		2,104.89	1,101.96
X. Earnings per equity share (in INR)	34		
- Basic		10.43	5.49
- Diluted		10.43	5.49

Corporate information and significant accounting policies

1 to 3

The accompanying Consolidated Statement of Significant Accounting Policies and Notes to Financial Information are integral part of this statement.

As per our report of even date attached.

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

Sanjay Pichholia
Partner
Membership No: 122651

Place: Thane
Date: 25 May 2019

For & on behalf of the Board of Directors

Haridas Kanani
Chairman & Managing Director
DIN: 0000185487

Mahesh Tanna
CFO

Dr. Harin Kanani
Joint Managing Director
DIN: 0005136947

Lalit Karne
Company Secretary

Consolidated Statement of Change in Equity

A Equity share capital

(Also refer Note 15) (Rs. in Lakhs)

Particulars	Total Equity
As on 1 st April 2017	2,000.00
Issue of Share Capital During the Year	-
As on 31 st March 2018	2,000.00
Issue of Share Capital During the Year	7.88
As on 31 st March 2019	2,007.88

B Other Equity

(Also refer Note 16) (Rs. in Lakhs)

Particulars	Surplus						Total Other Equity
	General Reserve	Surplus as per Profit and Loss	Capital Redemption Reserve - Fully Redeemable Cumulative Preference Shares (FRCPS)	Capital Redemption Reserve - Optionally Convertible Preference Shares (OCPS)	Capital Reserve on Business Combination	Security Premium	
Balance as at 1st April 2017	89.95	1,315.74	75.00	21.67	720.39	-	2,222.80
Profit/Loss for the year	-	1,098.45	-	-	-	-	1,098.45
Other comprehensive income for the year	-	3.51	-	-	-	-	3.51
Total comprehensive income for the year	-	1,101.96	-	-	-	-	1,101.96
Transfer to General Reserve	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve - FRCPS	-	(75.00)	75.00	13.00	-	-	13.00
Transfer to Capital Redemption Reserve - OCPS	-	(13.00)	-	-	-	-	(13.00)
Final Dividend	-	(200.00)	-	-	-	-	(200.00)
Taxes Paid	-	(39.70)	-	-	-	-	(39.70)
Tax on Interim & Final Dividend	-	(43.56)	-	-	-	-	(43.56)
Balance as at 31st March 2018	89.95	2,046.49	150.00	34.67	720.39	-	3,041.50
Profit/Loss for the year	-	2,094.69	-	-	-	-	2,094.69
Security Premium	-	-	-	-	-	144.87	144.87
Other comprehensive income for the year	-	10.20	-	-	-	-	10.20
Total inclusive of comprehensive income for the year	-	2,104.89	-	-	-	144.87	2,249.76
Transfer to General Reserve	-	-	-	-	-	-	-
Transfer to/from Capital Redemption Reserve - FRCPS	-	(75.00)	75.00	-	-	-	-
Transfer to/from Capital Redemption Reserve - OCPS	34.67	-	-	(34.67)	-	-	-
Final Dividend	-	(200.00)	-	-	-	-	(200.00)
Taxes Paid	-	(37.83)	-	-	-	-	(37.83)
Tax on Interim & Final Dividend	-	(41.24)	-	-	-	-	(41.24)
Balance as at 31st March 2019	124.62	3,797.31	225.00	-	720.39	144.87	5,012.19

As per our report of even date attached.

For **JMT & Associates**
Chartered Accountants
Firm's Regn No: 104167W

Sanjay Pichholia
Partner
Membership No: 122651

Place: Thane
Date: May 25, 2019

For & on behalf of the Board of Directors

Haridas Kanani
Chairman & Managing Director
DIN: 0000185487

Mahesh Tanna
CFO

Dr. Harin Kanani
Joint Managing Director
DIN: 0005136947

Lalit Karne
Company Secretary

Consolidated Statement of Cash Flow

for the year ended 31 March 2019

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(loss) before extra - ordinary Items & tax	2,925.43	1,742.52
Adjustments for:		-
Depreciation and amortisation expense	283.68	185.20
Liabilities/Provision no longer required written back	0.00	0.00
Finance Costs	1,193.78	1,041.66
Interest & Other income	(21.00)	(25.39)
Fair Value Gain / Loss on Derivative Contracts	(20.01)	(44.66)
Employee Benefit Expenses	55.17	25.70
Provision for doubtful debts & Other Receivables and Loan & advances	0.00	0.00
Provision for loans/advances given to subsidiary/associate	0.00	0.00
Provision for impairment of investment in subsidiary and associate	0.00	0.00
Operating profit before working capital changes	4,417.05	2,925.03
Movement in working capital		
(Increase)/decrease in current and non-current long-term loans & advances	(68.68)	56.92
(Increase)/decrease in inventories	(2,238.55)	(997.98)
(Increase)/decrease in current and non-current financial assets – Loans	(16.94)	(97.90)
(Increase)/decrease in other current and non-current financial assets	280.43	152.66
(Increase)/decrease in other current and non-current assets	(978.56)	10.72
(Increase)/decrease in trade receivables	(1,929.60)	(920.25)
Increase/(decrease) in other current and non-current financial liabilities (Including Working Capital utilised)	422.74	34.95
Increase/(decrease) in non-current provisions	29.77	8.89
Increase/(decrease) in current provisions	(399.49)	(75.62)
Increase/(decrease) in other current and non-current liabilities	50.53	(81.73)
Increase/(decrease) in trade payables	614.63	569.21
Cash flow from/(utilized in) operating activities post working capital changes	(4,233.72)	(1,340.13)
Income tax paid/Refunds (net)	(551.02)	(400.00)
Net cash flow from/(utilized in) operating activities (A)	(367.69)	1,184.90
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including intangible assets, capital advances, capital creditors and intangible assets under development)	(1,838.05)	(1,388.52)
Interest received		
- Bank & Others	10.71	21.55
- Other Income	10.30	3.84
Capital WIP	(176.43)	94.69
Investment in Partnership Firm	0.00	0.00
Amount received from Partnership Firm	(15.87)	0.84
Net cash used in investing activities (B)	(2,009.34)	(1,267.60)

Consolidated Statement of Cash Flow (Contd.)

for the year ended 31 March, 2019

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) of long-term borrowings	1,428.92	96.60
Proceeds / (Repayment) of short-term borrowings	2,394.25	1,107.42
Statutory fees for raising Share Capital	0.00	0.00
Finance Cost	(993.74)	(822.14)
Dividends Paid	(311.37)	(317.86)
Prior Period Taxes	(56.58)	(39.70)
Tax on Dividend	(64.01)	(67.56)
Net cash flow from/(utilized in) financing activities (C)	2,397.47	(43.24)
Increase/(decrease) in cash and cash equivalents (A+B+C)	20.44	(125.95)
Cash and cash equivalents at the beginning of the year	181.70	307.65
Cash and cash equivalents at the end of the year	202.15	181.70
Notes to cash flow statement		
1. Components of cash and cash equivalents:		
- Cash in hand	22.05	10.91
- Balances with bank (Current Account)	94.59	20.82
- Balances with bank (Deposit Account)	85.51	149.97
	202.15	181.70
2. The above cash flow statement has been prepared under the indirect method as set out in Indian Accounting standard 7 "Statement of Cash Flows".		
3. The accompanying Consolidated Statement of Significant Accounting Policies and Notes to Financial Information are integral part of this statement.		

As per our report of even date attached.

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

Sanjay Pichholia
Partner
Membership No: 122651

Place: Thane
Date: 25 May 2019

For & on behalf of the Board of Directors

Haridas Kanani
Chairman & Managing Director
DIN: 0000185487

Maresh Tanna
CFO

Dr. Harin Kanani
Joint Managing Director
DIN: 0005136947

Lalit Karne
Company Secretary

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

1. Corporate information

Neogen Chemicals Limited is Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 having Corporate Identity Number U24200MH1989PLC050919. Company has its registered office at Thane, Maharashtra. The Company is engaged in the business of manufacturing of eco - friendly speciality chemicals which are used in Pharmaceutical, Engineering & Agro-Chemical industries. Neogen has developed significant expertise in highly demanding field of Bromine Compounds, Lithium compounds & more recently advance intermediates for pharmaceutical industries & Agro-Chemical 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 under development 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. It has various certificates like ISO 9001:2015, ISO 14001 & ISO 18001 for Safety & Environment, Star Export House from Government of India and Crisil rating.

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. The Equity Shares of the Company are listed on 8th May, 2019 on Bombay Stock Exchange Limited(BSE) and National Stock Exchange of India Limited (NSE).

The Company has following investments in subsidiaries and Joint Venture:

Subsidiary: NIL

Joint Venture : Dhara Fine Chem Industry (Registered Partnership Firm). Company owns 90% share in Partnership and financial statements of Joint Venture are consolidated under Equity Method of accounting of Investments.

2. Basis of preparation and Significant accounting policies

2.1 Statement of compliance

The accompanying consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2017 notified under section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

These Financial Statements are the first consolidated Financial Statements of the Company under Ind AS. Previous period numbers for the year ended 31 March 2018 in the Financial Statements have been restated to confirm to Ind AS. Accordingly, the date of transition to Ind AS is 1 April 2017.

As these are the Company's first consolidated Financial Statements prepared in accordance with Ind AS, Ind AS 101, "First-time adoption of Indian Accounting Standards" has been applied. An explanation of how the transition to Ind AS has affected the previously reported Financial position, Financial performance and cash flows of the company is provided in Note to accounts.

2.2 Functional and presentation currency

These consolidated Financial Statements are presented in Indian rupees, which is also the Company's functional currency. All amounts have been reported in INR, unless otherwise indicated.

2.3 Basis of measurement

The consolidated Financial Statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- Net defined benefit (assets) / liabilities that are measured at fair value of plan assets less present value of defined benefit obligations

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

2.4 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.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2019 are as follows:

a) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

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

Depreciation on property, plant and equipment is provided using the straight-line method as per the estimated useful life which corresponds to the rates prescribed under Schedule II of the Companies Act, 2013:

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 equipment's	10 years
I T Equipments	3 years
Furniture and fixtures	10 years
Vehicles	8 years

Leasehold improvements are amortized over the period of lease which ranges from 1 to 99 years.

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 consolidated statement of profit and loss when the asset is derecognized.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2017 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment. The Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) while preparing Financial Information for the years ended March 31, 2019, March 31, 2018, April 1, 2017. Accordingly, suitable adjustments in the accounting heads are made to the financial statements as of and for the years ended April 1, 2017 and March 31, 2018.

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

b) Intangible assets

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific assets to which it states.

Subsequent measurement (depreciation and useful lives)

The Company amortizes intangible assets with a finite useful life using the straight-line method over six years. Gains or losses arising from derecognition 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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at April 1, 2017 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment. The Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) while preparing Financial Information for the years ended March 31, 2019, March 31, 2018 and April 1, 2017. Accordingly, suitable adjustments in the accounting heads are made to the financial statements as of and for the years ended March 31, 2018 and April 1, 2017.

c) 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 other costs incurred depending upon the stage of completion.
- In case of finished goods-cost includes cost of direct material, labor, 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.

d) 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.

e) 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

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

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 gains and losses are presented in the statement of profit and loss on a net basis.

f) 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 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.

g) Revenue Recognition

Revenue is recognized to the extent it is probable that future economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable net of related rebates. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from sale of goods is recognized when substantial risk and rewards of the ownership are transferred to the buyer under the terms of the contract.

h) 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 recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

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.

i) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard 19- Employee Benefits.

j) Borrowing costs

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalized during the

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for the year ended 31 March 2019

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.

k) 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.

l) 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 number of equity shares outstanding during the financial year. The 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 number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m) Lease

Finance leases as a lessee

Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed

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as leased assets. Lease payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

n) Operating leases as a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to consolidated statement of profit or loss on a straight-line basis over the period of the lease, unless the increase in rent is to compensate the lessor for the effects of inflation.

o) 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 and geographical segment. The board of directors is collectively the company's 'Chief Operating Decision maker' or 'CODM' within the meaning of -Ind AS 108.

p) 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

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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

Historical cost convention

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.

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, unless otherwise stated.

q) Operating Lease

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

r) Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognized at cost as per Ind AS 27. Except where investments 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.

s) Investments and other financial assets

a. Classification

The Company classifies its financial assets in the following measurement categories:

- i. those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

- 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 costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

t) Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

- i. Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely 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 through statement of Profit and Loss. Interest income from these financial assets is included in other income.

u) Short-term obligations

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 service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

v) other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the discount rates for Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss.

a. Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans
- (b) such as gratuity and pension; and
- (c) defined contribution plans such as provident fund etc.

b. Pension and gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined 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 market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

c. Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred. Further for certain employees, the monthly contribution for Provident Fund is made to a Trust administered by the Company. The interest payable by the Trust is notified by the Government. The Company has an obligation to make good the shortfall, if any.

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 these benefits. The Company recognizes 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 recognizes costs 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.

2.5 Basis of Consolidation

The Consolidated financial statements comprise the financial statements of the Company, 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 on the following basis:

The CFS include the share of profit / loss of the joint ventures which are accounted as per the 'equity method'. Under the equity method of accounting, the investments 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 movements 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.

3. Recent accounting pronouncement

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the consolidated financial information and the impact is not material.

Ind AS 115- Revenue from Contract with Customers

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised

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for the year ended 31 March 2019

goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively

to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors

- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)
- The Company is not expected to have any impact of this pronouncement on its consolidated financial information.

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

Note 4: Property, Plant & Equipment

Following are the changes in the carrying value of property, plant & equipment for the year ended 31 March 2019, 31 March 2018, and as at 1 April 2017.

Description	Freehold Land	Leasehold Land	Factory buildings	Plant & Machineries	M.S. Structure & FRP Gratings	Quality Control Instruments	R&D Equipments	Effluent Treatment Equipments	Safety Equipments	Office Equipments	I.T. Equipments	Motor Car	Furniture & Fixtures	Total
(Rs. in Lakhs)														
Gross carrying value (at deemed cost)														
Balance as at 1 April 2017	2,805.81	320.14	574.31	1,228.38	402.16	110.57	64.55	61.98	23.09	17.00	42.10	1.22	6.91	5,658.23
Additions	-	469.20	99.41	602.79	28.63	1.81	5.40	3.04	0.07	5.66	8.06	-	2.04	1,226.11
Deletions / discarded / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	2,805.81	789.34	673.72	1,831.17	430.79	112.38	69.95	65.02	23.16	22.66	50.15	1.22	8.95	6,884.34
Additions	-	118.02	177.43	1,049.63	41.24	156.96	54.83	0.30	2.67	36.29	53.21	72.27	90.69	1,853.55
Deletions / discarded / adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 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
Accumulated depreciation / amortization														
Balance as at 1 April 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	9.27	27.71	71.44	30.68	12.98	7.43	5.13	2.63	3.03	12.40	0.55	1.16	184.41
Deletions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	-	9.27	27.71	71.44	30.68	12.98	7.43	5.13	2.63	3.03	12.40	0.55	1.16	184.41
Charge for the year	-	14.60	33.95	125.68	32.83	19.71	10.90	5.26	2.69	6.11	21.26	2.14	7.14	282.27
Deletions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 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
Net carrying amount														
As at 1 April 2017	2,805.81	320.14	574.31	1,228.38	402.16	110.57	64.55	61.98	23.09	17.00	42.10	1.22	6.91	5,658.23
As at 31 March 2018	2,805.81	780.07	646.01	1,759.73	400.11	99.40	62.52	59.90	20.52	19.63	37.75	0.67	7.79	6,699.92
As at 31 March 2019	2,805.81	883.49	789.49	2,683.69	408.52	236.65	106.45	54.93	20.50	49.81	69.70	70.81	91.35	8,271.19

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

* Refer note below for the gross block value and the accumulated depreciation on 1 April 2017 under the previous GAAP.

Description	Freehold Land	Leasehold Land	Factory buildings	Plant & Machineries	M.S. Structure & FRP Gratings	Quality Control Instruments	R&D Equipments	Effluent Treatment Equipments	Safety Equipments	Office Equipments	I.T. Equipments	Motor Car	Furniture & Fixtures	Total
(Rs. in Lakhs)														
Gross Block	1,709.98	15.67	767.11	1,732.73	643.64	109.42	75.64	52.19	31.59	40.26	96.89	13.44	54.45	5,343.80
Accumulated Depreciation	-	-	60.17	35.11	236.84	34.86	15.44	7.03	4.03	15.67	53.90	12.22	8.23	819.49
Net Block	1,709.98	15.67	686.94	1,381.62	406.80	74.56	60.20	45.16	27.56	24.59	42.99	1.22	46.22	4,523.51

Details of mortgage:

The secured obligations i.e. Loan Facility together with all other amounts payable shall be secured by:

- First charge mortgage and charge on all immovable properties including Leasehold Land, both present and future pertaining the project. These covers:
 - Land situated at Karakhadi of Padra Taluka, district Vadodara, Gujarat
 - Land situated at Mahape at Navi Mumbai district, Maharashtra
 - Personal Guarantee of directors
- First charge by way of hypothecation of Plant and Machineries

Depreciation and Amortization charged during the year to the Statement of profit and loss on fixed assets:

Particulars	31 March 2019	31 March 2018
(Rs. in Lakhs)		
Depreciation during the year	282.27	184.41
Amortization during the year - Computer Software	1.41	0.79
Total	283.68	185.20

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

Note 5: Capital Work in Progress

Following are the changes in the carrying value of Capital work in progress for the year ended 31 March 2019, 31 March 2018 and as at 1 April 2017.

(Rs. in Lakhs)

Description	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018	As at 1 April 2017
Opening	137.89	125.94	68.66
Additions	38.54	131.91	63.39
Capitalized during the year	(137.89)	(119.96)	(6.10)
Closing as at year end	38.54	137.89	125.95

Note 6: Intangible Assets

Following are the changes in the carrying value of Intangible assets for the year ended 31 March 2019, 31 March 2018, and 1 April 2017.

(Rs. in Lakhs)

Description	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018	As at 1 April 2017
Computer Software			
Opening	5.84	0.26	0.26
Additions	7.17	5.58	5
Deletions / discarded / adjustments	-	-	-
Gross carrying amount	13.00	5.84	0.26
Less: Accumulated Amortization			
Opening balance	0.79	-	0.00
Charge for the year	1.41	0.79	0.00
Deletions	-	-	-
Accumulated depreciation	2.20	0.79	0.00
Net Carrying Amount	10.81	5.05	0.26

The Company has availed the deemed cost exemption in relation to the intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

* Refer note below for the gross block value and the accumulated amortization on 1 April 2017 under the previous GAAP.

Description	Computer software
Gross Block	166
Accumulated amortization	(1.41)
Net Block	0.26

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

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Investment in Partnership Firm - Dhara Fine Chem Industries			
Carrying amount of Investment	42.28	48.78	48.78
Share of Profit for the year	10.30	3.84	-
Amount withdrawn from Capital Investment	-	(10.34)	-
Carrying amount (Closing)	52.58	42.28	48.78

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for the year ended 31 March 2019

Note 8: Non-current other financial assets

(Unsecured, considered good)

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Security Deposits - Utilities	253.88	185.21	214.17
Other financial assets (non - current) - measured at Fair Value Through P & L			
Derivative Asset for Early Redemption Right for Fully Redeemable Preference Shares	-	230.86	225.86
Total	253.88	416.07	440.03

*There are no loans & advances from Directors/Promoters/Issuer and their family.

Note 9: Other Non-Current Assets

(Unsecured, considered good)

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Capital Advances	40.21	62.86	12.66
Total	40.21	62.86	12.66

Note 10: Inventories*

(at lower of cost and net realisable value)

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Raw materials	1,339.29	987.00	698.75
Work in progress	4,821.40	3,083.79	2,568.04
Finished goods	933.34	774.84	582.58
Stores & Spares	117.71	115.09	125.61
Fuel	6.42	9.59	8.63
Packing	19.66	28.96	17.66
Total	7,237.82	4,999.27	4,001.27

* Hypothecated with Banks for Working Capital Limit

Note 11: Trade Receivables*

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Unsecured, Considered good - Outstanding for more than Six Months	113.59	50.45	71.03
Unsecured considered good:			
For Export	1,430.13	1,644.48	1,331.52
For Domestic	4,522.19	2,441.38	1,813.51
Total	6,065.91	4,136.31	3,216.06

*Hypothecated with Banks for Working Capital Limit

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for the year ended 31 March 2019

Note 12 (a): Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Balance with banks:			
- in current account	94.59	20.82	45.68
Cash in hand	22.05	10.91	12.02
Total	116.64	31.73	57.70

Note 12 (b): Bank balances other than those disclosed in Note 12 (a) above

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
- in deposit accounts held as margin money against Bank Guarantee & Letter of credit	85.51	149.97	249.95
- in deposit accounts with original maturity of more than three months but within twelve months	-	-	-
Total	85.51	149.97	249.95

Note 13: Other Current Financial Assets

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Loan to Related Parties - Partnership firm Dhara Fine Chem Industries (Joint Venture)*	28.49	8.15	40.30
*Refer Note 37- Related Party Disclosures			
Others			
(Measured at Amortised Cost)			
Loans and Advances to employees	15.72	9.78	13.73
Excess payment of EMI Recoverable/ Recoverable from Financial Institutions	-	6.35	4.58
Receivables from Dhara Fine Chem Industries			
(Asset measured at Fair Value through Profit or loss)			
Derivative Asset for Forwards Contracts	-	0.22	-
Total	44.21	24.50	58.61

Note 14: Other Current Assets

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Advances to Trade Creditors	128.42	32.16	44.68
Balances with Government Authorities	2,057.49	1,254.37	1,288.08
Preliminary/Pre-operative expenses	175.23	-	-
Prepaid expenses	65.27	48.94	55.72
Total	2,426.41	1,335.47	1,388.48

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Note 15: Share Capital

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised						
Equity Shares of Rs. 10/- each	2,50,00,000	2,500.00	25,00,000	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	5,00,000	500.00
Fully Redeemable Cumulative Preference Shares of Rs. 100/- each	20,00,000	2,000.00	20,00,000	2,000.00	20,00,000	2,000.00
Total		5,000.00		5,000.00		5,000.00
Issued, Subscribed and Fully Paid up						
Equity Shares of Rs. 10/- each fully paid-up	2,00,78,793	2,007.88	2,00,00,000	2,000.00	2,00,00,000	2,000.00
Optionally Convertible Preference shares of Rs.100/ each fully paid up**	-	-	-	-	-	-
Fully Redeemable Cumulative Preference Shares of Rs.100/each fully paid up**	-	-	-	-	-	-
		2,077.88		2,000.00		2,000.00

** 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:-

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year						
Equity Shares outstanding at the beginning of the year	2,00,00,000	2,000.00	2,00,00,000	2,000.00	2,00,00,000	2,000.00
Optionally Convertible Preference Shares	1,30,000	130.00	1,30,000	130.00	1,30,000	130.00
Fully Redeemable Cumulative Preference Shares	10,70,000	1,070.00	10,70,000	1,070.00	10,70,000	1,070.00
Add: Issued during the year						
Bonus Equity Shares allotted during the year	-	-	-	-	-	-
Conversion of OCPS to Equity Shares	78,793	7.88	-	-	-	-
Equity shares/Preference shares allotted	-	-	-	-	-	-
Less: Reclassified as Debt Component						
Optionally Convertible Preference Shares	-	-	-	-	-	-
Fully Redeemable cumulative Preference Shares	-	-	-	-	-	-
At the end of the year						
Equity Shares outstanding at the end of the year	2,00,78,793	2,007.88	2,00,00,000	2,000.00	2,00,00,000	2,000.00
Optionally Convertible Preference Shares**	-	-	-	-	-	-
Fully Redeemable cumulative Preference Shares**	-	-	-	-	-	-

** On transition to Ind AS , as per Ind AS 109 , the same has been considered under long term borrowings

15.2(a) Rights, Preferences & Restrictions of each class of shares

- The Company has only one class of equity shares which enjoys the same rights in respect of voting, payment of dividend and repayment of capital. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

(b) Particulars of shares issued/allotted as fully paid-up by way of consideration other than cash

The Company has allotted 20,00,000 and 1,55,00,000 bonus equity shares in financial year 2012-13 and 2015-16 respectively. The Company has allotted bonus equity shares in the proportion of 4 equity shares for every 5 equity shares held (FY 2012-13) and 62 fully paid equity shares for every 18 equity shares held (FY 2015-16). The face value of bonus shares of Rs. 200.00 Lakhs and Rs. 1,550.00 Lakhs allotted out of reserves and surplus.

(c) Particulars of shares reserved for options and contracts/commitments for sale of shares/disinvestment

The Company has not reserved any shares for issue of options and contracts/commitments for sale of shares/ disinvestment.

(d) Particulars of calls unpaid

There is no calls unpaid, thus such disclosure is not applicable.

(e) Subdivision of Shares

There is no subdivision of shares during this period, thus such disclosure is not applicable.

(f) Shares Forfeited

There is no forfeiture of shares, thus such disclosure is not applicable.

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

Class of Shares / Name of Shareholder	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with Voting Rights						
Mr. Haridas T. Kanani	1,39,99,680	69.72%	1,39,99,680	70.00%	1,39,99,680	70.00%
Mrs. Beena H Kanani	22,26,711	11.09%	25,67,000	12.84%	29,74,000	14.87%
Dr. Harin H Kanani	20,00,000	9.96%	20,00,000	10.00%	20,00,000	10.00%
Ms. Palika H Kanani	10,00,000	4.98%	10,00,000	5.00%	10,00,000	5.00%

15.4 Details of Optionally Convertible Preference Shares held by each preference shareholder holding more than 5% without voting rights (Classified as Debt Component under Ind AS)

Class of Shares / Name of Shareholder	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Preference shares without Voting Rights						
Anju Bajaj	-	0.00%	10,000	7.69%	10,000	7.69%
Beena H Kanani	-	0.00%	10,000	7.69%	10,000	7.69%
Chandrakant Reshamwala	-	0.00%	10,000	7.69%	10,000	7.69%
Delphine Fernandes	-	0.00%	10,000	7.69%	10,000	7.69%
Dhruv Hitesh Reshamwala	-	0.00%	10,000	7.69%	10,000	7.69%
H.M. Mehta HUF	-	0.00%	10,000	7.69%	10,000	7.69%
Kalpna Mehta	-	0.00%	10,000	7.69%	10,000	7.69%
K.J. Ghadiali & Jimmy Ghadiali	-	0.00%	10,000	7.69%	10,000	7.69%
Nayana C. Reshamwala	-	0.00%	10,000	7.69%	10,000	7.69%
Pinank R. Paleja	-	0.00%	10,000	7.69%	10,000	7.69%
Pragna J Thacker & Jawahar Thacker	-	0.00%	10,000	7.69%	10,000	7.69%
Rajendra V Paleja	-	0.00%	10,000	7.69%	10,000	7.69%
Sanjay Mehta HUF	-	0.00%	10,000	7.69%	10,000	7.69%
Total	-	0.00%	1,30,000	100.00%	1,30,000	100.00%

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

15.4(a) The Company has allotted 10% Cumulative Optionally Convertible Preference Shares having a par value of Rs. 100 per share redeemable/convertible into equity shares after expiry of 12 years from the date of allotment. These shareholders are not eligible to vote.

15.5 Details of Fully Redeemable Cumulative Preference Shares held by each preference shareholder holding more than 5% without voting rights (Classified as Debt Component in Ind AS)

No single holder was holding more than 5% shares as on 31 March 2019, 31 March 2018 & 31 March 2017.

The Company has allotted 10% Cumulative Non-Convertible Fully Redeemable Preference shares having a par value of Rs. 100 per share redeemable after expiry of 12 years from the date of allotment. These shareholders are not eligible to vote. Company have option to redeem the preference shares within 1 year from the date of allotment.

Note 16: Other Equity

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
General Reserve	124.62	89.95	89.95
Retained Earning (including other comprehensive income)	3,797.32	2,046.50	1,315.79
Capital Redemption Reserve-FRCPS	225.00	150.00	75.00
Capital Redemption Reserve-OCPS	-	34.67	21.67
Securities Premium	144.87	-	-
Capital Reserve on Business Combination	720.38	720.38	720.38
Total	5,012.19	3,041.50	2,222.81

(Rs. in Lakhs)

General Reserve	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Opening balance	89.95	89.95	89.95
Add: Additional during the year	34.67	-	-
Less: Bonus Shares allotted out of General reserves	-	-	-
Closing balance	124.62	89.95	89.95

(Rs. in Lakhs)

Statement of P&L	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Opening balance	2,046.50	1,315.79	1,315.79
Add: Profit/(loss) for the year	2,094.69	1,098.45	-
Other comprehensive income /(loss) (net of taxes)	10.20	3.51	-
Less:			
Transferred to CRR-FRCPS	75.00	75.00	-
Transferred to CRR- OCPS	-	13.00	-
Dividend on Equity Shares	200.00	200.00	-
Tax on Interim/Proposed dividend paid during the year	41.24	43.56	-
Others	37.83	39.69	-
Closing balance	3,797.32	2,046.50	1,315.79

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

(Rs. in Lakhs)

Capital Redemption Reserve-FRCPS	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Opening balance	150.00	75.00	75.00
Add: Transferred from Profit/(loss) for the year	75.00	75.00	-
Closing balance	225.00	150.00	75.00

(Rs. in Lakhs)

Capital Redemption Reserve-OCPS	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Opening balance	34.67	21.67	21.67
Add: Transferred from Profit/(loss) for the year	-	13.00	-
Less: Transfer to general reserve	(34.67)	-	-
Closing balance	-	34.67	21.67

(Rs. in Lakhs)

Securities Premium	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Opening balance	-	-	-
Add: during the year	144.87	-	-
Closing balance	144.87	-	-

Nature and Purposes of other Reserves:

Nature	Purpose
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 Consolidated statement of profit & losses
Capital Redemption Reserve-FRCPS	This reserve represents provision made out of current year profit for the purpose of redemption of fully redeemable preference shares
Capital Redemption Reserve-OCPS	This reserve represents provision made out of current year profit for the purpose of redemption of optionally convertible preference shares
Capital Reserve on Business Combination	This represents the capital reserve on account of business combination purchase of unit of Solaris Chemtech industries Ltd.

Note 17: Borrowings

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Secured (at amortised cost)			
Term loans from Banks and Financial Institutions*	3,774.66	2,284.44	2,183.94
Unsecured			
- From Banks	-	-	-
- Deposits from Related Parties	-	-	-
- Deposits from Inter Corporate companies	110.00	110.00	110.00
- Debt component for Fully Redeemable Preference Shares	1,174.74	1,339.39	1,267.33
- Debt component for Optionally Convertible Preference Shares	-	115.65	114.77
Total	5,059.40	3,849.48	3,676.04

* Refer Note 39 for Company's exposure to liquidity risk and interest rate risk.

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

Note 18: Other Non-Current Financial Liabilities

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Retention Money (measured at amortized cost)	200.00	200.00	200.00
Measured at Fair Value through profit and loss	-	-	-
Derivative Liability for Options for Optionally Convertible Preference Shares	-	17.40	17.30
Total	200.00	217.40	217.30

Note 19: Long Term Provisions

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Provision for employee benefits (Refer Note 38)			
Gratuity	105.83	104.73	79.82
Compensated Absences	96.43	67.76	38.40
Total	202.27	172.49	118.22

Note 20: Deferred tax Liabilities (Net)*

(Rs. in Lakhs)

Particulars	As on 1 April 2019	As on 31 March 2018	As at 01 April 2017
Tax effect of items constituting deferred tax asset/ (liabilities):			
Provision for employee benefits:	(79.89)	(84.50)	(51.08)
Provision for Derivative Valuation	-	79.97	64.48
Long term borrowing	(36.68)	(81.90)	(55.02)
Property, Plant & Equipment	604.45	489.68	404.63
Others	-	(0.30)	2.02
Total	487.88	402.95	365.03

* inclusive of Other Comprehensive Income Tax

Note 21: Current financial liabilities – Borrowings

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Secured, measured at amortized cost			
Loans repayable on demand -Banks*	5,910.74	3,619.46	2,114.18
Cash Credit Facilities	605.83	502.86	900.73
Total	6,516.57	4,122.32	3,014.91

* Refer Note 39 for Company's exposure to liquidity risk and interest rate risk.

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

Note 22: Trade Payables

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Micro, Small & Medium Enterprises*	22.97	-	-
Others	4,258.90	3,667.24	3,098.03
Total	4,281.87	3,667.24	3,098.03

* 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 1 April 2017, 31 March 2018 & 31 March 2019.

Note 23: Current – Other Financial Liabilities (measured at Amortised Cost)

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Current maturities of long-term debt - Secured*	422.67	249.59	213.82
Current maturities of long-term debt - Unsecured*	-	-	-
Capital creditors and other payables	-	-	-
- total outstanding dues to MSE creditors	-	-	-
Total outstanding dues to other than MSE creditors	-	-	-
Advance received from customers	-	-	-
Other payable - Outstanding Expenses/Other Liabilities	-	-	-
Other payables	92.26	41.79	62.31
Salary payable	65.09	51.04	45.90
Other Deposits	100	1.38	1.38
Measured at Fair Value through profit and loss	-	-	-
Derivative Liability for Forwards Contracts	2.88	-	39.54
Total	583.90	343.80	362.95

*Refer Note 39 for Company's exposure to liquidity risk and interest rate risk

Note 24: Other current liabilities

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Statutory dues payables (includes TDS, PF, WCT, Others)	47.57	7.30	68.50
Provision for taxation (net of advance tax)	134.11	146.57	86.20
Total	181.68	153.86	154.70

Note 25: Short term provisions

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Provision for employee benefits			
Gratuity	66.09	47.35	25.04
Compensated Absences	43.99	22.93	2.95
Total	110.08	70.28	27.99

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

Note 26: Revenue from operations

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Sale of products Comprises Manufactured goods of Chemicals		
Sales	24,079.80	17,652.32
Less: GST Recovered	1,648.75	1,891.20
Net Sales (excluding GST)	22,431.05	15,761.12
Other Operating Revenue	1,474.77	640.09
Total Net Revenue	23,905.82	16,401.21

Note 27: Other Income

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Interest Income	10.71	21.55
Other Non-Operating Income:		
Other Income	18.57	-
Fair Value Gain on Derivative Contract (Preference Shares)	21.42	5.00
Fair Value Gain on Derivative Forwards	-	39.76
Total	50.70	66.31

Note 28: Cost of materials consumed

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Opening stock	987.00	698.75
Purchases	16,317.57	10,544.16
	17,304.57	11,242.91
Less: Closing stock	1,339.29	987.00
Cost of raw material consumed	15,965.28	10,255.91

Note 29: Changes in inventories of finished goods and work in progress

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Opening Stock :		
Finished Goods	774.84	517.86
Work-in-Process	3,083.79	2,568.04
Less:		
Closing Stock:		
Finished Goods	933.34	774.84
Work-in-Process	4,821.40	3,083.79
Changes In Inventories:		
Finished goods	(158.50)	(256.98)
Work-in-Process	(1,737.61)	(515.75)
Changes in inventories of finished goods and work in progress	(1,896.11)	(772.73)

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

Note 30: Employee benefit expense

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Salaries, wages and bonus	894.93	706.69
Contribution to provident and other funds (refer Note 38)	165.75	123.59
Staff welfare	54.75	39.77
Total	1,115.43	870.05

Note 31: Finance costs

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Interest expenses on borrowings	924.72	770.59
Other finance cost and bank charges	69.02	56.27
Interest cost on FRCPS and OCPS	200.04	214.80
Total	1,193.78	1,041.66

Note 32: Other Expense

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
PRODUCTION EXPENSES		
Conversion Charges	366.33	142.84
Contract Labour charges	319.79	245.83
Fuel & Power	763.99	620.86
Quality Control Expenses	160.57	140.10
Research and Development Expenses	140.14	89.06
Consumption of Packing Materials	293.00	187.35
Other Production Expenses	975.17	715.37
MARKETING EXPENSES		
Exhibition Expenses	259.35	182.49
Other Marketing Expenses	50.11	19.61
SELLING & DISTRIBUTION EXPENSES		
Clearing Charges	64.06	60.79
Sea & Air Freight (Export) Expenses	328.52	150.26
Other Selling & Distribution Expenses	92.14	25.87
ADMINISTRATIVE EXPENSES		
Professional Fees	268.03	93.44
Miscellaneous Expenses	11.18	34.32
Other Admin Expenses	218.25	134.81
CSR Expenses	27.25	19.75
Transaction cost pertaining to FRCPS Derivative	21.42	-
Fair Value Loss pertaining to OCPS Derivative	20.01	0.10
Total	4,379.32	2,862.85

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

Payment to auditors (excluding applicable taxes) (included in Professional Fees):

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Audit Fees	5.00	4.00
Tax Audit Fees	1.00	0.50
Other Fees	-	0.64
Total	6.00	5.14

Note 33 : Statement of other comprehensive income

(Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Items that will not be reclassified to profit or loss		
(a) Remeasurements of the defined benefit plans (net of tax)	14.39	5.36
(b) Income tax relating to items that will be reclassified to profit or loss	(4.19)	(1.85)
Total Other Comprehensive Income	10.20	3.51

Note 34: Earnings per share

Particulars	As at 31 March 2019	As at 31 March 2018
Profit attributable to equity shareholders	2,094.69	1,098.46
Number of equity shares for calculation of basic and diluted earnings per share (Nos.)	2,00,78,793	2,00,00,000
Nominal value per share (INR)	10	10
Earnings per share (face value of INR 10)		
Basic (INR)	10.43	5.49
Diluted (INR)	10.43	5.49

*Profit figures are Rs. in Lakhs

Note 35: Contingent liabilities and commitments

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Contingent Liabilities		
(a) Contingent liability for Letters of Credit issued by the Bank and Bank Guarantee for Excise, Customs etc.		
(i) Letter of credit/Bank Guarantee	74.69	140.37
(ii) LC's Bill discounted/Cheques Purchased	743.32	291.25
(b) Contingent Liability towards NMMC Cess/LBT	16.01	16.01
Total	834.02	447.63
(ii) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	83.07	122.82

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

Note 36: 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.

The following rent expenses recognized:

(Rs. in Lakhs)

Year Ended	31 March 2019	31 March 2018
Rent	264.10	155.74

Note 37: 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)

(b) Key Managerial Personnel:

Particulars	31 March 2019	31 March 2018
Haridas Kanani	Haridas Kanani	Haridas Kanani
Dr. Harin Kanani	Dr. Harin Kanani	Dr. Harin Kanani
Shyamsundar Upadhyay	Shyamsundar Upadhyay	Shyamsundar Upadhyay
Sanjay N Mehta	Sanjay N Mehta	Sanjay N Mehta
Anurag Surana	Anurag Surana	Anurag Surana
Hitesh Reshamwala	Hitesh Reshamwala	Hitesh Reshamwala
Dr. Ranjan Kumar Malik	Dr. Ranjan Kumar Malik	-
Avi Sabawala	Avi Sabawala	-

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

Particulars	31 March 2019	31 March 2018
Akkad Mehta & Co.	-	Akkad Mehta & Co.
Kagashin Global Network (P) Ltd.	Kagashin Global Network (P) Ltd.	Kagashin Global Network (P) Ltd.

(d) Other Related Parties:

Nil

(B) Transactions with related parties

(Rs. in Lakhs)

Particulars	Transaction during the year/ period ended	
	31 March 2019	31 March 2018
Expenses		
Professional Fees		
Akkad Mehta & Co	-	5.90
Kagashin Global Network (P) Ltd	42.00	23.5

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

(Rs. in Lakhs)

Particulars	Transaction during the year/ period ended	
	31 March 2019	31 March 2018
Sitting Fees		
Sanjay Mehta	0.60	-
Hitesh Reshamwala	1.20	-
Dr. Ranjan Kumar Malik	1.00	-
Avi Sabawala	0.50	-
Salary		
HaridasThakarshi Kanani	45.87	26.50
Dr. Harin Kanani	41.27	29.70
Shyamsundar R Upadhyay	39.55	34.20
Lease Rent		
HaridasThakarshi Kanani	9.00	9.00
Dr. Harin Kanani	-	4.80

Note 38: 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 31 March 2019	As at 31 March 2018
The Company has recognized the following amounts in the Statement of Profit and Loss for the year:		
Employers' Contribution to Provident Fund	60.82	45.35
Employers' Contribution to Employees' Pension Scheme, 1995	22.11	18.79
Total	82.93	64.14

(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 31 March 2019	As at 31 March 2018
Present value of obligation at end of the year	(270.83)	(230.53)
Fair value of Plan Assets	61.93	78.45
Net assets/(liability) recognized in Consolidated statement of assets and liabilities as provision	(208.90)	(152.08)

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

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

(Rs. in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Current Service Cost	16.39	12.79	6.24
Net Interest Cost	11.76	7.62	2.99
Past Service Cost	-	32.17	-
Expense Recognized in the Income Statement	28.15	52.58	9.23

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

(Rs. in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Actuarial (Gain)/Loss for the year on defined benefit obligation	27.71	5.81	72.15
Actuarial (Gain)/Loss for the year on plan assets	2.48	(11.18)	(0.29)
Net (Income)/Expense Recognized in the Income Statement	30.19	(5.37)	71.86

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

(Rs. in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Present Value of defined benefit obligation as at the start of the year	230.53	184.71	105.80
Current Service Cost	16.39	12.79	6.24
Interest Cost	11.76	13.43	8.45
Actuarial loss/(gain) recognized during the year	27.71	5.81	72.15
Benefits paid	(21.62)	(18.38)	(7.93)
Past Service Cost including curtailment Gain/Losses	-	32.17	-
Present Value of defined benefit obligation as at the end of the year	264.77	230.53	184.71

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

(Rs. in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Fair Value of plan assets at beginning of year	78.45	79.84	68.37
Interest Income	6.06	5.80	5.46
Expected return on plan assets - %	7.79%	7.73%	7.27%
Employer's Contribution	1.52	0.00	13.65
Benefits Paid	(21.62)	(18.38)	(7.93)
Actuarial (Gain)/Loss on plan asset	(2.48)	11.18	(0.29)
Fair Value of plan assets at end of year	61.93	78.45	79.27
Actual Return on Plan assets, Excluding Interest Income	(2.48)	11.18	(0.29)

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

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

(Rs. in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Actuarial (Gain)/Loss on arising from change in demographic assumption	-	-	-
Actuarial (Gain)/Loss on arising from change in financial assumption	(115)	(7.52)	9.34
Actuarial (Gain)/Loss on arising from change in experience adjustments	28.87	13.33	62.81
Total Actuarial (Gain)/Loss	27.72	5.81	72.15

(g) Actuarial Assumption:

(Rs. in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Expected Return on Plan Assets	7.79%	7.73%	7.27%
Discount Rate	7.79%	7.73%	7.27%
Future Salary Increase	5.00%	5.00%	5.00%
Rate of Employee Turnover	2.00%	2.00%	2.00%
Expected Average remaining working lives of employees (years)	15	14	13

(h) Sensitivity analysis for gratuity liability:

(Rs. in Lakhs)

Description	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Impact of the change in discount rate			
Present value of obligation at the end of the year	264.77	230.53	184.71
- Impact due to increase of 1 %	(18.05)	(14.87)	(12.74)
- Impact due to decrease of 1 %	20.54	16.95	14.52
Impact of the change in Salary increase			
Present value of obligation at the end of the year	264.77	230.53	184.71
- Impact due to increase of 1 %	17.23	15.48	11.66
- Impact due to decrease of 1 %	(16.21)	(14.61)	(10.86)
Impact of the change in Employee Turnover			
Present value of obligation at the end of the year	264.77	230.53	184.71
- Impact due to increase of 1 %	4.63	3.76	3.14
- Impact due to decrease of 1 %	(5.16)	(4.19)	(3.47)

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

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

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

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 31 March 2019	As at 31 March 2018	As at 1 April 2017
Within next 12 months	28.65	39.32	18.99
Between 1-5 years	125.11	64.33	61.17
Beyond 5 years	414.23	353.96	279.66

(j) Category of Plan Assets:

(Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Insurance Fund	61.93	78.45	79.84
	[100%]	[100%]	[100%]
Total	61.93	78.45	79.84

(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)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Expense/(Income) to be recognized in Profit & Loss A/c	(13.33)	49.35	17.28
Total	(13.33)	49.35	17.28

Note 39 - Financial Risk Management Framework

A) Capital Management

For the purpose of the entity's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the company. The primary objective of the entity's capital management is to maximise the shareholder value. The entity manages its capital structure and make adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the entity may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The entity monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The entity's policy is to keep an optimum gearing ratio.

B) Financial Risk Management

The Company's activities primarily expose it to various risks such as Market Risks, Credit Risk and Liquidity Risk. Those are explained below :

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

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 and long term funding requirements. Interest on Short term and long term borrowings is subject to floating interest rate and are repriced regularly and hence the Company is exposed to Interest rate risks. However, since the borrowings are not significant, the Company does not see any major risk.

If the interest rates had been 1% higher / lower and all other variables held constant, impact on the Company's profit for the year ended 31st March, 2019 will not be significant.

Foreign Currency Risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company enters into forward exchange contracts to hedge its foreign currency exposures in USD and Euro.

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:

(Amount Rs. in Lakhs)

Particulars	Nature of Foreign currency	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
		Amt in foreign currency	Amt INR	Amt in foreign currency	Amt INR	Amt in foreign currency	Amt INR
Assets	USD	-	-	-	-	3.74	243.24
	EURO	-	-	-	-	-	-
Liabilities	USD	-	-	-	-	-	-

(Rs. in Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Effect on profit before tax	Effect on pre-tax equity	Effect on profit before tax	Effect on pre-tax equity	Effect on profit before tax	Effect on pre-tax equity
Change in USD rate (+0.5%)	-	-	-	-	1.20	1.20
Change in USD rate (-0.5%)	-	-	-	-	(1.20)	(1.20)
Change in Euro rate (+0.5%)	-	-	-	-	-	-
Change in Euro rate (-0.5%)	-	-	-	-	-	-

Price Risks

The Company does not have much exposure to price risk due to annual contracts and pass through mechanism for imports

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

ii) 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.

iii) Liquidity Risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The entity's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the entity's liquidity position and cash and cash equivalents on the basis of expected cash flows. The entity takes into account the liquidity of the market in which the entity operates.

Exposure to liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments

(Rs. in Lakhs)

Particulars	Balance as on 31 March, 2019	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long term Borrowings	5,059.40	0.00	1,725.75	1,677.79	1,655.86
Short term borrowing*	6,939.24	6,939.24	-	-	-
Trade Payable	4,281.87	4,281.87	-	-	-
Statutory dues payable	47.57	47.57	-	-	-
Other Liabilities	49.96	49.96	-	-	-
Advance from customer	-	-	-	-	-

* Short term borrowing includes current maturity of long term borrowings Rs. 422.67 Lakhs

Note 40 - First Time Adoption of Ind AS

These are the Company's first Consolidated financial statements prepared in accordance with Ind AS. The accounting policies set out in Note no. 3 have been applied in preparing the financial statements for the year ended 31st March, 2019, the comparative information presented in these financial statements for the year ended 31st March, 2018 and in the preparation of an opening Ind AS balance sheet at 1st April, 2017 (the Company's date of transition).

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standard Rules), 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has impacted the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

Note 41 – Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions in the transition from previous GAAP to Ind AS.

Ind AS optional exemptions

a) Deemed Cost

Ind AS 101 permits a first time adopter to elect to measure an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date. The exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets'.

b) Exchange differences on long-term foreign currency monetary items

Under previous GAAP, exchange differences arising on reporting of long-term foreign currency monetary items (i) relating to acquisition of depreciable capital assets were allowed to be adjusted to the carrying amount of such assets (to be adjusted over the balance life of the related asset) and (ii) in other cases were allowed to be accumulated in a 'Foreign Currency Monetary item Translation Difference Account' (to be adjusted over the balance period of the related long term monetary asset/ liability).

Ind AS 101 includes an optional exemption that allows a first time adopter to continue with the above accounting policy in respect of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of first Ind AS financial reporting period i.e. 1st April, 2017 or to discontinue with such policy.

Ind AS mandatory exceptions

a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

- Investments in equity instruments carried at FVPL and OCI
- Impairment of financial assets based on expected credit loss model

b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has assessed the same accordingly.

Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

Note 42 - Reconciliation of equity as at date of transition i.e. 1 April 2017 and 31 March 2018

(Rs. in Lakhs)

Particulars	As at 31 March 2018			As at 1 April 2017		
	As per Previous GAAP	Adjustment on transition to Ind AS	As per Ind AS	As per Previous GAAP	Adjustment on transition to Ind AS	As per Ind AS
ASSETS						
A) Non-current assets						
Property, plant and equipment	5,847.68	852.24	6,699.92	4,523.51	1,134.72	5,658.23
Capital work-in-progress	137.89	0.00	137.89	31.25	94.70	125.95
Investment Property	0.00	0.00	0.00	0.00	0.00	0.00
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00
Intangible assets	4.40	0.65	5.05	0.26	0.00	0.26
Intangible assets under development	0.00	0.00	0.00	0.00	0.00	0.00
Financial Assets						
- Investments	51.59	(9.31)	42.28	52.42	(3.64)	48.78
- Loans	200.21	(15.00)	185.21	257.14	(42.97)	214.17
- Trade Receivables	0.00	0.00	0.00	0.00	0.00	0.00
- Others (to be specified)	0.00	230.86	230.86	94.69	131.17	225.86
Deferred tax assets (Net)	0.00	0.00	0.00	0.00	0.00	0.00
Other Non - current assets	62.86	0.00	62.86	331.05	(318.39)	12.66
Total Non Current Assets (A)	6,304.64	1,059.43	7,364.07	5,290.33	995.58	6,285.91
B) Current assets						
Inventories	4,999.27	0.00	4,999.27	4,001.27	0.00	4,001.27
Financial assets						
- Investments	0.00	0.00	0.00	0.00	0.00	0.00
- Trade Receivables	4,136.31	0.00	4,136.31	3,216.06	0.00	3,216.06
- Cash and Cash Equivalents	31.73	0.00	31.73	57.50	0.00	57.70
- Bank Balances	149.97	0.00	149.97	249.95	0.00	249.95
- Others (to be specified)	16.14	8.36	24.50	18.31	40.30	58.61
Other current assets	1,335.48	0.00	1,335.47	1,388.48	0.00	1,388.48
Total current assets (B)	10,668.89	8.36	10,677.25	8,931.79	40.28	8,972.07
Total Assets (A + B)	16,973.52	1,067.80	18,041.32	14,222.12	1,035.86	15,257.98
EQUITY AND LIABILITIES						
A) Equity						
Equity Share Capital	2,000.00	0.00	2,000.00	2,000.00	0.00	2,000.00
Other equity	3,577.60	(536.10)	3,041.50	2,740.78	(517.97)	2,222.81
Total Equity (A)	5,577.60	(536.10)	5,041.50	4,740.78	(517.97)	4,222.81
Liabilities						
B) Non - current liabilities						
Financial liabilities						
- Borrowings	2,408.75	1,440.73	3,849.48	2,312.15	1,363.89	3,676.04
- Others	0.00	217.40	217.40	0.00	217.30	217.30
Provisions	373.88	(201.38)	172.49	364.99	(246.76)	118.22
Deferred tax liabilities (Net)	253.82	149.13	402.95	206.96	158.08	365.03
Total Non-current liabilities (B)	3,036.45	1,605.88	4,642.32	2,884.09	1,492.50	4,376.59

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

(Rs. in Lakhs)

Particulars	As at 31 March 2018		As at 1 April 2017			
	As per Previous GAAP	Adjustment on transition to Ind AS	As per Ind AS	As per Previous GAAP	Adjustment on transition to Ind AS	As per Ind AS
C) Current liabilities						
Financial liabilities						
- Borrowings	4,122.32	0.00	4,122.32	3,014.91	0.00	3,014.91
- Trade Payables	3,667.24	0.00	3,667.24	3,098.03	0.00	3,098.03
- Others	253.70	90.10	343.80	218.75	144.20	362.95
Other current Liabilities	49.08	104.78	153.86	130.82	23.88	154.70
Provisions	267.12	(196.84)	70.28	134.74	(106.75)	27.99
Total Current liabilities (C)	8,359.47	(1.97)	8,357.50	6,597.25	61.34	6,658.58
Total Liabilities (B+C)	11,395.92	1,603.90	12,999.82	9,481.34	1,553.83	11,035.17
Total Equity and Liabilities	16,973.52	1,067.80	18,041.32	14,222.12	1,035.86	15,257.98

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Note 42.1 - Reconciliation of total comprehensive income for the year ended 31 March 2018

(Rs. in Lakhs)

Particulars	Figures for the reporting period 31 March 2018		
	As per Previous GAAP	Adjustment on transition to Ind AS	As per Ind AS
INCOME			
Revenue from Operations	16,294.11	107.10	16,401.21
Other Incomes	35.69	30.62	66.31
Total Income	16,329.80	137.72	16,467.52
EXPENSES			
Cost of Materials Consumed	10,255.91	0.00	10,255.91
Changes in Inventories of Finished Goods, Work-in-progress and Trading Goods	(772.73)	0.00	(772.73)
Excise Duty	285.91	0.00	285.91
Employee Benefits Expenses	844.35	25.70	870.05
Finance Costs	822.14	219.52	1,041.66
Depreciation / Impairment & Amortisation Expenses	221.76	(36.56)	185.20
Other Expenses	2,755.65	107.20	2,862.85
Total Expenses	14,412.99	315.86	14,728.84
Profit / (Loss) before exceptional items and tax	1,916.81	(178.14)	1,738.68
Exceptional Item	0.00	0.00	0.00
Share of Profit / (Loss) on investment	0.00	3.84	3.84
Profit / (Loss) before tax	1,916.81	(174.30)	1,742.52
Tax Expenses			
Current Tax	608.00	0.00	608.00
Deferred Tax	46.86	(10.80)	36.06
Profit / (Loss) for the Year	1,261.95	(163.50)	1,098.45

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

(Rs. in Lakhs)

Particulars	Figures for the reporting period 31 March 2018		
	As per Previous GAAP	Adjustment on transition to Ind AS	As per Ind AS
Other Comprehensive Income			
(A) (i) Items that will not be reclassified to Profit or Loss	0.00	5.36	5.36
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.00	(1.86)	(1.86)
(B) (i) Items that will be reclassified to Profit or Loss	0.00	0.00	0.00
(ii) Income tax relating to items that will be reclassified to profit or loss	0.00	0.00	0.00
Total Other Comprehensive Income	0.00	3.51	3.51
Total Comprehensive Income for the Year	1,261.95	(189.39)	1,101.96

Note 42.2 - Reconciliation of total equity as at date of transition i.e. 1 April 2017 and 31 March 2018

(Rs. in Lakhs)

Particulars	As at 1 April 2017	As at 31 March 2018
Total equity (Shareholders fund) as per Previous GAAP	4,740.78	5,577.60
Adjustments		
Remeasurement and Restatement	(669.44)	(685.23)
Income Tax Effect	158.08	149.13
Total Adjustment	(511.36)	(519.19)
Total Equity as per Ind AS	4,229.42	5,041.50

Note 42.3 - Reconciliation of total comprehensive income for the year ended 31st March 2018

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2018
Profit after Tax as per Previous GAAP	1,261.95
Less : Adjustments	
Financial Assets and Liabilities accounted for at Fair Value	219.52
Remeasurement of Defined Employees Benefits Plan	25.70
Depreciation and Amortisation	(36.57)
Others	(45.15)
Total Adjustment	163.50
Profit after Tax as per Ind AS	1,098.45
Remeasurement of defined benefits plan	5.36
Deferred tax Adjustments - OCI (During the year)	(1.86)
Total Comprehensive Income as per Ind AS	1,101.96

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

Note 43 - Working note for first time adoption to Ind AS

A) Proposed Dividend

Under previous IGAAP, dividend proposed by the Board of Directors after the reporting date but before the approval of financial statement were considered to be adjusting event as per AS 4 and accordingly recognised as liability at the reporting date (along with DDT).

As per Para 12 of the Ind AS 10 "Events after reporting period", if an entity declares dividends to holders of equity instruments (as defined in Ind AS 32, Financial Instruments: Presentation) after the reporting period, the entity shall not recognise those dividends as a liability at the end of the reporting period.

As per Para 13 of the Ind AS 10 "Events after reporting period", If dividends are declared after the reporting period but before the financial statements are approved for issue, the dividends are not recognised as a liability at the end of the reporting period because no obligation exists at that time. Such dividends are disclosed in the notes in accordance with Ind AS 1, Presentation of Financial Statements.

From the above explanation dividend so proposed by the Board of Directors are considered to be non-adjusting event. Accordingly, provision for proposed dividend and DDT recognised under previous IGAAP has been reversed.

Subsequently, the Company has recorded and paid the dividend in the year ended 31 March 2018.

B) Trade Receivables

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables is low.

C) Remeasurement of Defined Benefit Plans

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefit cost for 31 March 2019 is reduced by 14.39 Lakhs and remeasurement gains/ losses on defined benefit plans has been recognised in the OCI net of tax.

F) Expenses Directly Attributable to Sales

Under previous GAAP, expenses directly attributable to sales were recognised as an expense. Under Ind AS 18, such expenses are presented under revenue from sale of goods.

Notes to Consolidated Financial Statements

for the year ended 31 March 2019

Note 44: Business Combination

The Company has purchased business unit of Solaris Chemtech Industries Ltd. situated at Karakhadi of Padra Taluka, district Vadodara, Gujarat during the financial year 2016-17 through business transfer agreement dated 21 October 2016.

Total Purchase Consideration paid for acquiring unit is Rs. 3,315.88 Lakhs.

Fair Value of Assets & Liabilities is as follows:	INR in Lakhs
Non-Current Assets	
Land	2,635.64
Factory Buildings	425.25
Plant & Machineries	375.74
R & D Equipments	39.47
Quality Control Instruments	66.61
Safety Equipments	15.82
M.S. Structure & FRP Gratings	55.27
Effluent Treatment Equipments	37.50
Current Assets	
Trade receivables	606.12
Inventories	473.26
Other Short-Term Loan & Advances	327.99
Less: Net Liabilities	
Trade Payables	(236.44)
Other Current Liabilities	(21.35)
Long Term Provisions	(48.24)
Provisions for Obsolete Items	(535.47)
Net Assets Taken Over	4,217.17
Less: Purchase Consideration	(3,315.88)
Less: Deferred Tax Asset/(Liability)	(180.91)
Balance Amount of Capital Reserve	720.38

Note 45 : Operating Segment Disclosure

The company is in the business of Manufacturing of Speciality Chemicals and accordingly has one reportable business segment.

Note 46 :

- Rupees in Lakhs are rounded off nearest to two decimals and totals of notes, schedules may vary due to said rounding off.
- Previous period figures have been regrouped / rearranged / recasted wherever necessary, to conform to current period presentation.

Notice of 30th Annual General Meeting

Notice is hereby given that the 30th Annual General Meeting of the members of **Neogen Chemicals Limited** will be held on **Friday, 20th September, 2019** at 4:00 P.M at Hotel TIP TOP Plaza, Near Check Naka, L.B.S Marg, Thane West- 400604 to transact the following businesses:

Ordinary Business:

- 1) To receive, consider and adopt the
 - a. Standalone Audited Financial Statements for the financial year ended 31st March, 2019 together with Reports of Directors' & Auditors' thereon.
 - b. Consolidated Audited Financial Statements for the financial year ended 31st March, 2019 together with Reports of Directors' & Auditors' thereon.
- 2) To declare dividend on equity shares for the financial year ended 31st March, 2019.
- 3) To appoint a Director in place of Mr. Anurag Surana (DIN: 00006665) who retires by rotation and being eligible offers himself for re-appointment.
- 4) To reappoint M/s. JMT & Associates, Chartered Accountants, as Statutory Auditors of the Company for second terms of 5 consecutive years and fix their Remuneration.

Special Business

- 5) **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), M/s. Kishor Bhatia & Associates, Cost Accountants, (FRN-00294), the Cost Auditors appointed by the Board of Directors to verify, review cost records and to conduct cost audit of the Company for the financial year ending 31st March, 2020 be paid remuneration of Rs. 1,75,000/- (Rupees One Lakhs

Seventy Five Thousand only) plus GST as applicable and reimbursement of out of pocket expenses."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, matters and things as may be necessary to give effect to the above resolution."

- 6) **Reappointment of Mr. Hitesh Reshamwala as an Independent Director of the Company for Second Term of Five Consecutive Years:**

To consider and if thought fit, to pass the following resolution with or without modifications as a **Special Resolution**:

"RESOLVED THAT, pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Hitesh Reshamwala (DIN: 00367482), who was appointed as an Independent Director of the Company with effect from 1st October, 2014 be and is hereby reappointed as an Independent Director of the Company for the Second Term of 5 (Five) consecutive years commencing from 1st October, 2019 to 30th September 2024, and shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, matters and things as may be necessary to give effect to the above resolution."

- 7) **Reappointment of Mr. Sanjay Mehta as an Independent Director of the Company for Second Term of Five Consecutive Years:**

To consider and if thought fit, to pass the following resolution with or without modifications as a **Special Resolution**:

"RESOLVED THAT, pursuant to the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Sanjay Mehta (DIN: 00002817), who was appointed as an Independent Director of the Company with effect from 1st October 2014 be and

is hereby reappointed as an Independent Director of the Company for the Second Term of 5 (Five) consecutive years commencing from 1st October, 2019 to 30th September 2024, and shall not be liable to retire by rotation."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, matters and things as may be necessary to give effect to the above resolution."

By order of the Board
For **Neogen Chemicals Limited**

Haridas Kanani

Place: Thane Chairman & Managing Director
Date: 9th August, 2019 DIN: 00185487

Notes

1. 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 to be transacted at the AGM is annexed and forms part of this Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF ONLY ON A POLL AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total issued share capital of the Company carrying voting rights. A member holding more than 10% of the total issued share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member. The instrument appointing the Proxy, in order to be effective, shall be deposited at the Registered Office of the Company not less than Forty Eight hours before the commencement of the Meeting. The proxy form is annexed to this Notice.
4. Proxy holder shall prove his/her identity at the time of attending the Meeting.
5. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send duly certified true copy of Board Resolution pursuant to Section 113 of the Companies Act, 2013 (including through e-voting).
6. Members/Proxies/Representatives are requested to bring the dully filled attendance slip along with Annual Report at the meeting.
7. Members/Proxies/Representatives holding shares in Demat form are requested to bring their Client ID and DP ID numbers for easy identification for attendance at the meeting.
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. The dividend on equity shares, as recommended by the Board of Directors, if approved at the AGM, will be paid to those members whose name appears on the Register of Members of the Company as on 12th September, 2019 i.e. Cut-off date.
10. The Register of Directors & Key Managerial Personnel and their Shareholdings maintained under Section 170 and Register of Contracts and Arrangements in which directors are interested under Section 189 of the Companies Act, 2013, are available for inspection by the members at the registered office of the Company during the business hours during all working days except, Sundays and National Holidays upto the dated of Annual General Meeting.
11. Members desiring information on the financials and operations of the Company are requested to write to the Company at least Seven (7) days before the date of the Annual General Meeting to enable the Company to furnish the information.
12. The requisite information about the Directors seeking appointment/re-appointment is included in the Report on Corporate Governance/Statement annexed to notice as the case may be.
13. All correspondence relating to transfer and transmission of shares, sub-division of shares, issue of duplicate share certificates, change of address, dematerialization of shares, payment of dividend etc. will be attended to and processed at the office of the RTA 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- saili.lad@linkintime.co.in Contact Person – Ms. Saili Lad, Senior Associate, Link Intime India Pvt Ltd.

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 Company's Registrar and Transfer Agent.
15. There are no unclaimed and unpaid Dividends with the Company and therefore transfer of unclaimed and unpaid dividend as well as transfer of shares to IEPF is not applicable for the financial year 2018 - 19.
16. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in Demat form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the RTA of the Company.
17. Members holding shares in physical form are requested to notify immediately any change in their address/details of their bank account to the Company/Registrar and Share Transfer Agent (RTA) quoting their Folio No. along with self-attested documentary proofs. Members holding shares in dematerialized form may update such details with their respective Depository Participant(s).
18. Members holding shares in identical order of names in more than one folio are requested to write to the Company's RTA - Link Intime India Pvt. Ltd. enclosing their Share certificate(s) to enable the Company to consolidate their holdings into one folio for better services.
19. 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 folio details. Members holding shares in Demat may please update their e-mails with the respective depository participant. The Company will send all communication including the Annual Report via e-mail to the members who have provided their e-mail addresses to the Company/Depositories. A copy of the Annual Report will be available on the Company's website www.neogenchem.com. A printed copy of the report will be furnished free of cost upon receipt of a request for the same.
20. The Notice of the 30th Annual General Meeting and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email address are registered with the Company/Depository Participant (s) unless a member has requested for hard copy of the same. For members who have not registered their e-mail address, physical copy of the aforesaid documents is being sent by permissible mode of delivery.
21. Route map to the venue of the meeting is provided at the end of the Annual Report.
22. **Voting through electronic mode:**
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) using an electronic voting system provided by Link Intime India Private Limited as an alternative 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 30th Annual General Meeting 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,
23. The facility of voting at the venue of AGM will be available only to the members who have not cast their vote through remote e-voting. Members who have cast their vote by remote e-voting prior to AGM

may attend the meeting but shall not be entitled to cast their vote again.

24. The Board of Directors has appointed Mr. Devendra Deshpande, Company Secretary, Pune, as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
25. The Scrutinizer shall within a period of not exceeding 48 hours from the conclusion of e-voting period unblock the votes in the presence of at least Two (2) witnesses not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company. The Chairman or any other person authorized by the Chairman shall declare the result of the voting.

Process for e-voting:

The Company has signed an agreement with Link Intime India Private Limited (LIPL) 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:

- **Log-in to e-Voting website of Link Intime India Private Limited (LIPL)**
 1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
 2. Click on "Login" tab, available under 'Shareholders' section.

3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".

4. Your User ID details are given below:

- a. **Shareholders holding shares in Demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
- b. **Shareholders holding shares in Demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
- c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No (190033) + Folio Number registered with the Company

5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (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).

	For Shareholders holding shares in Demat Form or Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> ● Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth) / DOI (Date of Incorporation) as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Bank Account number as recorded in your demat account or in the company records for the said demat account or folio number.</p> <ul style="list-style-type: none"> ● Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv).

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (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)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Cast your vote electronically

6. After successful login, 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.
7. 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'.

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. 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.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to instavote@linkintime.co.in or Call us :- Tel : 022 - 49186000.

Other Instructions:

12. The remote e-voting period commences on Tuesday, 17th September, 2019 at 9:00 A.M and ends on Thursday, 19th September, 2019 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 Thursday, 12th September, 2019 may cast their vote by electronic means in the manner and process set out hereinbelow.

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. Thursday, 12th September, 2019. 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 at the meeting through polling paper.

b. Once the vote on resolution 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 and holding shares as on the cut-off date i.e. Thursday, 12th September, 2019 may refer to this Notice of AGM of the Company, posted on Company's website www.neogenchem.com for detail procedure with regards to remote e-voting. Any person, who ceases to be 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.

c. A Member may participate in the AGM even after exercising his right to vote through remote e-voting, but cannot vote again at AGM.

d. If a Member cast votes by both modes i.e remote e-voting and Polling Papers/ Ballot Papers at the AGM, then voting done through remote e-voting shall prevail and Polling Paper/Ballot Paper shall be treated as invalid.

e. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Polling Paper" for all those members who are present at the AGM but have not casted their votes by availing the e-voting facility.

f. The Scrutinizer, after scrutinizing the votes cast at the meeting through poll papers and e- voting, will not later than 48 hours from the conclusion of the AGM, make a Consolidated Scrutinizer's Report and submit the same to the Chairman. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the website of the Company www.neogenchem.com and on the website of Link Intime India Private Limited (LIPL) <https://instavote.linkintime.co.in>. The Results shall also be immediately forwarded to the BSE Limited and national Stock Exchange Limited, Mumbai where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

The following explanatory statement sets out all material facts relating to the Special Business mentioned in the accompanying notice:

ITEM NO.5**APPROVAL OF REMUNERATION TO COST AUDITORS FOR CONDUCTING COST AUDIT FOR FINANCIAL YEAR 2019-20:**

The Board, after considering the recommendation of the Audit Committee, has approved the appointment and remuneration to M/s. Kishore Bhatia & Associates., (FRN: 00294) Cost Accountants, to conduct verification and review of the cost records of the Company for the financial year ending 31st March, 2019 on a remuneration of ₹ 1,75,000/- (Rupees One Lakh Seventy-Five thousand only) 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 fixed by the members 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 this ordinary resolution as a matter of caution. Appointment of the Cost Auditor was made by the Board, as stated on the basis of recommendations of the Audit Committee.

The Board of Directors do hereby recommend the resolution to be passed by the members.

None of the Directors/Key Managerial Personnel of the Company or their relatives is concerned or interested in the said resolution.

ITEM NO. 6.

REAPPOINTMENT OF MR. HITESH RESHAMWALA AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR SECOND TERMS FIVE CONSECUTIVE YEARS:

Mr. Hitesh Reshamwala, was appointed as Independent Director of the Company w. e. f. 1st October 2014 and his first term of appointment ends on 30th September 2019. The Board of Directors of the Company in their meeting held on 25th May, 2019 has reappointed him as an Independent Director of the Company for a further term of five consecutive years commencing from 1st October, 2019 to 30th September, 2024, subject to approval of members at the ensuing Annual General Meeting by way of a Special Resolution. Brief resume of Mr. Hitesh Reshamwala as stipulated under Regulation 36 (3) of Listing Regulations and SS-2 issued by the ICSI forms part of the Notice.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Hitesh Reshamwala holds office as such upto 30th September 2019. In accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013, an Independent Director can be appointed/reappointed for a term of 5 (Five) consecutive years and shall not be liable to retire by rotation.

Mr. Hitesh Reshamwala has given the requisite declaration pursuant to Section 149 (7) of the Act, to the effect that he meets the criteria of independence as provided in Section 149 (6) of the Act. The Company has also received notice from a member as per the provisions of Section 160 of the Act, proposing his candidature for the office of Independent Director. Further, he is not disqualified from being appointed as director in terms of Section 164 of the Act and has given his consent to act as such.

In the opinion of the Board, Mr. Hitesh Reshamwala fulfills the conditions specified in the Act, the Rules made

there under and Listing Regulations for reappointment as an Independent Director and he is Independent of the management. The Nomination and Remuneration Committee has also recommended his reappointment as Independent Director for a second term of 5 (Five) consecutive years

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail the expertise of Mr. Hitesh Reshamwala as an Independent Director.

The Board recommends the Special Resolution as set out at Item No. 6 of the Notice for approval of the members.

Except Mr. Hitesh Reshamwala, being an appointee, none of the other Directors and Key Managerial Personnel of the Company or their relatives is/are concerned or interested in the said resolution.

ITEM NO. 7.

APPOINTMENT OF MR. SANJAY MEHTA AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR THE SECOND TERM OF FIVE CONSECUTIVE YEARS

Mr. Sanjay Mehta, was appointed as Independent Director of the Company w. e. f. 1st October, 2014 and his first term of appointment ends on 30th September, 2019. The Board of Directors of the Company in their meeting held on 25th May, 2019 has reappointed him as an Independent Director of the Company for a further term of five consecutive years commencing from 1st October, 2019 to 30th September, 2019, subject to approval of members at the ensuing Annual General Meeting by way of a Special Resolution. Brief resume of Mr. Sanjay Mehta as stipulated under Regulation 36 (3) of Listing Regulations and SS-2 issued by the ICSI forms part of the Notice.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Sanjay Mehta holds office as such upto 30th September 2019. In accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013, an Independent Director can be appointed/reappointed for a term of 5 (Five) consecutive years and shall not be liable to retire by rotation.

Mr. Sanjay Mehta has given the requisite declaration pursuant to Section 149 (7) of the Act, to the effect that he meets the criteria of independence as provided in Section 149 (6) of the Act. The Company has also received notice from a member as per the provisions of Section 160 of the Act, proposing his candidature for the office of

Independent Director. Further, he is not disqualified from being reappointed as director in terms of Section 164 of the Act and has given his consent to act as such.

In the opinion of the Board, Mr. Sanjay Mehta fulfills the conditions specified in the Act, the Rules made there under and Listing Regulations for reappointment as an Independent Director and he is Independent of the management. The Nomination and Remuneration Committee has also recommended his reappointment as Independent Director for a term of 5 (Five) consecutive years.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail the expertise of Mr. Sanjay Mehta as an Independent Director.

The Board recommends the Special Resolution as set out at Item No. 7 of the Notice for approval of the members

Except Mr. Sanjay Mehta, being an appointee, none of the other Directors and Key Managerial Personnel of the Company or their relatives is/are concerned or interested in the said resolution.

By order of the Board
For **Neogen Chemicals Limited**

Haridas Kanani

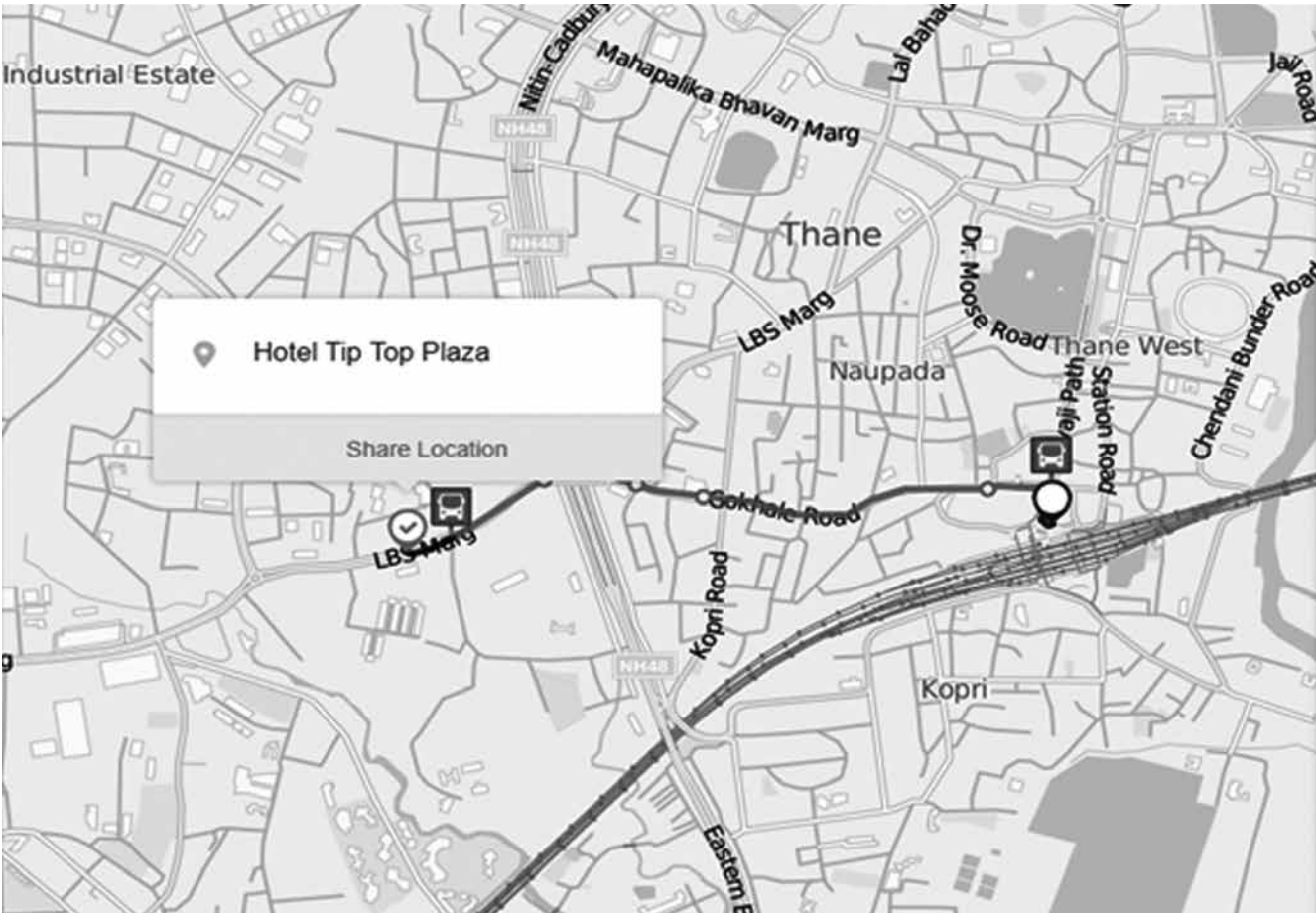
Chairman & Managing Director
DIN: 00185487

Place: Thane
Date: 9th August, 2019

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. Hitesh Reshamwala	Mr. Sanjay Mehta
DIN	00006665	00367482	00002817
Date of Birth	22/01/1965	15/11/1965	20/10/1950
Age	54 Years	53 Years	69 Years
Nationality	Indian	Indian	Indian
Date of First Appointment	22/07/2017	15/09/2014	25/09/2012
Qualification	B. Com Honours	C.A	C.A
Experience	23 Years	29 Years	42 Years
No. of Shares held in the Company	3,00,000	36	2,562
List of Directorship held in other listed companies	NA	NA	2
List of Chairmanship and Membership of Various committees in listed companies (Including Neogen Chemicals Limited)	Member: 2 Chairman: Nil	Member: 2 Chairman: 1	Member: 6 Chairman: 1
Relationship with existing Directors of the Company	NA	NA	NA

Road Map to AGM Venue



Neogen Chemicals Limited

CIN: U24200MH1989PLC050919

Registered Office: 1002, 10th Floor, Dev Corpora Building, Opp. Cadbury Company,
Pokhran Road No.2, Khopat, Thane - 400601

Email: investor@neogenchem.com; website: www.neogenchem.com

ATTENDANCE SLIP**30TH ANNUAL GENERAL MEETING- FRIDAY, 20TH SEPTEMBER, 2019 AT 4:00 P.M**

I hereby record my presence at the 30th Annual General Meeting of the Company held on Friday, 20th September, 2019 at 4:00 PM. Hotel TIP TOP Plaza, Near Check Naka, L.B.S Marg, Thane West- 400604.

Sr. No.

Name and Registered Address of the Shareholders :

Name(s) of the Joint Shareholder(s), if any :

Registered Folio No./DP ID & Client ID :

Number of Shares held :

Name of Proxy/Representative, if any :

Signature of Member(s)/Proxy :

Signature of the Representative :

PLEASE BRING THE ATTENDANCE SLIP TO THE MEETING HALL AND HAND IT OVER AT THE ENTRANCE

FOR ATTENTION OF THE MEMBERS

Members may please note the User ID and Password given below for the purpose of e-voting in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 (including any statutory modification(s), clarification(s), exemption(s), or re-enactment(s), thereof for the time being in force, Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings. Detailed instructions for e-voting are given in the Notes to the AGM Notice.

ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Event Number)	USER ID	PASSWORD



Neogen Chemicals Limited

CIN: U24200MH1989PLC050919

Registered Office: 1002, 10th Floor, Dev Corpora Building, Opp. Cadbury Company,
 Pokhran Road No.2, Khopat, Thane - 400601

Email: investor@neogenchem.com; website: www.neogenchem.com

Form No. MGT-11 [Proxy form]

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies
 (Management and Administration) Rules, 2014]

Name of Member (s)	
Registered Address	
Email ID	
Folio No./DP & Client ID	

I / We, being the member(s) of _____ shares of the Neogen Chemical Limited., hereby appoint:

1) Name :

Address:

Email ID:..... Signature:..... or failing him/her

2) Name :

Address:

Email ID:..... Signature:..... or failing him/her

3) Name :

Address:

Email ID:..... Signature:.....



as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 30th Annual General Meeting of the Neogen Chemicals Limited, held on Friday, 20th September, 2019 at 4:00 P.M. at Hotel TIP TOP Plaza, Near Check Naka, L.B.S Marg, Thane West- 400604 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution(s)	Vote		
		For	Against	Abstain
Ordinary Business:				
1.	To receive, consider and adopt the a. Audited Standalone Balance Sheet as at 31 st March 2019, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon. b. Audited Consolidated Financial Statements for the financial year ended 31 st March, 2019 together with Reports of Directors' & Auditors' thereon.			
2.	To declare dividend on equity shares for the financial year ended 31 st March, 2019.			
3.	To appoint a Director in place of Mr. Anurag Surana (DIN: 00006665) who retires by rotation and being eligible offers himself for re-appointment.			
4.	To reappoint M/s. JMT & Associates, Chartered Accountants, as Statutory Auditors of the Company and fix their Remuneration.			
Special Business:				
5.	Approval of Remuneration payable to Cost Auditor			
6.	Appointment of Mr. Hitesh Reshamwala as an independent director of the company for second term of 5 consecutive years.			
7.	Appointment of Mr. Sanjay Mehta as an independent director of the company for second term of 5 consecutive years.			

Signed this _____ day of _____ 2019

across
Revenue
Stamp

Signature of Shareholder

Signature of Proxy holder

Signature of the shareholder

Note:

- 1) The Proxy, to be effective should be deposited at the Registered office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 2) A Proxy need not be a member of the Company.
- 3) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders Seniority shall be determined by the order in which the names stand in the Register of Members
- 4) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.



Office No., 1002, 10th Floor, Dev Corpora Bldg,
Opp. Cadbury Co., Pokhran Road No. 2,
Khopat, Thane - 400 601.
Website: www.neogenchem.com