

**TRANSCRIPT OF 31ST ANNUAL GENERAL MEETING (AGM) OF NEOGEN CHEMICALS LIMITED
HELD ON MONDAY, SEPTEMBER 28, 2020 AT 5.00 P.M. IST THROUGH VIDEO CONFERENCING**

PRESENT:

Shareholders: 50 (Fifty) shareholders were present

Chairman and Board Members Present:

Mr. Haridas Kanani	Chairman & Managing Director
Dr. Harin Kanani	Managing Director
Mr. Anurag Surana	Non-Executive and Non-Independent Director
Mr. Shyamsunder Upadhyay	Executive Director
Dr. Ranjan Kumar Malik	Independent Director
Mrs. Avi Sabavala	Independent Director
Mr. Sanjay Mehta	Independent Director
Mr. Hitesh Reshamwala	Independent Director

In Presence of:

Ms. Unnati Kanani	Company Secretary
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Invitees Present:

Mr. Jayesh Shah	Representing Statutory Auditors
Mr. Devendra Deshpande	Secretarial Auditor
Mrs. Beena Kanani	Promoter Group Shareholder
Ms. Pallika Kanani	Promoter Group Shareholder

Moderator:

Mrs. Sharmila Amin	Representing Link Intime India Private Limited (RTA)
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Ms. Unnati Kanani Good Evening Ladies and Gentlemen. I hope all of you and your family members are safe and healthy.

I, Unnati Kanani, Company Secretary of the Company, participating from Thane, Mumbai welcome you all to the 31st Annual General Meeting of Neogen Chemicals Limited. The AGM is being conducted this year through VC and OAVM (other audio & visual means) as directed by MCA and SEBI. The time is now 5.00 P. M. and before our Chairman commences the Meeting, I would like to take you all through certain important aspects regarding the proceeding of this AGM.

The Company had provided through Link Intime India Private Limited - Registrar and Share Transfer Agent (RTA) - the facility of e-voting which commenced on Friday, September 25, 2020 at 09:00 a.m. IST and ended on Sunday, September 27, 2020 at 05:00 p.m. IST. The same RTA will now also facilitate e-voting during the AGM for members of the Company to cast their votes electronically on the resolutions mentioned in the notice of 31st AGM and participation in the AGM through VC / OAVM. Since this AGM is being held electronically, physical attendance of the members has been dispensed with. The requirement of appointing proxy is also not applicable.

The notice of 31st Annual General Meeting (AGM) dated August 08, 2020 along with the Annual Report for FY 2019-20 was emailed electronically to all the shareholders whose e-mail id(s) were registered with the Company and Depository Participant (DP). Both were dispatched through permitted mode(s) to the members whose email ids were not registered with Company or DP or RTA. The shareholders have been provided with the facility to join the meeting through Video Conferencing / OAVM on a first come first serve basis subject to a maximum of first 1000 members.

All the members joining this meeting are by default placed on mute mode to avoid any background noise disturbance and to ensure smooth and seamless conduct of the meeting. During the question-answer session, the names of the speaker shareholders, who have registered themselves in accordance with the guidelines mentioned in the notice will be announced.

The Statutory Registers are available for inspection by the members through electronic mode.

Members who did not vote earlier through remote e-voting may vote electronically during the course of the meeting and 30 minutes after this meeting. There is an e-voting icon button on the screen through which you may cast your vote.

Mr. Devendra Deshpande, our practising Company Secretary, Pune has been appointed as the Scrutinizer by the Board for scrutinizing the remote e-voting process and e-voting during the process of AGM in a fair and transparent manner.

As I can see on my dashboard, 41 members have already joined the meeting and hence I confirm that the requisite quorum is now present.

I would like to inform the members, that the Chairman of the Board, Mr. Haridas Kanani, Managing Director, Dr. Harin Kanani and other Board Members, as also, our Statutory & Secretarial Auditors have joined the meeting. I request all the Board Members and other members on the Panel to confirm their presence please. Thank You.

Ms. Unnati Kanani I request Haridas sir to confirm his presence.

Mr. Haridas Kanani Yes, I confirm and I am speaking from our Baroda Office.

Ms. Unnati Kanani Harin Sir?

Dr. Harin Kanani Hello Members. This is Harin Kanani, Managing Director of the Company. I am attending this meeting from Thane, from our head office.

Ms. Unnati Kanani Surana Sir ?

Mr. Anurag Surana Good Afternoon Members. My name is Anurag Surana, I am a Director of Neogen Chemicals Limited and I have joined the meeting from my residence in Delhi.

Ms. Unnati Kanani Avi Ma'am?

Mrs. Avi Sabavala Can you hear me? Hello Members. I am Avi Sabavala, Independent Director of Neogen Chemicals Limited and I am joining the meeting from Baroda.

Ms. Unnati Kanani Hitesh Sir ?

Mr. Hitesh Reshamwala Hello everyone. I am Hitesh Reshamwala. I am attending this meeting from my office at Andheri. I am the Independent Director of the Company. Thank you.

Ms. Unnati Kanani Ranjan Malik Sir ?

Dr. Ranjan Malik Hello Members. I am Prof. Ranjan Malik, Independent Director of the Company. I am attending this meeting from Thane, Mumbai.

Ms. Unnati Kanani Sanjay Mehta Sir ?

Mr. Sanjay Mehta Hello Members. This is Sanjay Mehta, Independent Director. I am attending this meeting from Mumbai - my office.

Ms. Unnati Kanani Upadhyay Sir ?

Mr. Shyamsunder Upadhyay Good afternoon everybody. I am Shyamsunder Upadhyay, Executive Director of the Company. I am attending this meeting from Baroda Factory.

Ms. Unnati Kanani Jayesh Shah Sir ?

Mr. Jayesh Shah Good Evening Everybody. I am Jayesh Shah, Statutory Auditor of the Company; attending this meeting from my residence at Andheri.

Ms. Unnati Kanani Devendra Sir ?

Mr. Devendra Deshpande I am Devendra Deshpande, Secretarial Auditor of the Company, attending this meeting from Pune.

Ms. Unnati Kanani Thank you Board Members and Auditors for confirming your presence. Now, I request the Chairman to take the proceedings further. Over to you Sir.

Mr. Haridas Kanani Good Evening Dear Shareholders,

Thank you for joining us today. I welcome you all to this 31st Annual General Meeting of Neogen Chemicals Limited. I hope you and your families are keeping safe and are in good health.

This is for the first time in our more than 30 years that we are meeting virtually. While it is disappointing that we are not meeting in person this year, the online platform possibly allows more shareholders in India and across the world to participate today from a convenient and safe location.

I wish to inform the members that I am joining this meeting from our Office in Vadodara and in case I get disconnected due to poor connectivity, Dr. Harin Kanani, Managing Director of your Company will preside over as the Chairman and conduct the business of this meeting.

On the basis of the confirmation received from the Company Secretary about the number of persons present, I find that the necessary quorum is present. I, therefore, declare this meeting as open for discussion.

The Company has received one Corporate Representation where the corporate shareholder is holding 3, 00,000 Equity Shares representing 1.29 % of the Equity Share Capital of the Company.

To begin with, on behalf of the board of directors and the management team of Neogen Chemicals, I would like to share with you that in spite of the ongoing challenges posed by COVID-19 and related disruptions, your Company has demonstrated healthy operating and financial performance during the year 2019-20 and we have continued to focus on the fundamental drivers of our growth strategy in the current year also.

I thank and express my sincere gratitude towards our investors, shareholders, especially all employees at all sites of Neogen Chemicals for working tirelessly during these turbulent times. I am proud to share with all of you that Neogen continued to serve its valued customers in Pharma and Agrochemicals industries, ensuring uninterrupted supply of key raw materials and intermediates for essential medicines and agrochemicals, during most of the lockdown period. This has further cemented our relationship with many of our key customers.

On behalf of the Board, I once again thank all our shareholders for their belief and trust in us, which we believe is critical to the success of all our corporate initiatives. I also thank all our Shareholders for their continued support and encouragement.

I now invite Dr. Harin Kanani, Managing Director, to share his thoughts on the previous year and planned initiatives on the road ahead for Neogen Chemicals. Thank you so much.

Dr. Harin Kanani

Thank you Chairman Sir.

Good Evening Shareholders.

A very warm welcome to all of you and thank you for joining us today at Neogen Chemicals' 31st AGM. It is your constant belief in us that drives us to do better year after year.

Following our highly successful IPO last year, your Company witnessed sustained interest from investors signaling their confidence in the operations and long-term growth story of the Company. We have welcomed several marquee investors to our list of shareholders since listing and we hope to deliver long-term value to everyone associated with Neogen Chemicals.

We delivered an all-round satisfactory performance during FY 20, which was in line with our plan. This was despite the loss of some operating days in March 2020 due to COVID-19 related disruptions and the resultant nationwide lockdown. Demonstrating agility and nimbleness, we swiftly responded to these challenges and made necessary changes based on statutory stipulations to maintain business continuity. Based on the profile of our products that fall under the essential products/services category, we obtained the requisite permissions from the concerned Government authorities and restored operations from April 2020 in a phased manner.

Nevertheless, in FY20, we demonstrated a strong top-line growth of 28% to Rs. 306 crore driven by encouraging demand momentum and higher capacity utilization. Revenue growth in organic chemicals was robust at about 30% to Rs. 249 crore whereas, revenues from inorganic chemicals came in at Rs. 57 crore, higher by 21%. EBITDA increased by 34% to Rs. 58 crore translating to EBITDA margin of 19%, which was higher by 80 basis points over the previous year. Improved margins resulted from better utilization of plants, various cost management initiatives as well as favorable product mix. Based on the robust operating performance during the year, profit after tax improved by 37% to Rs. 29 crore. Our domestic and exports mix stood at 64% and 36%, respectively.

I believe our operations have shown strong resilience particularly during these testing times and I would like to thank all our employees for their unflinching support and tireless efforts to keep operations running during this difficult period.

Our manufacturing facilities have fully resumed production and we have taken all required precautions and invested resources to ensure the health and safety of our workforce. In order to continue the operations during lockdown, the Company made several changes in employee transport, gave additional incentives to employees and to contract workers during the lockdown period and also provided additional COVID insurance benefits to all its employees. In addition, systems were put in place to ensure proper sanitization and social distancing norms and for the office staff which was non-essential, we implemented work-from-home practices.

I am also happy to share that we successfully commissioned our greenfield inorganic chemicals facility at Dahej SEZ, in Gujarat in February 2020 that is in the

last financial year, which was as per the original schedule. We also initiated commercial production at the plant in the last financial year, with our first shipment to Japan leaving in the last financial year from the new site. In addition, our Company is now pursuing an organic plant expansion at Dahej SEZ that will double its capacity in organic chemicals and the construction activity around that is progressing rapidly, enabling us to meet growing domestic as well as international demand for organic chemicals. We plan to commission the project towards the end of the current fiscal year. I am also glad to report that our products have been receiving promising response from new customers.

Everything we do at Neogen has been driven by strong fundamental values of integrity and good governance, enabling us to establish and grow multi-decade relationships with our customers, suppliers and other primary stakeholders and attain sustainability. Also, at Neogen, innovation is at the very core of the way forward for us and we believe this is the only way to stand out and have a win-win situation for all the stakeholders in long term. Customers appreciate our approach and see us as a valuable partner supporting their global supply chain initiatives by developing new products and improving existing processes. In line with this thinking, we are expanding our presence in the fields of Advanced Intermediates and Custom Synthesis and Manufacturing activities. We already see strong traction in this business within the organic chemicals space, which we believe will help us for growth in future.

Our core competencies, diverse product offerings, improved manufacturing capabilities, deep customer engagements and R&D-based robust technical expertise will help us win new business and put us at a very strong firm footing. Our growth will be further augmented by the recently built inorganic plant and upcoming organic facility, and focus on advanced intermediates. All this provides us the confidence that our growth initiatives will be met with success which will be calibrated and sustained.

In conclusion, I want to thank all our stakeholders for their trust and confidence in us, our employees for their hard work and the enthusiasm they bring to work and the vendors and customers for their continued business association. We stay committed to our values and objectives and will continue to put in our best efforts in making Neogen Chemicals shine in the days to come.

Thank you.

Ms. Unnati Kanani Thank you Sir for your guidance. I request you to kindly take the proceedings further.

Dr. Harin Kanani Dear Members,

- As the Notice of the 31st AGM dated August 8, 2020 along with the 31st Annual Report including Directors Report and Audited Financial Statement (Standalone & Consolidated) for the FY 2019- 20, have been circulated and since no queries have been received from members, I take them as read.

- As the report of the Statutory Auditors and the Secretarial Auditors were unqualified and without any adverse observations or comments in their respective reports, with your permission, I take the Auditors' Report and the Report of the Secretarial Auditors also as read.

I would now request Ms. Unnati Kanani, Company Secretary to read out the resolutions pertaining to Agenda Nos. 1, 2 and 3 of the Notice of AGM. The detailed resolutions of Agenda Item 4, 5 and 6 were already provided in the Notice of AGM and I propose to take them as read.

Over to you Unnati.

Ms. Unnati Kanani Thank you Sir

Item No. 1 Relates to approval and adoption of Audited Financial Statements for the Financial Year 2019-20.

The following Resolution is proposed to be passed as an Ordinary Resolution:

"RESOLVED THAT the Audited Financial Statements (Standalone and Consolidated) of the Company for the year ended on March 31, 2020 including Balance sheet as at March 31, 2020 and Statement of Accounts for the year ended on March 31, 2020 along with Cash Flow Statements and Report of the Directors and Auditors thereon along with the annexures as laid before the meeting be and are hereby received, considered and adopted."

Item No. 2 is declaration of the final dividend on equity shares of the Company for the financial year ended March 31, 2020.

The following Resolution is proposed to be passed as an Ordinary Resolution:

"Resolved that a final dividend of Rs. 2 on each fully paid up equity share of the Company as recommended by the Board of Directors, be and is hereby approved."

Item No. 3 Appointment of a Director in place of Dr. Harin Kanani (DIN: 05136947), Managing Director who retires by rotation and being eligible offers himself for reappointment.

The following Resolution is proposed to be passed as an Ordinary Resolution:

"RESOLVED THAT, Dr. Harin Kanani (DIN: 05136947), Managing Director of the Company retires by rotation and being eligible has offered himself for reappointment, be and is hereby appointed as Managing Director of the Company liable to retire by rotation."

Over to you Sir.

Dr. Harin Kanani Thank you Unnati.

I now request the Speaker Shareholders to express their views or ask any queries relating to the Agenda Items of the Notice dated August 8, 2020.

Mrs. Sharmila Amin Our 1st Speaker of the event is Ms. Lekha Shah. Hello Ms. Lekha?

No Reponse

We will move on to the next speaker Ms. Vasudha Vikas Dhakwe.

Ms. Vasudha Hello can you hear me?

Dr. Harin Kanani Yes we can hear you.

Mrs. Sharmila Amin Yes Madam you can ask your questions

Ms. Vasudha Thank you for giving me the opportunity to speak. Good Evening respected Chairman Sir, Board of Directors and my fellow shareholders. Myself Vasudha from Thane. I would like to congrats our Company Secretary for sending me the soft copy of the Annual Report well in advance, which itself is very clear and transparent. I would like to ask following questions:

On page nos. 78 and 130. Please throw some lights on our casual/ contractual labour charges.

Secondly, I would like to ask what is your next 2-3 years' capex plan?

Third one, I would like to congrats for the information given on page no. 8. Graphic Information is very nice, which indicates the clear picture of the Company. With this I support all the resolutions. Thank you very much.

Mrs. Sharmila Amin Thank you Ma'am. Our next speaker is Mr. Yusuf Rangwala.

Mr. Yusuf Rangwala Can you hear my voice? Good Evening Sir. This is the first time we are meeting after public issue. I am very happy with our Company's performance and they have given a Rs. 2 as Dividend. As Chairman mentioned about exports to Japan in Chairman's Speech. So, I wanted to know what chemicals we are exporting to Japan. As Japan and China are the main suppliers, so is there any effect on the Company. Chairman's Speech was very excellent. I liked the presentation. I like this Link Intime people. They have sent me the link and they are providing excellent services. Also Sir, as you informed, our Plant is in Baroda and Mahape. So how many people work in our plant and is there any COVID impact and how the Company has helped them. How much was our donation. And whether any of our employees were affected due to COVID 19. Even the factory was closed

for 3 months as you mentioned in opening remark and we started in July 2020. What is our turnover, Net Profit, Sale and Gross Profit during this period? Also, are the employees working from home? Is the office open? We request you to keep a get together at Thane so that we can meet. My good wishes to you, Board and Chairman. After COVID is over, I request for a visit at Baroda Plant. Thank You very much Sir.

Dr. Harin Kanani

Thank you Mr. Yusuf.

Mrs. Sharmila Amin

Our first speaker Ms. Lekha Shah is back in the panel. I will just invite her.

Lekha Shah

Hello! Can you hear me Ma'am?

Mrs. Sharmila Amin

Yes Ma'am, You are audible.

Lekha Shah

Thank you Ma'am. Respected Chairman Sir, Board of Directors and my fellow members, Good Evening to all of you! Myself Lekha Shah from Mumbai. I am very much thankful to our Company Secretary, for very good investor services and also for sending me the annual report through email well in time in such a difficult situation, which is full of knowledge and facts and figures in place. In this COVID 19 pandemic, we all are facing crisis and how to save. On this 31st AGM I would like to thank all the Directors, Employees and I welcome to all the shareholders who are present here. Sir, I would like to ask few questions.

My first question is: How is the Company preparing itself in a post COVID world?
My Second question is: What are the plans for lockdown and how is the company implementing those plans?

Third question is: how we are engaging our employees?

Fourth question is: What is the roadmap for the next year?

Sir, as the previous speaker Mr. Yusuf requested, we request for a visit to factory after COVID 19 or arrange a get together. I wish all the success and I support all the resolutions. Thank you Sir.

Dr. Harin Kanani

Thank You Lekha Ma'am.

Mrs. Sharmila Amin

Our next speaker Mr. Bimal Pravinchandra Panchal is not available in the panel, so we can proceed with the answer to the queries raised by the shareholders. Over to you Harin Sir.

Dr. Harin Kanani

Thank You Shareholders Ms. Lekha, Mr. Yusuf And Ms. Vasudha for your questions.

I will take the answers in the order in which the questions were received.

First answering the questions raised by Ms. Vasudha.

Ms. Vasudha, first you wanted to know about the casual/contract labour workers. So these are the people who help us in loading, unloading and material movement within the factories because we are a manufacturing unit. We need to employ them for these materials movement and other support functions. They are not regular staff but are required from time to time so these are the casual and contractual workers. This has been in practice for last many years and the exact expenditure of the Company for this has already been highlighted in the Annual Report.

When it comes to capex plan, the Company is right now in the process of increasing our capacity in Dahej the organic reactor capacity. We are in the process of doubling that and as we have shared, the capex for this capacity increase is going to be about Rs. 75 crores and this is likely to get completed by Jan – March 2021. So by March 2021 we expect the capacity to come online. We keep discussing our plans beyond that but in our Board meetings. As and when these further capacity capex plans get decided by the Board, they will be shared in our investor presentations at the end of every quarter. We also take note that you liked the presentation of the graphic pictures in the Annual Report and we will try to include more of these in future. So these were the three questions which have been given by Vasudha ma'am.

I would now move on to the questions asked by Mr. Yusuf.

One, you asked about the exports to Japan and any China related impact.

As I have shared previously also in my investor presentation and investor calls, basically we have been exporting to Japan since 1990s or early 2000. So we have more than 20 years of experience of exporting products to Japan. Last few years not only because of the COVID but even before that because of disruption of Chinese manufacturing facilities there has been more interest of Japanese companies to source from India. We have received several projects where the customers were either planning to make it in China or are making in China or now looking for a second source in India. So this is still a developing story and we are working with our customers to take the maximum benefit of the same for our Company. We have also noted your positive comments for the arrangements done by Link Intime.

You next question was about the number of employees which Neogen is employing?

So we had around 245 employees at the end of March 2020 and we are in the process of recruiting more over time to meet the increased capacity in Dahej for Inorganic and the plant capacity increase for Organic in the second half of this year.

Finally, you also wanted to know about the COVID impact.

So, just a clarification. As I informed in my talk and previous investor calls, our plant was not closed for 3 months, it was closed only for few days, starting from the end of March; so last 2 weeks of March and first 2 or 3 weeks of April. Since then we have gradually opened the plants and as you can also see from our website and the results published, we have also published results of June and in April to June we had a turnover of around Rs. 76 crore which was about 10%-15% higher as compared to the same period last year. So the plants are in operation.

In terms of the impact of COVID?

Yes, we have taken all the measures as suggested by the Government. As you know, public transport in Mumbai is not available, so we have made the transport arrangement for all our staff to come in office or factory at Thane. The office remains open but we have only essential 4 or 5 employees who are coming on a daily basis and the remaining employees come on need basis and for the other employees we have made arrangements to work-from-home and then attend office on need basis. Similarly, we have increased transportation arrangement, we maintain the social distancing, especially in the pantry areas and other areas where employees sit. Proper social distancing is also maintained when they visit the sites. We also measure and record the temperatures of employees as well as diligently follow other recommendations which the government has issued from time to time.

Finally yes about your comment to meet in person.

Last year actually the AGM which was just after our IPO was held in Thane and we were very happy to meet some of our shareholders. Once this COVID situation is over as per government guidelines we will again plan to arrange such meetings in physical presence, so that we have an opportunity to meet you. I think I have covered all the questions asked by Mr. Yusuf.

Finally, answering the questions asked by Ms. Lekha Shah.

So, I just answered in my previous questions about all the precautions we are taking in post COVID area. Wherever necessary we are also planning slightly higher raw material inventories so that even if there is any supply chain disruptions our production does not suffer. We have given regular training to all our staffs about the social distancing and other measures we need to take and we are engaging with them.

In terms of roadmap for the next year?

We have earlier shared in our investor presentation, which is available on our website, that we are expecting to double our organic capacity in the current financial year and with this, our capacity will be increased, from a turnover of about Rs. 300 crores and we will have a capacity to manufacture chemicals upto Rs. 500 crores in FY 22. We will try our best to capture the full potential of the available capacity in FY 23.

With this I complete my answers to all the three shareholders and I also thank them for taking valuable time out to join us in this AGM and for their interest in Neogen's operation and business and their continued belief in us. Thank you.

Unnati Kanani

Thank you Sir. I hope all the shareholders questions are answered satisfactorily. I would now request Members who have not cast their votes by remote e-voting, to cast their e-vote by voting now and within next 30 minutes of the meeting.

Mr. Devendra Deshpande, Practising Company Secretary, Pune, has been appointed as the Scrutinizer for conducting the E-voting process and I request him to submit his consolidated report on e-voting once finalized.

I further announce that the consolidated result of remote e-voting and e-voting during the course of this AGM will be declared and simultaneously put on the Company's website within 48 hours of the conclusion of this AGM and the same will also be available on the website of the Stock Exchanges where the Company's shares are listed, i.e., BSE and NSE and also the website of RTA.

The resolutions, as set forth in the Notice, shall be deemed to be passed today subject to receipt of requisite number of votes.

Over to you Harin Sir.

Dr. Harin Kanani

I would like to thank our customers, bankers and all the stakeholders for their loyalty and constant support. My best wishes to all of you. Stay safe, stay well. I extend a hearty vote of thanks to Chair on behalf of all the shareholders and our Board members. Over to you Kanani Sir.

Ms. Unnati Kanani

I request Haridas Sir to continue.

Mr. Haridas Kanani

I thank all the Board Members and the shareholders who have taken a very keen interest in the Company and who continue to do so. We are very much thankful to all of them, including our investors, our Bankers and our staff and I conclude here.

Ms. Unnati Kanani

Dear Shareholders,

As all the agenda items of the Notice dated August 8, 2020 are transacted, I now declare this meeting as concluded.

My sincere thanks to you all for co-operating with us in smooth conduct of the meeting. See you next year.

And this concludes the meeting and the time is now 5.33 p.m. and the meeting will be on for next 30 minutes for the voting process.
