

**TRANSCRIPT OF 32<sup>nd</sup> ANNUAL GENERAL MEETING (AGM) OF NEOGEN CHEMICALS LIMITED  
HELD ON TUESDAY, SEPTEMBER 28, 2021 AT 5.00 P.M. IST THROUGH VIDEO CONFERENCING**

**PRESENT:**

**Shareholders:** 64 (Sixty four) 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	Whole Time Director
Dr. Ranjan Kumar Malik	Independent Director
Mrs. Avi Sabavala	Independent Director
Mr. Sanjay Mehta	Independent Director
Mr. Hitesh Reshamwala	Independent Director
Mr. Ketan Vyas	Chief Financial Officer

**In Presence of:**

Ms. Unnati Kanani	Company Secretary
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**Invitees Present:**

Mr. Jayesh Shah	Representing Statutory Auditors
Mr. Devendra Deshpande	Representing Secretarial Auditor

**Moderator:**

Mr. Vishal Parad	Representing Link Intime India Private Limited (RTA)
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**Ms. Unnati Kanani** Good Evening Ladies and Gentlemen. I hope you and your family members are safe and healthy.

I, Unnati Kanani, Company Secretary of the Company, participating from our Thane head office, welcome you all to the 32<sup>nd</sup> 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 proceedings 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 Saturday, September 25, 2021 at 09:00 a.m. IST and ended on Monday, September 27, 2021 at 05:00 p.m. IST. RTA will 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 32<sup>nd</sup> 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 and also the requirement of appointing proxy is not applicable.

The notice of 32<sup>nd</sup> Annual General Meeting (AGM) dated August 07, 2021 along with the Annual Report for FY 2020-21 was emailed electronically on September 04, 2021 to all the shareholders whose e-mail id(s) were registered with the Company and Depository Participant (DP) and the same was uploaded at the website of the company and the exchanges where the shares of the company are listed. 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 e-voting icon button on the screen through which you may cast your vote.

Mr. Devendra Deshpande, 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, approx. 63 members have joined the meeting and hence I confirm that the requisite quorum is now present.

I would like to inform the members, that the Board Members as also our Statutory & Secretarial Auditors have joined the meeting. Let me introduce you to the Board members and Auditors.

We have our:

**Chairman and Managing Director Mr. Haridas Kanani** attending from our Baroda Office

**Dr. Harin Kanani, Managing Director** attending from Thane HO

**Mr. Shyamsunder Upadhyay**, Whole time director attending from our Baroda

**Mr. Anurag Surana**, Non-Executive Director attending from Delhi

**Mrs. Avi Sabavala, Independent Director** attending from her residence at Baroda

**Mr. Hitesh Reshamwala, Independent Director** attending from Mumbai

**Prof. Ranjan Malik, Independent Director** attending from his residence at Thane

**Mr. Sanjay Mehta, Independent Director** attending from Chicago, USA

**Mr. Ketan Vyas**, CFO attending from Thane HO



**Mr. Jayesh Shah**, Representing Statutory Auditors of the Company attending this meeting from Mumbai

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

**Ms. Unnati Kanani** Now, I request the Chairman to take the proceedings further.

**Mr. Haridas Kanani** Dear Shareholders,

Good evening and thank you for joining us today. I welcome you all to 32nd Annual General Meeting of Neogen Chemicals Limited. I trust you and your families are keeping safe and are in good health.

We once again meet on virtual platform as the threat of Covid-19 pandemic has not yet completely waned. We must all continue to keep vigil and remain cautious so that we fight and together and remove the virus from the face of the earth forever. Nonetheless, this virtual forum has given us the opportunity to at least meet more shareholders from India and across the world from the comfort, convenience and safety of their own homes.

I would like to notify the members that I am attending this meeting from our Vadodara office, and in case due to bad connectivity, I am unable to attend the entire session, Dr. Harin Kanani, your Company's Managing Director, will act as the Chairman and appropriately carry forward the meeting's proceedings.

I understand from Ms. Unnati Kanani, our Company Secretary that the requisite quorum is present in this AGM. So I call upon this meeting as open for discussion. The Company has received 1 Corporate Representation where the corporate shareholder is holding 3,00,000 Equity Shares representing 1.29 % of the Equity Share Capital of the Company as on the cut off date i.e. 17<sup>th</sup> September, 2021.

I am pleased to note that, we delivered a stellar performance during the year on all the parameters, including maintaining our growth momentum and successfully closing the key expansion initiatives. In a significant development, the commercial production of organic chemicals fully started at Dahej SEZ in September 2021 - a dream we had dared to see with your support in 2020. The addition of this facility will help Neogen focus on niche high-margin value-added products that require multiple processes with complex chemistries involved. Operationalising the Dahej plant is a significant milestone in the history of Neogen as this project was conceived and executed from scratch and completed without much time overrun amidst adverse external circumstances, such as, Covid-19 pandemic that disrupted lives and livelihoods across the globe.

Not only that, your Company also ensured that all its manufacturing facilities operated at their optimum utilisation levels alongside following all the Covid-19 protocols for the safety of people, materials and processes.



This was possible only due to the joint efforts of our entire workforce who deserves to be complimented for its dedicated and committed service to your Company. I thank the entire Neogen family, including its stakeholders for keeping faith in us through this unprecedented crisis times.

During the year under review, we also remained mindful of our duties as a responsible corporate citizen and organized vaccination drives for our employees, as also donated PPE kits to hospitals, food packets to the needy, and sanitized surrounding villages. We also contributed to the PM CARES Fund and to the police department.

Going forward, India is a lucrative source market for the global chemical giants and innovators. Neogen, with its solid track record and its extensive product offerings and decades of manufacturing experience, is positioned attractively to take advantage of the expanding opportunity.

To conclude, on behalf of the Board, I extend my appreciation to each and every stakeholder of our Company for their contribution to our Company's success over the years. We specifically thank the entire Neogen family for their dedicated support towards achieving our goals and vision. We also greatly value the continued support and confidence of our valued investors. We are glad to be connected with all of you as we embark on a trajectory of long-term growth and value creation for all stakeholders.

I now invite Dr. Harin Kanani, Managing Director, to share his views on the operating performance, our growth plans, and the proposed initiatives on the road ahead for Neogen Chemicals.

Thank you

**Dr. Harin Kanani**

Thank you Chairman Sir.

Dear Shareholders,

Good evening and a very warm welcome to all of you. I thank you for joining us today at Neogen Chemicals '32<sup>nd</sup> Annual General Meeting. It is your unwavering trust and support that motivate us to set our goals higher and achieve them year after year despite challenging external circumstances.

I am happy to report that notwithstanding difficult on ground conditions, primarily led by severe outbreak of CoVID-19 pandemic, and accompanied by logistical and supply chain interruptions, Neogen demonstrated agility and reported buoyant performance during the year under review.

During the first few months of the financial year, despite the disruptions caused by the outbreak of COVID-19 and the subsequent lockdown, we continued to operate with appropriate precautionary measures and successfully addressed the strong demand environment for key products falling under the essential



sectors of pharmaceutical and agrochemicals. Since all the facilities were operating at optimal utilisation levels, we were able to maintain both, revenue and margin trajectories. In addition, we registered improved realisations as well as better operational leverage. Even though additional costs were incurred this year due to adoption of CoVID-19-related safety procedures, the performance was positive.

Now, let me briefly cover the key performance metrics for the Financial Year 2021. We registered top-line growth of 10% to Rs. 336 crore driven by balanced gains across both organic as well as inorganic chemicals segments. Revenue growth in organic chemicals stood at 10% to Rs. 274 crore; whereas, revenues from inorganic chemicals came in at Rs. 63 crore, higher by 9.7%. Our domestic and exports mix stood at 53% and 47%, respectively. EBITDA increased by 11% to Rs. 64 crore translating to EBITDA margin of 19%, which was higher by 17 basis points over the previous financial year.

Underlying these numbers was strong execution with better utilization of plants, various cost management initiatives as well as favorable product mix. Profit after tax improved by 9% to Rs. 31 crore. During the year, we bagged two new long-term contracts from global innovators for Custom Synthesis and Manufacturing (CSM) and Advanced Intermediates in agriculture and pharmaceutical verticals. These wins are in line with our focus on expanding business contribution from complex, multi-stage chemistry-based engagements that improve our position further with the community of global innovator organizations.

Our operations have demonstrated remarkable resilience, particularly during these unprecedented times, and I would like to thank all of our employees for their unconditional support and relentless efforts not only to keep our operations running, but also ensuring that we adhere to customers' stringent supply timelines.

As the Chairman pointed out, in April 2021, we started our initial trial commercial production of organic chemicals at the Dahej SEZ facility and Phase I commercial production had successfully commenced fully from September 2021. This is a testament of our ability to deliver timely outcomes despite all odds, and I would like to express gratitude to the entire Neogen family for making this possible. Not to forget that Neogen has established this facility for the first time from zero-to-final commissioning stage with the most advanced safety features and engineering standards.

In addition, the plant comes with cutting-edge technology and best-in-class infrastructure, which will give us an edge over our competitors. It will also enable us to add more value through multi-stage processes and complex chemistries while meeting the standards demanded by innovators and global MNCs. Several international customers have approved this Multi Purpose Plant for deliveries beginning from the current quarter, while more approvals are expected as we move forward. Additionally, based on the progress thus far, we anticipate that



our Phase-2 expansion will be operational sooner than expected, by the end of Q3 of this year as against Q4 estimated earlier. Once commissioned, this will further strengthen our leadership position in the bromine chemistry and offer niche products to our customers.

I would like to reaffirm that we are on track to achieve FY22 revenue projection of Rs. 450 crore, and thereafter incremental revenue of Rs. 200-250 crore by FY24, which would put us on a strong growth footing.

Neogen Chemicals is strategically positioned to capitalize from the structural shift in the chemical supply chains globally. Our market leadership position, cost-effective manufacturing capabilities, and firm commitment to innovation will enable us to seize this opportunity. The objective will be to deliver sustainable performance backed by strong people-centric approach, and focus on compliance with stringent quality, environment and employee safety norms.

We will continue to grow our market share and expand presence in both established and value-added product lines. We will be leveraging our knowledge and experience in critical chemistries to produce top-notch financial results. Our future expansion will be more modular, and we will be looking for new ways to cement our already strong position in specialized chemistries.

To close, I would like to extend my gratitude to all our stakeholders for putting your faith and trust in us. Also, I would like to convey my appreciation to all our employees for their dedication and enthusiasm at work, our vendors and customers for their continuing business relationships. We are committed to our values and objectives, and we remain well-positioned to create long-term value for all our stakeholders by executing our initiatives as planned.  
Thank you.

**Ms. Unnati Kanani** Thank you sir. I request the Managing Director to kindly take the proceedings further.

**Dr. Harin Kanani** Dear Members,  
  
- As the Notice of the 32<sup>nd</sup> AGM dated August 7, 2021 along with the Annual Report including Directors Report and Audited Financial Statement (Standalone & Consolidated) for the FY 2020-21, 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 Item Nos. 1, 2 and 3 of the Notice of AGM. The



detailed resolutions of Agenda Item No. 4 and 5 were already provided in the Notice of AGM and hence, 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 Standalone and Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021 together with Reports of the Board of Directors (“the Board”) & Auditors’ thereon

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

**“RESOLVED THAT** the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended on March 31, 2021 including Balance sheet as at March 31, 2021 and Statement of Accounts for the year ended on March 31, 2021 along with Cash Flow Statements and Report of the Directors and Auditors thereon along with the annexures, as circulated to the Members, 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, 2021.

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

**“Resolved that** a final dividend, of Rs. 2.25 on each fully paid up equity share of a face value of Rs. 10 each of the Company for the FY 2020-21, as recommended by the Board of Directors, be and is hereby declared and approved for the financial year ended March 31, 2021 and the same be paid out of the profits of the Company.”

Item No. 3 Appointment of a Director in place of Mr. Anurag Surana (DIN: 00006665), Non- Executive and Non- Independent Director who retires by rotation and being eligible offers himself for re-appointment.

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

**“RESOLVED THAT,** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Anurag Surana (DIN: 00006665), Non- Executive and Non- Independent Director of the Company who retires by rotation at this meeting and being eligible has offered himself for reappointment, be and is hereby appointed as Non- Executive and Non-Independent Director of the Company liable to retire by rotation.”

**Dr. Harin Kanani** Thank you Unnati.



I now request the speaker Shareholders to express their views or ask any queries related to any Agenda Item of the Notice dated August 7, 2021.

**Ms. Unnati Kanani** I request the moderator to now open the forum for registered speakers to express their views or ask any queries.

**Mr. Vishal Parad** Our 1<sup>st</sup> Speaker of the event is Mr. Hiranand Parsram Kotwani

**Mr. Hiranand Parsram Kotwani** Hello, myself Hiranand Kotwani from Kalyan. I have attended last two AGMs of the Company post IPO and it is a young company. We hope the future of the company is bright and moves in right direction. How do you see the future growth and prospects of the Company. And current COVID situation is a blessing in disguise for a Chemical Companies. Is our Company benefitted due to this? What are our growth and expansion plans, CAPEX plans and new products?

**Dr. Harin Kanani** Thank you Mr. Hiranand for your queries and thank you for attending all our AGMs (physical and virtual) and for your continued support and wishes for Neogen. As I mentioned in our speech, we have already completed our capex as planned for Phase I and Phase II expansion at Dahej SEZ. This is going to allow us to have additional capacity specially for organic chemicals which is more than doubled and based on this our revenue is likely to increase between Rs. 650- 675 crore by FY 24. We continue to have very strong demand from our international customers as well as domestic pharma companies. So even during COVID while we had no specific benefit because of COVID and there were some additional expenses which we had to incur, as we were supplying to essential commodities - pharma and agro - our operations continued and it was our duty to complete and support these essential commodities and all the Neogen members rose up to that challenge and we were able to continue our operations and ensure a limited growth of about 10% in the last year because of the capacity limitation. With the new capacities coming in we are targeting Rs. 450 crore which is more than 25 % growth in the current financial year and in the next two years almost Rs. 200 crore. So a compounded annual growth of more than 20%, which is a good number for a company of our size. We again thank you for your continuous support.

**Mr. Vishal Parad** Thank you sir. Now I invite our next speaker Mr. Vasudha Vikas Dakwe

**Ms. Vasudha** Good Evening respected Chairman Sir, Board of Directors and my fellow shareholders. Myself Vasudha Dakwe from thane. I would like to congratulate 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 the following questions:

1) What is the impact of COVID 19 pandemic on our staff (those who are working from home as well as casual/contractual staff)? Are you following any layoff policy today?



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

With this I support all the resolutions and wish the company all the best for coming financial years and my best wishes for coming Dussehra and Diwali festivals. Thank you very much sir.

Thank you Vasudha Maám for your wishes and from Neogen family I also extend our wishes to you and your family for Dussehra and Diwali.

**Dr. Harin Kanani**

To answer your question about COVID 19 impact I would like to inform that we have not laid off any staff. The office staff and non-critical staff worked from home and the ones required to be present in the plant worked at plant. In fact during COVID restrictions we had a rule that since people were working from home, they were supposed to be eligible for receiving the salary. So we actually gave a bonus to all the employees who physically attended during the extreme COVID period and would like to inform that nobody was laid off because of COVID situation. As I informed in my answer to the previous question, our operations continued except for some time during the lockdown till we got clarity and we completed all the procedures for social distancing norms at our plants. But otherwise most of the time all our plants were running at full capacity despite COVID related restrictions and lockdowns. And this is what allowed us to grow 10% despite the capacity restriction.

In terms of your question about our next two years' CAPEX plans, currently we are just coming off a capex which has already doubled our organic production capacity. Our first focus is to ensure full utilization of this facility. The Company's board every year takes a view - mostly in 3rd quarter or 4th quarter - and determines the next year's capex plan. So far there is no unannounced capex plan which is pending and we will now wait for the next year's capex plan which will be decided by the Board either in Q3 or Q4 (of the current financial year) and will be announced and shared through investor presentations or outcome of board meetings, as applicable. Once again I thank you for your support and interest in Neogen and also I wish you and your family happy Diwali and happy Dussehra well in advance.

**Dr. Harin Kanani**

So we have one more question which we have received from Mr. Tushar Sodha. I will just read out the question.

"Many Congratulations for the highest ever revenues of Rs. 336 crores. Net debt has gone up by 58% this year. What steps the Company is taking to reduce debt. I extend my whole hearted support to our Company."

Thank you Mr. Tushar. As you are aware this was a planned debt increase to support our Dahej Capex which is a significant capex that we are incurring. Our IPO was also planned in anticipation to ensure that this can be done with reasonable debt levels. So even with the increase in debt levels, our debt/equity ratio is still below 1.25 and as a company we have always said that when we are

increasing our capex we would like to keep it close to 1.25 and most of the time below 1.5. So we will continue to keep this and this is within the limits as approved by the Board and shareholders and what has been decided as a policy historically. At present there are no specific plans but as our operations improve and cash is generated, the debt will be repaid and we will remain within this limit. However, the Board will keep considering this as our future capex plans will get finalized. Again thank you for your question and I wish you and your family are all safe and good future. Thank you.

**Ms. Unnati Kanani** Thank you sir. I would now request moderator to confirm if there are any more questions or speakers if pending.

**Mr. Vishal Parad** No. You may go ahead.

**Dr. Harin Kanani** Hope all the questions are answered to the satisfaction of our shareholders. Still if any shareholder has any further questions or need more information, please write to the Company Secretary at [investor@neogenchem.com](mailto:investor@neogenchem.com) and we will answer them to the satisfaction of the shareholders.

**Unnati Kanani** I now request members who have not cast their votes by remote e-voting, to cast their vote by e-voting now & within next 30 minutes after 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 BSE Limited, National Stock Exchange of India Limited and 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 in favour of those resolutions.

Over to you Dr. Harin Kanani, Managing Director.

**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.

**Ms. Unnati Kanani** I request Mr. Haridas Kanani, Chairman and Managing Director to give his concluding remark.

**Mr. Haridas Kanani** As all the agenda items of the Notice dated August 7, 2021 are transacted. I now declare this meeting as concluded.



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

**Ms. Unnati Kanani** Thank you Chairman. This concludes our meeting and the time is now 5.33 p.m., shareholders have more 30 minutes to cast their vote if they missed to cast their vote during the e-voting period. Thank you everyone. The panelists may now log off.

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