

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NEOGEN IONICS LIMITED

Report on the Audit of the Financial Statements Opinion

We have audited the accompanying Financial Statements of **NEOGEN IONICS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period ended on that date, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as "Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2025, the **Loss** and total comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and the Rules made there under, 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 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 Financial Statements of the current period. These matters were addressed in the context of our audit of the 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 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 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 Financial Statements.

Sr.	Key Audit Matter	How our audit addressed the Key audit matter
1	<p>Property, plant and equipment and capital work in progress.</p> <p>The Company is presently in the process of setting up the Speciality Chemicals Plants at Dahej and Pakhajan, Gujarat. Since these projects take a substantial period of time to get ready for intended use and due to their materiality in the context of the Balance Sheet of the Company, this is considered to be an area with significant effect on the overall audit strategy and allocation of resources in planning and completion our audit. With regard to above capital projects, management has identified specific expenditure including employee costs and other overheads relating to each of the assets in the above capital projects and has applied judgement to assess if the costs incurred in relation to these assets meet the recognition criteria of Property, Plant and Equipment in accordance with Ind AS 16. This has been determined as a key audit matter due to the significance of the capital expenditure during the year and the risk that the elements of costs that are eligible for capitalization are not appropriately capitalised in accordance with the recognition criteria provided in Ind AS 16.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ♣ We performed an understanding and evaluation of the system of internal control process over the projects and those included in capital work in progress, with reference to identification and testing of key controls. ♣ We assessed the progress of the project and the intention and ability of the management to carry forward and bring the asset to its state of intended use. ♣ Review of Board minutes relating to approvals of the projects and changes in estimates thereof. ♣ Understood, evaluated, and tested the design and operating effectiveness of key controls relating to capitalization of various costs incurred; ♣ Tested the direct and indirect costs capitalized, on a sample basis, with the underlying supporting documents to ascertain nature of costs and basis for allocation, where applicable, and evaluated whether they meet the recognition criteria provided in the Indian Accounting Standard (Ind AS) 16, Property, Plant and Equipment; ♣ Ensured adequacy of disclosures in the standalone financial statements on the management judgements in such cases.

Emphasis of Matter

We draw attention to Note 29 of the Financial Results with regard to incident of Fire at Warehouse of Dahej SEZ Plant of the Company. This incident led to damage of certain plant and equipment, inventory and it also interrupted business. However the Company is having insurance policy covering above eventuality and accordingly it intimated insurance company about the fire incident and submitted loss estimate to the Insurance Company. Since the Surveyor's Report appointed by Insurance Company is not received to this date, it appointed Independent Surveyor for ascertaining the Loss caused by Fire and the claim that the Company is entitled from the Insurance Company vis-a-vis its insurance policy. The company simultaneously appointed Independent Expert seeking opinion on accounting treatment for the Loss caused and the Claim made to the Insurance Company. Based on the Independent Surveyor's Report and Independent Expert's Opinion:

- (i) the Company recognized Loss caused by fire as Rs 14.74 crores and Insurance Claim receivable from Insurance Company as Rs. 14.21 crores.
- (ii) The aforementioned losses of Rs.14.74 crores and corresponding insurance claim credit of Rs 14.21 crores has been presented on a net basis of Rs 0.53 crores under "Exceptional Items" in these financial results for the current quarter and year ended March 31, 2025.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for preparation the other information. The other information comprises the information included in the, Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with the governance as required under SA 720 'The Auditor's Responsibility relating to other Information '.

Management's Responsibility for the 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 (the 'Order') issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the '**Annexure A**' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears

from our examination of those books.

- c) The 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 financial statements comply with the Ind AS specified under Section 133 of the Act
 - e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has no pending litigations to be disclosed at the end of the period
 - ii. The Company did not have any material long term contracts for which there were any material foreseeable losses
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in note to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
(b) The Management has represented that, to the best of its knowledge and belief, as disclosed in note to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
 - v. The Company has not declared any Dividend during the year ended 31 March, 2025, nor has it proposed any Dividend for the year subject to approval of the members at the ensuing Annual General Meeting. Accordingly, the provisions of section 123 of the Companies Act, 2013 do not apply.

- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and audit trail has been preserved by the company as per the statutory requirement for record retention.
4. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

UDIN: 25039910BMHVWJ9487
For JMT& ASSOCIATES
Chartered Accountants
Firm's Registration No.104167W

JAYESH SHAH
Partner
Membership No.039910

Place: Mumbai
Date: 17.05.2025

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 IONICS LIMITED of even date)

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment

(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular program of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner. In accordance with this program, property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the company.
- (d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us, there are no proceedings initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made there under.
- ii In respect of the Company's Inventories:
 - a) In our opinion and according to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management. The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and nature of business. The Company has maintained proper records of inventory. As per information available, the discrepancies noticed on verification between physical stock and book records were not material in relation to the operation of the company and the same have been properly dealt with in the books of account
 - b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets and hence reporting under clause 3(ii)(b) is not applicable.
- iii According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, and hence reporting under clause 3(iii) is not applicable.

iv The company has not granted any loans, made investments in subsidiaries, provided any guarantees or security in connection with a loan to any other body corporate or person within the meaning of section 185 and 186 of the companies Act 2013.

v The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2025 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 not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company

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, 2025 for a period of more than six months from the date they became payable.

viii According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year

ix

- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- c) In our opinion and according to the information and explanations given to us by the management, the Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company
- d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its Joint Venture, as defined in the Act. The Company does not hold any investment in any Subsidiaries or associate (as defined in the Act) during the year ended 31 March 2025.
- e) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its Joint Venture (as defined under the Act).

- x. (a) The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made preferential allotment of shares during the year. Accordingly, clause 3 (x)(b) of the order is not applicable to the Company.
- xi. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the course of audit
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors during the year in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, no whistle blower complaints have been received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us, all transactions with related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required the applicable accounting standards. The provisions of section 177 of the Companies Act, 2013 are not applicable to the company.
- xiv. (a) In our opinion and according to the information and explanations given to us, the Company has internal audit system commensurate with size and nature of its business.
- (b) However, according to the information & explanation given to us, there was no report of Internal Audit issued during the year as the same was not applicable.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Hence, provision of section 192 of the act are not applicable to the company
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (c) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.
- xvii. The Company has incurred cash losses in the current year to the tune of Rs 13.45 Crore.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the

Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. The Provisions of section 135 of companies Act, 2013 are not applicable to the company, and hence reporting under clause 3(xx) of the Order is not applicable

UDIN: 25039910BMHVWJ9487
For JMT & ASSOCIATES
Chartered Accountants
Firm Registration No.104167W

JAYESH SHAH
Partner
Membership No. 039910

Place: Mumbai,
Date : 17.05.2025

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 IONICSLIMITED 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 IONICS LIMITED** (“the Company”) as of March 31, 2025 in conjunction with our audit of the 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

UDIN : 25039910BMHVWJ9487
For JMT & ASSOCIATES
Chartered Accountants
Firm RegistrationNo.104167W

JAYESH SHAH
Partner
MembershipNo.039910

Place: Mumbai,
Date: 17.05.2025

NEOGEN IONICS LIMITED
Balance Sheet as at March 31, 2025

(₹ in Crore)

Particulars	Notes No.	As at March 31, 2025	As at March 31, 2024
ASSETS			
(1) Non-Current Assets			
(a) Property, plant and equipment	3	175.85	135.00
(b) Capital work-in-progress	4	128.67	52.80
(c) Intangible assets	5	0.01	-
(d) Financial Assets			
(i) Other financial assets	7	0.43	0.48
(e) Other non-current assets	9	171.97	36.67
(f) Deferred Tax Asset (Net)	18	3.98	1.20
Total Non Current Assets		480.91	226.15
(2) Current Assets			
(a) Inventories	10	2.92	0.65
(b) Financial Assets			
(i) Trade receivables	11	5.98	0.61
(ii) Cash and cash equivalents	12	4.47	10.20
(iii) Loans	6	0.02	-
(iv) Other financial assets	7	41.37	-
(c) Other current assets	9	17.96	8.23
Total Current Assets		72.72	19.69
Total Assets		553.63	245.84
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	13	9.90	5.00
(b) Other equity	14	163.34	(5.81)
Total equity		173.24	(0.81)
(2) Liabilities			
(A) Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	15	214.20	118.39
(ii) Other financial liabilities	16	0.00	0.00
(b) Long term provisions	17	0.60	0.26
Total Non-Current Liabilities		214.80	118.65
(B) Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	19		
(a) total outstanding dues of micro and small enterprises		0.05	0.9
(b) total outstanding dues of creditors other than micro and small enterprises		16.32	0.00
(ii) Other financial liabilities	16	147.95	126.59
(b) Other current liabilities	20	0.84	0.41
(c) Short term provisions	17	0.36	0.08
(d) Current tax liabilities (net)	8	0.07	-
Total Current Liabilities		165.59	128.00
Total liabilities		380.39	246.65
Total Equity And Liabilities		553.63	245.84

Corporate information

1

Material accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For JMT & Associates

Chartered Accountants

Firm Registration No. 104167W

For and on behalf of the Board of Directors

NEOGEN IONICS LIMITED

CIN : U20119MH2023PLC399825

Jayesh J Shah

Partner

Membership No. 039910

Haridas Kanani

Chairman & Managing Director

DIN- 00185487

Dr.Harin Kanani

Managing Director

DIN- 05136947

Place: Thane

Date: 17 May, 2025

Gopikrishnan Sarathy

Chief Financial Officer

Unnati Kanani

Company Secretary

M. no. A35131

NEOGEN IONICS LIMITED

Statement of Profit and Loss for the year ended March 31, 2025

(₹ in Crore)

Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
I REVENUE			
Revenue from operations	21	11.95	0.55
Other income	22	1.29	0.35
TOTAL INCOME		13.24	0.90
II EXPENSES			
Cost of materials consumed	23	15.26	0.65
Changes in inventories of finished goods and work-in-progress	24	(6.68)	-
Employee benefits expense	25	6.56	2.94
Finance costs	26	3.44	0.93
Depreciation and amortisation expense	27	2.20	0.05
Other expenses	28	8.11	3.34
TOTAL EXPENSES		28.89	7.91
III Profit/(loss) before exceptionals item and taxes (I-II)		(15.65)	(7.01)
IV Exceptionals item	29	0.53	-
V Profit/(loss) before tax (III-IV)		(16.18)	(7.01)
VI Tax Expenses			
- Current tax	18	0.15	-
- Deferred tax	18	(2.78)	(1.20)
VII Profit for the period (V-VI)		(13.55)	(5.81)
VIII Other Comprehensive Income			
(A) <u>Items that will not be reclassified to profit or loss</u>			
- Gain/(Loss) on remeasurement of defined benefit plans		(0.06)	-
- Income tax (expense)/ income relating to items that will not be reclassified to profit or loss		0.00	-
Total Other Comprehensive Income/(loss) for the year net of tax		(0.06)	-
IX Total comprehensive income for the period (VII + VIII)		(13.61)	(5.81)
X Earnings per equity share (face value ₹ 10 each)	31		
- Basic (₹)		(15.03)	(23.47)

Corporate information 1
Material accounting policies 2
The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

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

For and on behalf of the Board of Directors
NEOGEN IONICS LIMITED
CIN : U20119MH2023PLC399825

Jayesh J Shah
Partner
Membership No. 039910

Haridas Kanani
Chairman & Managing Director
DIN- 00185487

Dr. Harin Kanani
Managing Director
DIN- 05136947

Place: Thane

Date: 17 May, 2025

Gopikrishnan Sarathy
Chief Financial Officer

Unnati Kanani
Company Secretary
M. no. A35131

NEOGEN IONICS LIMITED
Statement of Changes in Equity for the year ended March 31, 2025

(₹ in Crore)

A) Equity Share Capital	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	5.00	5.00
Changes in equity share capital during the year	4.90	-
Balance at the end of the year	9.90	5.00

B) Other Equity	Reserves and Surplus					Total Other Equity
Description	General Reserve	Retained Earnings	Other component of equity	*Equity component of CCD	Other comprehensive income (losses) on Defined Benefit Plan	
For the year ended March 31, 2025						
Balance as at April 1, 2024	-	(5.81)	-	-	-	(5.81)
Profit for the year		(13.55)				(13.55)
Other Component of equity			0.26	182.50		182.76
Other Comprehensive Income					(0.06)	(0.06)
Total Comprehensive Income	-	(19.36)	0.26	182.50	(0.06)	163.34
At March 31, 2025	-	(19.36)	0.26	182.50	(0.06)	163.34

*During the year company issued and allotted 18,25,00,000 0.01% compulsory convertible debentures of Rs 10/- each to Neogen Chemicals Limited ("Holding Company) amounting to Rs 182.50 crore, tenure shall be 10 years from the date allotment.

For the year ended March 31, 2024	Reserves and Surplus					Total Other Equity
Description	General Reserve	Retained Earnings	Other component of equity	Equity component of CCD	Other comprehensive income (losses) on Defined Benefit Plan	
Balance as at April 1, 2023	-	(5.81)	-	-	-	-
Profit for the year	-					(5.81)
Other Comprehensive Income	-					-
Total Comprehensive Income	-	(5.81)	-	-	-	(5.81)
At March 31, 2024	-	(5.81)	-	-	-	(5.81)

Corporate information
 Material accounting policies
 The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached
 For IMT & Associates
 Chartered Accountants
 Firm Registration No. 104167W

For and on behalf of the Board of Directors
 NEOGEN IONICS LIMITED
 CIN: U20119MH2023PLC399825

Jayesh J Shah
 Partner
 Membership No. 039910

Haridas Kanani
 Chairman & Managing Director
 DIN- 00185487

Dr. Harin Kanani
 Managing Director
 DIN- 05136947

Place: Thane
 Date: 17 May, 2025

Gopikrishnan Sarathy
 Chief Financial Officer

Unnati Kanani
 Company Secretary and Compliance Officer
 M. no. A35131

NEOGEN IONICS LIMITED
Statement of cash flow for the year ended March 31, 2025

Particulars	(₹ in Crore)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Cash Flow from Operating Activities		
Net Profit before tax	(16.18)	(7.01)
<u>Adjustments for:</u>		
Depreciation and amortization expense	2.20	0.05
Allowance for doubtful debts and advances	0.09	-
Finance Cost	3.44	0.93
Unrealized exchange Loss	0.62	-
Exceptional items (Refer Note 29)	0.53	-
Interest income	(0.63)	(0.35)
Operating Profit before Working Capital changes	(9.93)	(6.38)
Adjustments for :		
* (Increase) / Decrease in inventories	(12.80)	(0.65)
(Increase) / Decrease in trade receivables	(5.40)	(0.61)
(Increase) / Decrease in current loans and advances and other current financial assets	(36.83)	(0.48)
(Increase) / Decrease in loans and advances and other non current financial assets	(0.02)	-
(Increase) / Decrease in other current assets	0.50	(8.23)
(Increase) / Decrease in other non-current assets	12.28	52.08
Increase/(Decrease) in trade payables	15.46	0.92
Increase/(Decrease) in other financial non-current liabilities	-	0.26
Increase/(Decrease) in other non-current liabilities	3.12	-
Increase/(Decrease) in other current financial Liabilities	32.43	74.59
Increase/(Decrease) in other current liabilities	0.57	0.41
Cash flow from operations	(0.62)	111.91
Income tax paid/refund (Net)	-	-
Net Cash flow generated from Operating activities	(0.62)	111.91
B. Cash Flow from Investing Activities		
* Purchases of property, plant and equipment	(284.98)	(224.52)
Purchase of Intangible asset	(0.01)	-
Investments	(0.45)	-
Interest received	0.58	0.35
Net Cash used in Investing activities	(284.86)	(224.17)

NEOGEN IONICS LIMITED
Statement of cash flow for the year ended March 31, 2025

(₹ in Crore)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
C. Cash Flow from Financing Activities		
Proceeds from issue of equity/compulsory convertible debentures of the Company	187.40	5.00
Proceeds of borrowings	215.30	118.39
Repayment of borrowings	(119.49)	-
Finance cost	(3.44)	(0.93)
Net Cash used in Financing activities	279.77	122.46
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(5.71)	10.20
Cash on Hand	0.00	-
Cash at Bank	10.20	-
Opening Cash and Cash Equivalents	10.20	-
Cash on Hand	0.00	0.00
Cash at Bank	4.47	10.20
Closing Cash and Cash Equivalents	4.47	10.20

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS - 7) on Statement of Cash Flows notified u/s 133 of Companies Act, 2013 ("Act") read with Rule 4 of the Companies (Indian Accounting Standards) Rules 2015, as amended and the relevant provisions of the Act.
2. The figures for the previous year have been regrouped/reclassified wherever necessary to conform to current year's classification.
3. Cash comprises cash on hand, Current Accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition)
- *4. Figures considered for changes in inventory and purchase of property plant and equipment are on gross basis, without considering loss on account of fire.

Particulars	March 31, 2025	March 31, 2024
Borrowings		
Balance at the beginning of the year	118.39	-
Cash Flow	95.81	118.39
Non Cash Changes	-	-
Balance at the end of the Year	214.20	118.39

Corporate information 1
Material accounting policies 2
The accompanying notes are an integral part of the financial statements.

As per our report of even date
For JMT & Associates
Chartered Accountants
Firm Registration No. 104167W

For and on behalf of the Board of Directors
NEOGEN IONICS LIMITED
CIN: U20119MH2023PLC399825

Jayesh J Shah
Partner
Membership No. 03991C

Haridas Kanani
Chairman & Managing Director
DIN- 00185487

Dr.Harin Kanani
Managing Director
DIN- 05136947

Place: Thane
Date: 17 May, 2025

Gopikrishnan Sarathy
Chief Financial Officer

Unnati Kanani
Company Secretary
M. no. A35131

NEOGEN IONICS LIMITED

Accompanying notes to Standalone financial statements for the year ended March 31, 2025

1. General corporate information

Neogen Ionics Limited ("the company") is domiciled in India, having Corporate Identity Number U20119MH2023PLC399825. Company has its registered office at Thane, Maharashtra, is in the business of Battery Chemicals. The ultimate holding company is Neogen Chemicals Limited.

2. Summary of basis of compliance, basis of preparation and presentation, key accounting estimates, assumptions and material accounting policies

I. Basis of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation and disclosures requirement of Division II of revised Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to standalone financial statement. The accounting policies are applied consistently to all the years presented in the standalone financial statements.

The standalone financial statements of the Company for the year ended March 31, 2025 were authorized for issue in accordance with a resolution of the Board of Directors on May 17, 2025.

II. Basis of preparation and presentation

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Current versus Non-Current Classification

All assets and liabilities have been classified as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that is measured at fair value;
- defined benefit plans – plan assets measured at fair value less present value of defined benefit obligation;

Functional and presentation currency

These standalone financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded off to the nearest Crore, unless otherwise indicated.

III. Key estimates and assumptions

While preparing financial statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the balance sheet date and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. Judgement, estimates and assumptions are required in particular for:

Determination of the estimated useful lives

Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are based on technical advice, taking into account the nature of the asset, the estimated

usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition and measurement of defined benefit obligations**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

- **Recognition of deferred tax assets and liabilities**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences.

- **Recognition and measurement of other provisions**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

- **Discounting of long-term financial assets / liabilities**

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities/assets which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

- **Determining whether an arrangement contains a lease**

Ind AS 116 requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

Fair value of financial instruments

Derivates are carried at fair value. Derivatives includes foreign currency forward contracts. Fair value of foreign currency forward contracts are determined using the fair value reports provided by respective bankers.

Provisions and contingent liabilities and assets

A provision is recognised when the Company has a present obligation because of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. The cases which have been determined as remote by the Company are not disclosed.

Contingent assets are neither recognised nor disclosed in the standalone financial statements.

IV. Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the

measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- a. Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b. Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- c. Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

V. Material accounting policies

A. Revenue recognition and Other income

• Sale of goods

The company manufactures and sells a range of products to various customers. In case of contracts with customers, revenue is recognised when the significant risk and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods to the degree usually associated with the ownership, and the amount of revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable. Revenue recognised in relation to these contracts in excess of billing is recognised as a Contract Asset. In remaining cases revenue is recognised over Company's performance does not create an asset with alternative use to the Company and the entity has an enforceable right to payment for performance completed till date. Accumulated experience is used to estimate and provide for the discounts and returns and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in other current liabilities) is recognised for expected returns from the customer. Liability (included in other financial liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. Amounts disclosed as revenue are net of returns, discounts, volume rebates and net of goods and service tax. Incentives on exports are recognised in books after due consideration of certainty of utilisation / receipt of such incentives.

• 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. Interest income is included in other income in the Statement of Profit and Loss.

B. Foreign currency

• Transaction and balances

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income and expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

Exchange differences are generally recognised in the Statement of Profit and Loss.

C. Employment Benefits

- **Short-term obligations**

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Short-term benefits such as salaries, wages, short-term compensation absences, etc., are determined on an undiscounted basis and recognized in the period in which the employee renders the related service.

- **Other long-term employee benefit obligations**

Liability toward Long-term Compensated Absences is provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

- **Post-employment obligations**

The Company operates the following post-employment schemes:

(a) Defined benefit plans such as gratuity, and

(b) Defined contribution plans such as provident fund.

(a) Defined benefit plans: The following post – employment benefit plans are covered under the defined benefit plans:

Gratuity: The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

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.

(b) Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

D. Income-tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in the OCI.

- **Current tax**

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-Tax Act, 1961. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities,

using tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

- **Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- a) temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if:

- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

E. Inventories

Inventories are carried in the balance sheet as follows:

- (a) **Raw materials, Packing materials and Stores & Spares:** Cost of purchases and other costs incurred in bringing the inventories to their present location and condition
- (b) **Work-in-progress / project in progress:** At lower of cost of materials, plus appropriate manufacturing overheads and net realizable value.
- (c) **Finished Goods:** At lower of cost of materials, plus appropriate manufacturing overheads and 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.

F. Property, plant and equipment (including Capital work in progress)

- **Recognition and initial measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

d) Items of property, plant and equipment (including capital-work-in progress) are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the Statement of Profit and Loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

- **De-recognition**

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the restated standalone statement of profit and loss when the asset is derecognized.

- **Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company

- **Depreciation/ Amortizations**

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives specified in schedule II to the Companies Act, 2013 except for the following:

- (a) Building – 30 years
- (b) Plant and Machinery- 20 years
- (c) M.S. Structure & FRP Gratings- 20 years
- (d) Effluent Treatment Plant- 20 years
- (e) R & D Equipment's- 10 years
- (f) Office equipment's- 5 years
- (g) I T Equipment's- 3 years
- (h) Furniture and fixtures- 10 years
- (i) Leasehold land - 60 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

G. Intangible assets:

- **Recognition and initial measurement**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

- **Useful life and amortisation**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight-line basis over the useful lives of the asset from the date of capitalisation as below:

Computer software 3-5 years

The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

Intangible assets acquired in a business combination viz. Goodwill, Patents, Copyrights and Brands do not have definite useful life and thus, are not amortised. However, these assets are tested for impairment on an annual basis. These are further tested for impairment upon any indication of impairment subsequent to annual testing.

- **De recognition**

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

- **Impairment**

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss. Goodwill and intangible assets that do not have definite useful life are not amortised and are tested at least annually for impairment. If events or changes in circumstances indicate that they might be impaired, they are tested for impairment once again.

H. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.

I. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of directors. The Company has identified only one segment as reporting segment based on the information reviewed by CODM.

J. Financial Instruments

- **Recognition initial measurement**

Trade receivables are initially recognised when they originate. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price.

- **Classification and subsequent measurement**

- **Financial Assets**

On initial recognition, a financial asset is classified as measured at

- amortised cost or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial assets: Business model assessment**

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

- **Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or

premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

- **Financial assets: subsequent measurement and gains and losses**

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

- **Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or loss on derecognition is also recognized in the statement of profit and loss.

- **Derecognition**

- **Financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership but does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

- **Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognises a financial liability when its terms are modified and the cash flow under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

- **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

- **Equity instruments**

Equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets.

K. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

L. Earnings per share

- **Basic earnings per share**

Basic earnings per share is calculated by dividing:

- a) the profit attributable to owners of the Company
- b) by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

M. Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS - 117 Insurance Contracts and amendments to Ind AS 116 - Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

NEOGEN IONICS LIMITED

Accompanying notes to the financial statements for the year ended March 31, 2025

(₹ in Crore unless otherwise stated)

Note : 3 Property, Plant and Equipment

Particulars	Freehold Land	Leasehold Land	Factory Buildings	Plant & Machineries	M.S.Structure & FRP Grattings	R & D Equipments	Effluent Treatment Equipments	I.T Equipments	Furniture & Fixtures	Total
<u>Gross Block:</u>										
As at April 1, 2023	100.88	1.65	6.69	22.57	0.64	2.60	-	-	0.02	135.05
Additions during the year	-	-	-	-	-	-	-	-	-	-
Disposals/Adjutments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2024	100.88	1.65	6.69	22.57	0.64	2.60	-	-	0.02	135.05
As at April 1, 2024	100.88	1.65	6.69	22.57	0.64	2.60	-	-	0.02	135.05
Additions during the year	1.29	0.60	1.47	40.48	0.98	0.01	0.12	0.02	-	44.97
Loss by fire (Refer note: 29)	-	-	-	(1.96)	-	-	-	-	-	(1.96)
Disposals during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2025	102.17	2.25	8.16	61.09	1.62	2.61	0.12	0.02	0.02	178.06
<u>Accumulated Depreciation:</u>										
As at April 1, 2023	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	0.01	0.01	0.03	0.00	-	-	-	0.00	0.05
On disposals/adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2024	-	0.01	0.01	0.03	0.00	-	-	-	0.00	0.05
As at April 1, 2024	-	0.01	0.01	0.03	0.00	-	-	-	0.00	0.05
Depreciation for the year	-	0.03	0.22	1.67	0.03	0.25	0.00	0.00	-	2.20
Loss by fire (Refer note: 29)	-	-	-	(0.04)	-	-	-	-	-	(0.04)
On disposals/adjustments during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2025	-	0.04	0.23	1.66	0.03	0.25	0.00	0.00	0.00	2.21
<u>Net Book Value:</u>										
As at March 31, 2024	100.88	1.64	6.68	22.54	0.64	2.60	-	-	0.02	135.00
As at March 31, 2025	102.17	2.21	7.94	59.43	1.59	2.36	0.12	0.02	0.02	175.85

Footnote:

1) Refer Note 15 for the details in respect of certain property, plant and equipment hypothecated/ mortgaged as security against borrowings

Note : 4 Capital Work in Progress

Particulars	Amount
As at April 1, 2023	
Additions during the year	187.80
Capitalised during the year	(135.00)
As at March 31, 2024	52.80
As at April 1, 2024	52.80
Additions during the year	122.80
Loss by fire (Refer note: 29)	(1.96)
Capitalised during the year	(44.97)
As at March 31, 2025	128.67

a) Capital work in progress (CWIP) Ageing Schedule

Particulars	As at March 31, 2025					As at March 31, 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in Progress	85.98	42.70	-	-	128.67	52.80	-	-	-	52.80

b) There are no cost overrun or Timeline delayed in any project pertaining to Financial Year 24-25 and Financial Year 23-24**Note : 5. Intangible assets**

Particulars	Software	Total
Gross block:		
As at April 1, 2023	-	-
Additions during the year	-	-
Disposals during the year	-	-
As at March 31, 2024	-	-
As at April 1, 2024	-	-
Additions during the year	0.01	0.01
Disposals during the year	-	-
As at March 31, 2025	0.01	0.01
Accumulated Depreciation:		
As at April 1, 2023	-	-
Depreciation for the year	-	-
On disposals during the year	-	-
As at March 31, 2024	-	-
As at April 1, 2024	-	-
Depreciation for the year	0.00	0.00
On disposals during the year	-	-
As at March 31, 2025	0.00	0.00
Net Book Value:		
As at March 31, 2024	-	-
As at March 31, 2025	0.01	0.01

NEOGEN IONICS LIMITED
Accompanying notes to financial statements for the year ended March 31, 2025

(₹ in Crore unless otherwise stated)

Note : 6. Loans

Particulars	Current		Non current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
(Considered Good, unless otherwise stated) Loan to employees	0.02	-	-	-
Total	0.02	-	-	-

There are no loans or advances in the nature of loan granted to Promoter, Director, KMP and their related party (as defined under Companies Act 2013) either severly or jointly with any other person that are:

- (a) Repayable on demand or
- (b) without specifying any terms or period of repayment

Note : 7. Other financial assets

Particulars	Current		Non current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good unless stated otherwise)				
Fixed deposit	27.10	-	-	0.45
Security deposits	-	-	0.43	0.03
Interest accrued on deposit	0.05	-	-	-
Insurance claim receivable (Refer note 29)	14.22	-	-	-
Total	41.37	-	0.43	0.48

Note : 8. Current tax liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Provision (Net of Advance Tax)	0.07	-
Total	0.07	-

Note : 9. Other assets

Particulars	Current		Non current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
(Unsecured, Considered Good unless otherwise stated)				
Capital advances	-	-	165.90	36.67
Advances to vendors	1.15	0.13	-	-
Balance with government authorities	13.89	8.10	-	-
Prepaid expenses	2.92	-	6.07	-
Total	17.96	8.23	171.97	36.67

Note : 10. Inventories

Particulars	As at March 31, 2025	As at March 31, 2024
(Valued at lower of the cost and net realisable value)		
Raw materials	0.52	0.65
Packing materials	0.27	-
Finished goods	0.79	-
Work-in-progress	1.17	-
Stores and spares	0.17	-
Total	2.92	0.65

NEOGEN IONICS LIMITED
Accompanying notes to financial statements for the year ended March 31, 2025

(₹ in Crore unless otherwise stated)

Note : 11. Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Secured	-	-
Unsecured	-	-
(i) Considered good	5.98	0.61
(ii) Trade receivable which have significant increase in risk	-	-
(iii) Trade receivables credit impaired	0.09	-
Less: Allowance for expected credit loss	(0.09)	-
Total	5.98	0.61

Trade Receivables includes amount due from Related parties amounting to Rs 0.63 crore (March 31, 2024 NIL)

a) Ageing of Trade Receivable

Trade receivable ageing schedule as on 31st March, 2025

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	more than 2 years	
Undisputed trade receivables						
- considered good	0.01	5.41	0.49	0.08	-	5.98
- which have significant increase in risk	-	0.07	0.02	-	-	0.09
- credit impaired	-	-	-	-	-	-
Disputed trade receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Total	0.01	5.48	0.51	0.08	-	6.07
Less: Loss allowance	(0.00)	(0.07)	(0.02)	-	-	(0.09)
Total current trade receivables	0.01	5.41	0.49	0.08	-	5.98

The provision disclosed in the above tables made based on expected credit loss method

Trade receivable ageing schedule as on 31st March, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	more than 2 years	
Undisputed trade receivables						
- considered good	0.61	-	-	-	-	0.61
- which have significant increase in risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Disputed trade receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Total	0.61	-	-	-	-	0.61
Less: Loss allowance	-	-	-	-	-	-
Total current trade receivables	0.61	-	-	-	-	0.61

Note : 12 Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Balances with banks : In current accounts	4.47	10.20
(ii) Cash on hand	-	-
Total	4.47	10.20

Note : 13. Equity share capital

Particulars	As at March 31, 2025		As at March 31, 2024	
	No of shares	₹ in Crore	No of shares	₹ in Crore
Authorised capital Equity Shares of Rs.10/- each	1,00,00,000.00	10.00	50,00,000.00	5.00
Total	1,00,00,000.00	10.00	50,00,000.00	5.00
Issued, Subscribed and Fully Paid up Equity Shares of Rs.10/- each	99,00,000.00	9.90	50,00,000.00	5.00
Total	99,00,000.00	9.90	50,00,000.00	5.00

Note 13 (a) Reconciliation of number of shares outstanding at end of the year:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No of Shares	₹ in Crore	No of Shares	₹ in Crore
Equity Shares outstanding at the beginning of the year	50,00,000.00	5.00	50,00,000.00	5.00
Equity Shares issued during the year*	49,00,000.00	4.90	-	-
Equity Shares outstanding at the end of the year	99,00,000.00	9.90	50,00,000.00	5.00

* During the year the company issued 50,00,000 equity shares of Rs 10/- each on right basis, and allotted 49,00,000 equity shares of Rs 10/- each to Neogen Chemicals Limited ("Holding company") on 4th June, 2024.

(b) Rights, preferences & Restriction of each class of shares

The Company has one class of Equity shares having a par value of Rs 10 per share. Each Share holder is eligible for one vote per share held. All Equity Shareholders are eligible to receive dividends in proportion to their shareholdings. The dividends proposed by the Board of Directors are subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their share

(c) Details of shareholders holding more than 5% shares in the Company are set out below

Name of the Shareholder	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024	As at March 31, 2024
Equity shares	No. of Shares	%	No. of Shares	%
Neogen Chemicals Limited	98,99,994	100.00%	49,99,994	99.99%

(d) Details of shares held by promoter at the end of the year

As at March 31, 2025					
Promoter Name	No of Shares at the beginning of Year	Changes during the Year	No. of Share at the end of Year	% of Total Share	% Change during the Year
Neogen Chemicals Limited	49,99,994	49,00,000	98,99,994	100.00%	98%
Mrs. Beena Haridas Kanani (as a nominee of Neogen Chemicals Limited)	1	-	1	0.00%	0%
Mrs. Jesal Kanani (as a nominee of Neogen Chemicals Limited)	1	-	1	0.00%	0%
Mr Anurag Surana (as a nominee of Neogen Chemicals Limited)	1	-	1	0.00%	0%
Mr Haridas Kanani(as a nominee of Neogen Chemicals Limited)	1	-	1	0.00%	0%
Mr Ketan Vyas (as a nominee of Neogen Chemicals Limited)	1	-	1	0.00%	0%
Dr. Harin Kanani (as a nominee of Neogen Chemicals Limited)	1	-	1	0.00%	0%
Total	50,00,000	49,00,000	99,00,000	100.00%	98%

As at March 31, 2024					
Promoter Name	No of Shares at the beginning of Year	Changes during the Year	No. of Share at the end of Year	% of Total Share	% Change during the Year
Neogen Chemicals Limited	-	49,99,994	49,99,994	99.99%	1
Mrs. Beena Haridas Kanani (as a nominee of Neogen Chemicals Limited)	-	1	1	0.00%	0
Mrs. Jesal Kanani (as a nominee of Neogen Chemicals Limited)	-	1	1	0.00%	0
Mr Anurag Surana (as a nominee of Neogen Chemicals Limited)	-	1	1	0.00%	0
Mr Haridas Kanani(as a nominee of Neogen Chemicals Limited)	-	1	1	0.00%	0
Mr Ketan Vyas (as a nominee of Neogen Chemicals Limited)	-	1	1	0.00%	0
Dr. Harin Kanani (as a nominee of Neogen Chemicals Limited)	-	1	1	0.00%	0
Total	-	50,00,000	50,00,000	100.00%	100.00%

Note : 14. Other Equity

Particulars	As at March 31, 2025	As at March 31, 2024
Retained earnings	(19.36)	(5.81)
Other Component of equity	0.26	-
Equity component of compulsory convertible debentures	182.50	-
Other Comprehensive Income	(0.06)	-
Total Other Equity	163.34	(5.81)

The Description of the nature and purpose of each reserve within equity:

General reserve: General reserve is a free reserve which is created by transferring fund from retained earnings to meet future obligations and purposes.

Retained earnings: Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends paid to shareholders.

Other comprehensive income : Remeasurement of defined benefit plans : Remeasurement of defined benefit plans represents actuarial gains and losses relating to gratuity.

Equity component of compulsory convertible debentures: It represents equity component of 0.01% compulsory convertible debenture issued by company.

Other Component of equity: It represents corporate guarantee commission charged by holding company.

Note : 15. Borrowings

Particulars	Current		Non current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Secured loans				
(i) Term Loan From Banks	-	-	122.35	-
Unsecured loans				
(i) Loan from related party	-	-	91.85	118.39
Total	-	-	214.20	118.39

Notes:

- The secured term loan outstanding of INR 122.35 crs (PY NIL) from State Bank of India carries interest at 9.55 % (6M MCLR plus 1%). The loan is repayable within 12 years from its origination, first installment being due on 30-06-2027 and the final instalment of repayment is due on 31-03-2036, secured by creating charge on on both immovable assets and movable, Plant and Machinery, Receivables, book debts and Inventories at Pakhajan site, corporate guarantee by parent company "Neogen Chemicals Limited".
- Loan from related party consists of Inter corporate deposit from parent company, carrying rate of interest at 9.85% (PY 9.85%)

Note : 16. Other Financial Liabilities

Particulars	Current		Non current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Employee benefit payable	1.25	0.50	-	-
Derivative liability for forwards contracts	0.68	-	-	-
Deferred revenue income	0.01	-	-	-
Others*	146.01	126.09	-	-
Total	147.95	126.59	-	-

*Includes amount to payable parent company Rs 130.84 crore (PY 55.68 crore) towards capital purchases, re-imbursement of expenses

Note : 17. Provisions

Particulars	Current		Non current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Provision for Employee Benefits				
Provision for gratuity	0.25	0.05	0.01	-
Provision for leave encashment	0.11	0.03	0.59	0.26
Total	0.36	0.08	0.60	0.26

NEOGEN IONICS LIMITED
Accompanying notes to financial statements for the year ended March 31, 2025

Note 18: Income Taxes

(a) Amounts recognised in profit and loss

	(Rs. in Crores)	
	March 31, 2025	March 31, 2024
Current income tax		
In respect of current year	0.15	-
Adjustments in respect of earlier years		
Deferred income tax		
<u>In respect of current year</u>		
Origination and reversal of temporary differences	(2.78)	(1.20)
<u>Adjustments in respect of earlier years</u>		
Origination and reversal of temporary differences	-	-
Deferred tax expense	(2.78)	(1.20)
Tax expense recognised in the Statement of Profit & Loss	(2.63)	(1.20)

(b) Reconciliation of tax expense and accounting profit for the year is as under:

	March 31, 2025	March 31, 2024
Profit before tax	(16.18)	(7.01)
Company's domestic tax rate	17.16%	17.16%
Tax using the Company's domestic tax rate	(2.78)	(1.20)
Tax effect of:		
Expense not allowed for tax purposes	-	-
Others		
Total	(2.78)	(1.20)
Adjustments in respect of earlier years	-	-
Tax expense as per Statement of Profit & Loss	(2.78)	(1.20)
Current tax	0.15	-
Deferred tax	(2.78)	1.20
Total	(2.63)	1.20

NEOGEN IONICS LIMITED

Accompanying notes to financial statements for the year ended March 31, 2025

Note (c) : Movement in deferred tax balances for the year ended March 31, 2025

(₹. in Crore)						
Particulars	Net balance April 1, 2024	Recognised in profit or loss	Net	Deferred tax liability	Deferred tax asset	Net Deferred Tax March 31, 2025
Deferred tax asset/(liabilities)						
Property, plant and equipment & Intangible assets	(0.38)	1.07	1.07	1.45	-	(1.45)
Lease	-	-	-	-	-	-
Provision for employee benefits	0.01	(0.07)	(0.07)	-	0.08	0.08
Provisions for leave encashment	0.05	(0.03)	(0.03)	-	0.08	0.08
Provisions for doubtful debts & other receivables	-	-	-	-	-	-
Carried forward losses	1.52	(3.75)	(3.75)	-	5.27	5.27
Others	-	-	-	-	-	-
OCI Item	-	-	-	-	-	-
Deferred Tax assets / (Liabilities)	1.20	(2.78)	(2.78)	1.45	5.43	3.98
Particulars	Net balance April 1, 2023	Recognised in profit or loss	Net	Deferred tax liability	Deferred tax asset	Net Deferred Tax March 31, 2024
Deferred tax asset/(liabilities)						
Property, plant and equipment & Intangible assets	-	0.38	0.38	0.38	-	(0.38)
Lease	-	-	-	-	-	-
Provision for employee benefits	-	(0.01)	(0.01)	-	0.01	0.01
Provisions for leave encashment	-	(0.05)	(0.05)	-	0.05	0.05
Provisions for doubtful debts & other receivables	-	-	-	-	-	-
Carried forward losses	-	(1.52)	(1.52)	-	1.52	1.52
Others	-	-	-	-	-	-
OCI Item	-	-	-	-	-	-
Deferred Tax assets / (Liabilities)	-	(1.20)	(1.20)	0.38	1.58	1.20

The company offsets tax assets and liabilities only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note : 19. Trade Payables

Particulars	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of micro and small enterprises	0.05	0.92
Total outstanding dues of creditors other than micro and small enterprises	16.32	-
Total	16.37	0.92

Trade payables are non-interest bearing and are normally settled on 0 to 120 days terms.

Trade payables includes accruals which are not classified as provisions under Ind AS 37

Ageing of Trade Payable

Trade Payables Ageing schedule as on 31st March , 2025

Particulars	Outstanding for following periods from due date of payment				Total
	Not due	Less than 1 year	1-2 years	2-3 years	
(i) M S M E	0.05	-	-	-	0.05
(ii) Others	4.97	11.12	0.23	-	16.32
(iii) Disputed dues - MSME	-	-	-	-	-
(ii) Disputed dues- Others	-	-	-	-	-
Total	5.02	11.12	0.23	-	16.37

Trade Payables Ageing schedule as on 31st March , 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Not due	Less than 1 year	1-2 years	2-3 years	
(i) M S M E	0.92	-	-	-	0.92
(ii) Others	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-
(ii) Disputed dues- Others	-	-	-	-	-
Total	0.92	-	-	-	0.92

Disclosure under MSME Act, 2006 :

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Principal amount remaining unpaid as at the year end	-	0.92
(b) Interest due thereon as at the year end	-	-
(c) Interest paid by company in terms of Section 16 of (the MSME Act, 2006)	-	-
(d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	0.03	-
(e) Interest accrued and remaining unpaid as at the year end	0.03	-

Note : 20. Other Current Liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	0.84	0.41
Total	0.84	0.41

Note : 21. Revenue from Operations

Particulars	For the year Ended March 31, 2025	For the year Ended March 31, 2024
Revenue from contract with customers		
Sale of Goods	11.95	0.55
Total	11.95	0.55

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year Ended March 31, 2025	For the year Ended March 31, 2024
Revenue from contract with customers as per contracted price - sale of goods	11.95	0.55
Less: Sales returns	-	-
Revenue from contract with customers	11.95	0.55

For disaggregation of revenue from contract from customer in terms of geographical area, refer Note 35.

Note : 22. Other Income

Particulars	For the year Ended March 31, 2025	For the year Ended March 31, 2024
a) Other Income		
Interest from banks on Fixed Deposits	0.63	0.35
Interest income-others	0.00	-
Total	0.63	0.35
b) Other Non Operating Income:		
Profit on sale of Investments	0.66	-
Total	0.66	-
Total Other Income	1.29	0.35

Note : 23. Cost of materials consumed

Particulars	For the year Ended March 31, 2025	For the year Ended March 31, 2024
Cost of Raw Material Consumed	15.26	0.65

Note : 24. Changes in inventories of finished goods, work-in-progress and stock in trade

Particulars	For the year Ended March 31, 2025	For the year Ended March 31, 2024
Opening Inventory	-	-
- Finished Goods	-	-
- Work-In-Progress	-	-
Closing Inventory		
- Finished Goods	0.79	-
- Work-In-Progress	1.17	-
	1.96	-
Less		
Loss of inventory due to fire disclosed separately under exceptional items (Refer Note: 29)		
- Finished Goods	2.55	-
- Work-In-Progress	2.17	-
	4.72	-
Changes In Inventories:		
- Finished Goods	(3.34)	-
- Work-In-Progress	(3.34)	-
Total	(6.68)	-

Note : 25. Employee benefits expense

Particulars	For the year Ended March 31, 2025	For the year Ended March 31, 2024
Salaries, wages and bonus	5.68	2.65
Contribution to provident and other funds	0.81	0.29
Staff welfare	0.07	-
Total	6.56	2.94

Note : 26. Finance costs

Particulars	For the year Ended March 31, 2025	For the year Ended March 31, 2024
Interest expenses on borrowings	3.30	0.87
Other finance cost and bank charges	0.14	0.06
Total	3.44	0.93

Note : 27. Depreciation and amortization expense

Particulars	For the year Ended March 31, 2025	For the year Ended March 31, 2024
Depreciation of tangible assets	2.20	0.05
Amortisation of intangible assets	0.00	-
Total	2.20	0.05

Note : 28. Other expenses

Particulars	For the year Ended March 31, 2025	For the year Ended March 31, 2024
Power and Fuel	1.01	0.03
Consumption of stores and spares	0.35	-
- Plant and machinery	0.31	-
- Others	0.11	-
Insurance	0.00	-
Rent	0.03	-
Rates and Taxes	0.11	-
Contract Labour charges	0.31	0.04
Legal and professional fees	0.70	0.08
Freight and forwarding charges	0.86	0.10
Quality Control Expenses	0.98	-
Foreign exchange loss	0.51	-
Other Production Expenses	0.79	-
Consumption of Packing Material	0.39	0.00
Travelling and conveyance	0.28	0.26
Payment to Auditors	0.14	0.19
Provision for doubtful debts	0.09	-
Service charge	0.11	-
Advertisement, Selling and Distribution Expenses	1.02	0.45
Miscellaneous expenses	0.01	2.19
Total	8.11	3.34

Payment to Auditors (exclusive of Goods and Services Tax)

Particulars	For the year Ended March 31, 2025	For the year Ended March 31, 2024
As Auditors		
Audit fees	0.14	0.17
Other services	-	0.02
Total	0.14	0.19

Note : 29. Exceptional Items

Particulars	For the year Ended March 31, 2025	For the year Ended March 31, 2024
Loss due to fire	0.53	-
Total	0.53	-

On March 05, 2025 there was fire at warehouse at Dahej SEZ Plant of the Company. This incident led to damage of certain property, plant and equipment, inventory and interrupted business. The Company is adequately insured for reinstatement value of damaged assets and loss of profits due to business interruption. The Company has intimated the fire incident with the insurance company and submitted loss estimate pertaining to replacement value of the damaged property, plant and equipment, loss of damaged inventory and incidental expenses incurred on account of fire. The Company is awaiting for completion of surveyor assessment appointed by the insurance company.

The Company has recognised loss of Rs 14.74 Crore on account of damage to certain property, plant & equipment, inventory and estimated cost of incidental charges. The Company has recognised insurance claim receivable of Rs 14.21 Crore to the extent of recovery of loss after adjusting applicable deductibility considering its assessment of loss and admissibility of claims as per the policy, adequacy of coverage and nature of loss and based upon the independent opinion obtained by the company from Independent Surveyor and Independent Expert Practitioner. The Company has not accounted claim for loss of profit due to business interruption and excess value of reinstatement of assets over written down value as per accounting conservatism. The aforementioned losses and corresponding insurance claim has been presented on a net basis of Rs 0.53 Crore under exceptional item and claim receivable recognised in other current financial assets in these standalone financial results for the quarter and year ended March 31, 2025.

Note : 30. Key Ratio

	Ratio	Numerator	Denominator	As at March 31, 2025	As at March 31, 2024	% Variance	Reason for Variance
a)	Current ratio	Total current asset	Total current liabilities	0.44	0.15	185%	Increase in other current financial assets
b)	Debt Equity Ratio	Total Borrowing	Total Equity	1.24	(20.38)	-106%	Company has issued fresh equity and CCD during the year resulting in increase in total equity
c)	Debt Service Coverage Ratio	Profit before Tax, Exceptional Items, Depreciation, Finance Charge	Long term borrowing scheduled principal repayments(Excluding pre payments) during the year + interest payments	(2.91)	(5.19)	-44%	On account in increase in interest payment and increase in PAT(loss)
d)	Return on Equity Ratio	PAT	Average shareholder equity	-18.15%	-14.35%	27%	No Major change
e)	Inventory Turnover	Sale of Products	Average trade receivable	6.69	1.69	296%	Due to increase in average inventory
f)	Trade Receivable Turnover	Sale of Products	Average Trade Receivable	3.63	1.81	100%	Due to increase in average trade Receivable
g)	Trade Payable Turnover Ratio	Net purchase	Average trade payables	1.75	2.83	-38%	Due to increase in average trade Payable
h)	Net Capital Turnover Ratio	Net sales	Average working capital	(0.12)	(0.01)	2239%	Mainly on account of increase in sales
i)	Net Profit Margin	Net profit for the year	Revenue from Operation	-102%	-1056%	-90%	Increase in revenue and loss
j)	Return on Capital Employed	EBIT	Net Worth+Total borrowing	-3.15%	-5.17%	-39%	Mainly on account of increase in Net worth and borrowings
k)	Return on Investment	Income earned from Investment made	Investment made	6.25%	-	-	-

Note : 31. Earnings Per Share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity share: outstanding during the year.

Particulars	As at March 31, 2025	As at March 31, 2024
Profit after tax	(13.55)	(5.81)
Weighted average number of equity shares (face value per share Rs. 5) (Refer Note 15)	90,16,393	50,00,000
Basic earnings per share	(15.03)	(23.47)

Note : 32. Employee Benefits

(a) Defined Contribution plans

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.

Particulars	As at March 31, 2025	As at March 31, 2024
Benefits (Contribution to)		
Provident Fund	0.81	0.29
	0.81	0.30

(b) Defined Benefit Plans

Gratuity

The Company has covered its Gratuity liability under Group Gratuity policy viz 'Employee Group Gratuity Scheme' issued by LIC of India. As per company policy, an employee on separation (after fulfilling other conditions) is eligible for benefit, which is equal to 15 days salary for each completed year of service. Hence, Gratuity is covered under a defined benefit plan. The Insurance policy represents the plan assets. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation for Leave Encashment is recognised in the same manner as Gratuity.

Compensated Absences

The Company has also provided long term compensated absences which is outstanding.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for gratuity and leave encashment plan:

Changes in present value of the defined benefit obligation

Particulars	Gratuity	
	As at March 31, 2025	As at March 31, 2024
1) Opening present value of defined benefit obligation	0.13	-
2) Current Service Cost	0.10	-
3) Interest Cost	0.01	-
4) Benefits paid	-	-
5) Actuarial (Gain) / Loss on obligation - Due to change in financials assumptions	0.01	-
6) Actuarial (Gain) / Loss on obligation - Due to experience	0.05	-
7) Net transfer in / (out)	0.03	-
8) Closing present value of defined benefit obligation	0.33	0.13

Changes in Fair value of Plan Assets- Gratuity Benefit

Particulars	As at March 31, 2025	As at March 31, 2024
1) Fair value of plan assets as at Beginning of period	-	-
2) Expected return on plan assets	-	-
3) Contributions made	0.08	0.07
4) Benefits paid	-	-
5) Interest income	-	-
6) Actuarial gain / (Loss) on plan assets	-	-
7) Fair value of plan assets as at end of the period	0.08	-

Expenses recognised during the year

Particulars	As at March 31, 2025	As at March 31, 2024
In Income Statement	0.11	0.13
In Other Comprehensive Income	0.06	-
Total Expenses recognised during the year	0.17	0.13

Net employee benefits expense recognized in the employee cost

Particulars	Gratuity	
	As at March 31, 2025	As at March 31, 2024
Current Service Cost	0.10	-
Interest Cost on defined benefit obligation	0.01	-
Net value of remeasurements on the obligation and plan assets	-	-
Total Expenses recognised during the year	0.11	-

Expenses recognized in other comprehensive income		
Particulars	As at March 31, 2025	As at March 31, 2024
Actuarial (gains)/losses on obligation for the period	0.06	-
Return on plan assets, excluding amount recognized in net interest expense	-	-
Total Expenses recognised during the year	0.06	-

Net Assets / (Liability)		
Particulars	Gratuity	
	As at March 31, 2025	As at March 31, 2024
Closing Present value of the defined benefit obligation	(0.33)	0.13
Closing Fair value of plan Assets	0.08	-
Net Assets / (Liability) recognized in the Balance Sheet	(0.26)	0.13

The major categories of Plan Assets as a percentage of the Fair Value of Plan Assets are as follows

Particulars	As at March 31, 2025	As at March 31, 2024
Life Insurance Corporation of India	100%	100%
	100%	100%

The principal assumptions used in determining gratuity and leave encashment for the Company's plan are shown below:

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	7.21%	7.21%
Salary growth rate (per annum)	6.00%	6.00%
Attrition Rate	For service 4 years and below 6%p.a. For service 5 years and above 2% p.a.	For service 4 years and below 6%p.a. For service 5 years and above 2% p.a.

Particulars	As at March 31, 2025	As at March 31, 2024
No. of members in service	123	80
Per month salary for members in service	0.50	0.29
Weighted average duration of the defined benefit obligation	18.00	1.13
Average expected future service	18.00	31.49

A quantitative sensitivity analysis for significant assumption and quantitative impact on Defined Benefit Obligation as at 31 March 2025 is as shown below:

Particulars		For the year Ended March 31, 2025		For the year Ended March 31, 2024
Gratuity Plan Assumptions				
Discount Rate	1%	(0.05)	1%	(0.02)
	-1%	0.06	-1%	0.02
Future Salary	1%	0.06	1%	0.02
	-1%	(0.05)	-1%	(0.02)
Employee turnover	1%	(0.00)	1%	(0.00)
	-1%	0.00	-1%	0.00

The sensitivity analyses above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years

Particulars	Gratuity	
	For the year Ended March 31, 2025	For the year Ended March 31, 2024
Expected total benefit payments		
Year 1	0.00	-
Year 2	0.00	-
Year 3	0.01	-
Year 4	0.01	-
Year 5	0.01	-
years 6 to 10	0.09	-
years 11 and above	1.06	-

Note : 33. Contingent Liabilities

Particulars	For the year Ended March 31, 2025	For the year Ended March 31, 2024
i) Letter of Credit and Bank Guarantee	-	-
ii) Bills Discounted	-	-
	-	-

Note : 34. Capital and other commitments

Particulars	For the year Ended March 31, 2025	For the year Ended March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	130.17	0.08
	130.17	0.08

Note : 35. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of directors. The Company has identified only one segment as reporting segment based on the information reviewed by CODM.

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

Geographical information

Particulars	As at March 31, 2025	As at March 31, 2024
Revenue within India	1.41	0.03
Overseas including deemed exports	10.54	0.52
	11.95	0.55

Note : 36. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below.

It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	March 31, 2025	Carrying Amount			Fair value		
		FVTPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
I.	Financials Assets						
	Non Current Financials Assets						
	(i) Loans	-	-	-	-	-	-
	(ii) Others	-	-	0.43	-	-	-
II.	Current Financials Assets						
	(i) Trade Receivables	-	-	5.98	-	-	-
	(ii) Cash and Cash Equivalents	-	-	4.47	-	-	-
	(iii) Loans	-	-	0.02	-	-	-
	(iv) Others	-	-	41.37	-	-	-
	Total	-	-	52.27	-	-	-
I.	Financials Liabilities						
	Non Current Financials Liabilities						
	(i) Borrowings	-	-	214.20	-	-	-
II.	Current Financials Liabilities						
	(i) Derivatives instruments	0.68	-	-	-	0.68	-
	(ii) Others	-	-	147.27	-	-	-
	(iii) Trade Payables	-	-	16.37	-	-	-
	Total	0.68	-	377.84	-	0.68	-

	March 31, 2024	Carrying Amount			Fair value		
		FVTPL	FVOCI	Amortised Cost	Level 1	Level 2	Level 3
I.	Financials Assets						
	Non Current Financials Assets						
	(i) Loans	-	-	-	-	-	-
	(ii) Others	-	-	0.48	-	-	-
II.	Current Financials Assets						
	(i) Trade Receivables	-	-	0.61	-	-	-
	(ii) Cash and Cash Equivalents	-	-	10.20	-	-	-
	Total	-	-	11.29	-	-	-
I.	Financials Liabilities						
	Non Current Financials Liabilities						
	(i) Borrowings	-	-	118.39	-	-	-
II.	Current Financials Liabilities						
	(i) Borrowings	-	-	-	-	-	-
	(ii) Others	-	-	126.59	-	-	-
	(iii) Trade Payables	-	-	0.92	-	-	-
	Total	-	-	245.90	-	-	-

Note : 37. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2025 and March 31, 2024

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2025 and March 31, 2024

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt and short term debt obligations with floating interest rates.

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, 2025 will not be significant.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. The Company uses forward exchange contracts to hedge the currency exposure and is therefore not exposed to significant currency risk at the respective reporting dates.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Foreign currency sensitivity

The following table details the Company's sensitivity to a 5% appreciation and depreciation in the INR against the relevant foreign currencies net of hedge accounting impact.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 5% against the relevant currency. For a 5% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Particular	For the year ended 31st March 2025		For the year ended 31st March 2024	
	5% appreciation	5% depreciation	5% appreciation	5% depreciation
Receivable				
USD/INR	-	-	-	-
EUR/INR	-	-	-	-
Payable				
USD/INR	-	-	-	-
EUR/INR	-	-	-	-
JPY/INR	-	-	-	-

Price risk

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

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The entity continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

None of the financial instruments of the Company result in material concentrations of credit risk. The company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

Liquidity Risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Management monitors rolling forecasts of the entity's liquidity position and cash and cash equivalents on the basis of expected cash flows. The entity takes into account the liquidity of the market in which the entity operated.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars - Year ended 31st March 2025	Borrowings	Trade and other payables	Other financial liabilities
On demand	-	-	-
Less than 3 months	-	16.37	-
3 to 12 months	-	-	147.26
1 to 3 years	96.44	-	-
3 to 5 years	17.44	-	-
More than 5 years	100.32	-	-
Total	214.20	16.37	147.26

Particulars - Year ended 31st March 2024	Borrowings	Trade and other payables	Other financial liabilities
On demand	-	-	-
Less than 3 months	-	0.92	-
3 to 12 months	-	-	126.59
1 to 3 years	118.39	-	-
3 to 5 years	-	-	-
More than 5 years	-	-	-
Total	118.39	0.92	126.59

Note : 38. Disclosures of foreign currency exposure

Particulars of unhedged Foreign Currency Assets and Liabilities as at the Balance Sheet date:

Purpose / Nature of Instrument	As at March 31, 2025	As at March 31, 2024	
	USD	JPY	USD
Receivables	0.05	-	-
Foreign exchange forward contract	0.05	-	-
Net exposure to Foreign currency risk	0.00	-	-
Payables	0.00	-	-
Borrowings	0	-	-
Foreign exchange forward contract	0.00	-	-
Net exposure to Foreign currency risk	-	-	-
Net exposure to Foreign currency risk	0.00	-	-

Note : 39. Capital management

The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Borrowings	214.20	118.39
Less: Cash and cash equivalents	4.47	10.20
Net debt	209.73	108.19
Equity	9.90	5.00
Reserves	163.34	-5.81
Total Capital	173.24	-0.81
Capital and net debt	382.97	107.38
Gearing ratio	55%	101%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes made in the objectives, policies or processes for managing capital during the years ended March 31, 2025 and March 31, 2024.

NEOGEN IONICS LIMITED
Accompanying notes to the financial statements for the year ended March 31, 2025

(₹ in Crore)

Note 40: Related party transactions

a) Details of related parties

(i) Holding company - Neogen Chemicals Ltd.

(ii) Name of the party

Directors and Key Managerial Personnel (KMP)

Haridas Kanani - Chairman and Managing Director

Dr. Harin Kanani - Managing Director

Ketan Vyas - CFO (Till 11th September 2024)

Gopikrishnan Sarathy - CFO (w.e.f. 26th October 2024)

Unnati Kanani - company secretary

Anurag Surana - Non Executive and Non Independent Director

Sanjay Mehta - Independent Director

Prof. Ranjan Kumar Malik - Independent Director (w.e.f. 6th August 2024)

Hitesh Reshamwala - Independent Director

(iii) Companies over which the Directors have significant influence or control

Neogen Chemicals Ltd

Kagashin Global Network Private Ltd

A) Related party transactions for the year ended March 31, 2025

Sr No	Particulars	Holding Co.		Joint-venture		Directors and Key Managerial Personnel (KMP)		Enterprises Owned or significantly influenced by key management personnel or their relatives	
		March 31, 2025	'March 31, 2024	March 31, 2025	'March 31, 2024	March 31, 2025	'March 31, 2024	March 31, 2025	'March 31, 2024
1	Fixed Asset Purchase								
	Purchase of assets from Neogen Chemicals Ltd	33.80	54.89	*	*	*	*	*	*
2	Interest Expense								
	Interest on - ICD (Neogen Chemicals) including capitalisation	6.32	2.66	*	*	*	*	*	*
3	Investment in Equity shares/partnership firm								
	Equity Investment from Neogen Chemicals Limited	4.90	5.00	*	*	*	*	*	*
	Neogen Chemicals Japan Corporation Limited	-	-	*	*	*	*	*	*
4	ICD Received								
	Received from Neogen chemicals Ltd	92.95	119.10	*	*	*	*	*	*
5	ICD Repayment								
	Repayment to Neogen Chemicals Ltd	117.10	3.10	*	*	*	*	*	*
6	Professional fees								
	Kagashin Global Network Private Limited	-	-	*	*	*	*	*	0.61
7	Sale Of Goods								
	Neogen Chemicals Limited	0.51	*	*	*	*	*	*	*
8	Purchase Of Goods								
	Purchase of goods from Neogen Chemicals Ltd	7.52	11.51	*	*	*	*	*	*
9	Re-imbursement of expenses (Expense)								
	Purchase of services (cross charge from NCL), including capitalisation	25.21	11.19	*	*	*	*	*	*
10	Sitting fees paid to Directors								
	Sanjay Mehta	-	*	*	*	0.02	0.01	*	*
	Hitesh Reshamwala	-	*	*	*	0.02	0.00	*	*
	Prof. Ranjan Kumar Malik	-	*	*	*	0.01	*	*	*
11	Corporate Guarantee Fees								
	Neogen Chemical Ltd	0.26	*	*	*	*	*	*	*
12	Payment made by								
	Neogen Chemical Ltd	21.13	*	*	*	*	*	*	*
	Total	309.70	207.45	*	*	0.05	0.01	*	0.61

NEOGEN IONICS LIMITED
Accompanying notes to the financial statements for the year ended March 31, 2025

(₹ in Crore)

B) Related party outstanding balances as on 31st Mar-25

Sr. No.	Particulars	Subsidiaries		Joint-venture/Associate		Directors and Key Managerial Personnel (KMP)		Enterprises Owned or significantly influenced by key management personnel or their relatives	
		March 31, 2025	'March 31, 2024	March 31, 2025	'March 31, 2024	March 31, 2025	'March 31, 2024	March 31, 2025	'March 31, 2024
1	Amount Payable								
	Other Payable - Neogen Chemicals Ltd	138.58	55.66	-	-	-	-	-	-
2	Amount Receivable								
	Neogen Chemicals Ltd	0.62	-	-	-	-	-	-	-
3	Interest Payable								
	Interest Payable on ICD - Neogen Chemicals Ltd	0.10	2.39	-	-	-	-	-	-
4	ICD Payable								
	Inter Corporate Deposit (ICD) - Neogen Chemicals Ltd	91.85	116.00	-	-	-	-	-	-
5	Equity Investment								
	Equity Investment from Neogen Chemicals Limited	10.16	5.00	-	-	-	-	-	-
	Neogen Chemicals Japan Corporation Limited								
6	Investment in Compulsory convertible debentures								
	Investment from Neogen Chemicals Limited	182.50							
	Total	423.81	179.05	-	-	-	-	-	-

Note No. 41 - Other statutory Information

- i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iii) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lends or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
- (b) provides any guarantee, security or the like on behalf of the ultimate beneficiaries
- iv) The Company has not advanced or loaned or invested fund to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lends or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
- (b) provides any guarantee, security or the like on behalf of the ultimate beneficiaries
- v) Company is not required to submit any quarterly returns or statements of current assets with banks or financial institutions.
- vi) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained
- vii) The Company does not have any transactions with companies which are struck off
- viii) The Company is not declared wilful defaulter by any bank or financial institution or lender during the year
- ix) The Company have no charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- x) All the title deeds of immovable properties (other than properties where the Company is the lessee and lease agreements are duly executed in favour of the lessee) are held in the name of the company and the properties are not held in joint name.
- xi) The Company has not revalued its intangible assets and accordingly the revaluation as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.
- xii) The company has complied provision prescribed under clause (87) of section 2 of the Companies Act, 2013 for maintaining layers of Companies
- xiii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account
- xiv) **Subsequent Event :**
There are no subsequent events which require disclosure or adjustment subsequent to the Balance Sheet date.

Note : 42. Previous year figures have been regrouped/rearranged where necessary to conform to current year's classification.

As per our report of even date
For JMT & Associates
Chartered Accountants
Firm Registration No. 104167W

For and on behalf of the Board of Directors
NEOGEN IONICS LIMITED
CIN : U20119MH2023PLC399825

Jayesh J Shah
Partner
Membership No. 039910

Haridas Kanani
Chairman & Managing Director
DIN- 00185487

Dr. Harin Kanani
Managing Director
DIN- 05136947

Place: Thane
Date: 17 May, 2025

Gopikrishnan Sarathy
Chief Financial Officer

Unnati Kanani
Company Secretary
M. no. A35131