ANNUAL DISCLOSURES BY THE BOARD OF DIRECTORS

The disclosure as required under regulation 14 of the Securities and Exchange Board of India (Share-Based Employee Benefits and Sweat Equity Shares), Regulations, 2021 ("**SBEB&SE Regulations**"), and the Companies Act, 2013 ("**the Act**") in relation to the **Neogen Chemicals Limited Employees Stock Option Scheme 2024" ("NCL ESOP Scheme 2024" or "the Scheme")** is as under:

The Scheme was implemented as per special resolutions passed by the shareholders in its 35th Annual General Meeting held on September 27, 2024. There is no material change to the Scheme during F.Y. 2025-26 and the Scheme is in compliance with the SBEB&SE Regulations. Under the Scheme, the Company would grant upto 2,50,000 Stock Options **("ESOPs")** in one or more tranches to Eligible Employees. Each Option when exercised would be converted into 1 (one) equity share of face value of Rs. 10/- (Rupees Ten) each fully paid-up i.e. the total of 2,50,000 Equity Shares representing 0.95% of the total paid up share capital of the Company at the time of shareholders approval.

A. **Relevant disclosure prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time:**

Please refer to Statement of changes in Equity, Standalone Statement of Cash flow, and note no. 6, 13, 14, 27 and 44 of the Notes to the Standalone Financial Statements and Statement of changes in Equity, Consolidated Statement of Cash flow, and note no. 15, 16, 29 and 43 of Consolidated Financial Statements respectively in the Integrated Annual Report for F.Y. 2025-26.

B. **Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with "Indian Accounting Standard 102 – Share based payment" and IND AS 33- Earnings per share notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 or any other relevant accounting standards as prescribed from time to time:**

The diluted EPS of the Company for the year ended March 31, 2026, calculated after considering the effect of potential equity shares arising on account of the exercise of options, on a Standalone basis is Rs. 17.81 per share and on a consolidated basis is Rs. 10.90 per share.

C. **Details related to ESOPs**

(i) A description of each ESOPs that existed at any time during the year, including the general terms and conditions of each ESOPs, including -

a) Date of shareholders' approval: September 27, 2024

b) Total number of options approved under the Scheme: 2,50,000 ESOPs.

c) Vesting requirements: The Vesting period for the ESOPs granted to the Eligible Employees **("Grantee(s)")** under the Scheme shall commence from the Grant Date, subject to minimum of 1 (One) year from the Grant Date and to a maximum of 5 (Five) years from the Grant Date, at the discretion of and in the manner prescribed by the Nomination and Remuneration Committee **("NRC/ the Committee")** and as may be set out in the Grant Letter. The ESOPs shall vest in Grantee(s) subject to continuing employment of the Grantee(s) with the Company / Subsidiary

Company(ies) on the date of Vesting and must complete the full vesting period (& is not on notice period) to qualify for ESOPs unless otherwise specified in the Scheme (e.g., in cases of retirement or other pre-approved conditions) and Company's EBIDTA Performance or such other criteria's as may be determined by the NRC from time to time. The NRC would determine the said criteria's, detailed terms and conditions relating to such vesting, including the proportion in which ESOPs granted, would vest.

d) **Exercise price or pricing formula:** Under this NCL ESOP Scheme 2024, the Exercise Price of the ESOPs will be linked with the Market Price as defined under the Scheme, in accordance with applicable law. The Committee has the power to provide suitable discount, as it deems fit, on such market price as arrived above. However, in any case the Exercise Price shall not go below the par value of equity share of the Company.

   The equity shares to be allotted pursuant to the exercise of the stock options, shall rank pari-passu to the existing Equity Shares in all respects and would not be subject to lock-in.

   The price determined for Grant of ESOPs in **Tranche I** (granted on April 1, 2025) was Rs. 1,389/- per Option (being granted at a discount of 10% of the Market Price (rounded off) i.e. closing price on National Stock Exchange of India Limited of previous trading day from grant day) and for Grant of ESOPs in **Tranche II** (granted on February 11, 2026) was Rs. 1,183.14/- per Option (being granted at a discount of 10% of the Market Price i.e. closing price on National Stock Exchange of India Limited of previous trading day from grant day), based on the formula mentioned above.

e) **Maximum term of options granted:** The Vesting period for the ESOPs granted to the Eligible Employees **("Grantee(s)")** under the Scheme shall commence from the Grant Date, subject to minimum of 1 (One) year from the Grant Date and to a maximum of 5 (Five) years from the Grant Date, at the discretion of and in the manner prescribed by the Nomination and Remuneration Committee **("NRC/ the Committee")** and as may be set out in the Grant Letter. After Vesting, ESOPs can be exercised by the Grantee(s) either wholly or partly, within maximum of 2 (Two) years from the date of respective Vesting or such other lesser time period as determined by the Committee at its sole discretion from time to time and mentioned in the Grant Letter of the Grantee ("**Exercise Period**"), except for the events of the death of a Grantee(s) and/ or on Permanent Incapacity of Grantee(s) or such other events which shall be dealt as per the details mentioned in the Scheme.

f) **Source of shares (primary, secondary or combination):** Currently, sourcing of shares is Secondary. However, as per scheme the NRC may source shares from primary, secondary or combination thereof as it may deem fit, from time to time.

g) **Variation in terms of options:** Not Applicable

(ii) **Method used to account for ESOPs - Intrinsic or fair value:**

Fair Value. The Company recognizes compensation expense relating to share-based payments in accordance with Ind AS 102-Share based Payment.

(iii) **Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed**: Not Applicable

(iv) **Option movement during the year (For each Scheme):**

NCL ESOP Scheme 2024	**Details**
Particulars	
Number of options outstanding at the beginning of the period	0
Number of options granted during the year	86,600
Number of options ~~forfeited~~/lapsed during the year	16,620
Number of options vested during the year	0
Number of options exercised during the year	0
Number of shares arising as a result of the exercise of options	N.A.
Money realized by exercise of options (INR), if the scheme is implemented directly by the company	N.A.
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	69,980
Number of options exercisable at the end of the year	0

(v) **Weighted-average exercise prices of options granted during the year whose:**

Particulars	**Details**
Exercise price equals market price	N.A.
Exercise price is greater than market price	N.A.
Exercise price is less than market price	Rs. 1,269.67 per share

(vi) **Weighted-average fair value of options granted during the year whose:**

Particulars	**Details**
Exercise price equals market price	N.A.
Exercise price is greater than market price	N.A.
Exercise price is less than market price	Rs. 567.05 per share

(vii) **Employee wise details of options granted during F.Y. 2025-26 to:**

a) Senior Managerial Personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sr. No.	**Name**	**Designation**	**Tranche I Grant**		**Tranche II Grant**	
			Number of ESOPs granted	**Exercise Price per ESOP (INR)**	**Number of ESOPs granted**	**Exercise Price per ESOP (INR)**
1	Shyamsundar Upadhyay	Whole Time Director	3,000		3,000	
2	T C N Sai Krishnan	Executive Director - Operations	3,000		3,000	

3	Kiritkumar Shanukant Chauhan	President-Human Resources	2,200	Rs. 1,389 per share	2,600	Rs. 1,183.14 per share
4	Bhagwati Prasad Pant	President - New Product Development	2,200		2,600	
5	Gopi Krishnan Sarathy	CFO and President-Finance and Accounts	2,200		2,600	
6	Ninad Deshpande	Assistant Vice President - Commercial	1,200		1,200	
7	Navinkumar Jha	Senior General Manager - Marketing	800		800	
8	Unnati Kanani	AGM- Company Secretary & Compliance Officer	400		400	

b) **any employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year**: Not Applicable

c) **identified employees who were granted an option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant**: Not Applicable.

(viii) **A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:** The Company shall comply with the requirements of IND – AS 102 and shall use Fair value method and the fair value of Options has been calculated as per the Black-Scholes Option Pricing Model. The significant assumptions used during the year to estimate the fair value of options for the grant of options in Tranche I (granted on April 1, 2025) and Tranche II (granted on February 11, 2026) are as follows:

1. Expected volatility
2. Risk free interest rate
3. Returns are normally distributed
4. Markets are perfectly liquid

S.no.	**Particulars**	**Tranche I (granted on April 1, 2025)**			**Tranche II (granted on February 11, 2026)**		
		1st tranche of vesting (25%)	**2nd tranche of vesting (25%)**	**3rd tranche of vesting (50%)**	**1st tranche of vesting (25%)**	**2nd tranche of vesting (25%)**	**3rd tranche of vesting (50%)**
a.	**weighted-average values of share price**	The underlying price has been considered at INR 1543.35/- as of 28th March 2025, (latest trading date prior to the grant date) based on the closing price on the National Stock Exchange (NSE).			The underlying price has been considered at INR 1314.60/- as of 10th February 2026 based on the closing price on the National Stock Exchange (NSE).		
	Exercise Price	₹ 1389 per share			₹1183.14 per share		

	Expected Volatility	42.92%	39.38%	42.20%	45.95%	41.80%	40.60%
	Expected Option Life	2.00	3.00	4.00	2.14	3.14	4.14
	Expected Dividend	The dividend yield for the year is derived by dividing the dividend for the period by the current market price. The company has declared dividends in previous years, and the average dividend yield over the past five years has been considered for the calculation which is 0.28%			The dividend yield for the year is derived by dividing the dividend for the period by the current market price. The company has declared dividends in previous years, and the average dividend yield over the past five years has been considered for the calculation which is 0.18%		
	Risk Free Interest Rate	6.35%	6.34%	6.35%	5.79%	5.99%	6.17%
	Any other inputs to the model	N.A.					
b.	**the method used and the assumptions made to incorporate the effects of expected early exercise**	The effects of expected early exercise have been incorporated into the valuation by estimating the Expected Life of the options. In the absence of sufficient historical exercise data, the Company has adopted the simplified method as permitted under applicable accounting standards. Under this method, the expected life for each vesting tranche is assumed to be the midpoint between the date of vesting and the date of expiry (the end of the 1-year exercise period). This assumption reflects a reasonable expectation that employees will exercise their options consistently throughout the exercise window rather than waiting until the final expiration date					
c.	**how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility**	The expected volatility for the Tranche I (granted on April 1, 2025) and Tranche II (granted on February 11, 2026), is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure volatility is used in the Black Scholes option- pricing model is the annualized standard deviation of the continuously compounded rate of the return of the stock over a period. The period to be considered for volatility has to be adequate to represent a consistent trend in the price movements and the movement due to abnormal events if any gets evened out					
d.	**whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition;**	The following factors have been considered: a) Share price b) Exercise prices c) Expected volatility d) Expected option life e) Dividend Yield f) Risk free interest rate					

D) Details related to Trust:

The following details, inter alia, in connection with transactions made by the Trust meant for the purpose of administering the schemes under the regulations are to be disclosed:

(i) General information on all schemes

NCL ESOP Scheme 2024 is being administered through Neogen Chemicals Limited Employees Welfare Trust ("**Trust**").

Sr.No.	Particulars	Details
1	Name of the Trust	Neogen Chemicals Limited Employees Welfare Trust.
2	Details of the Trustee(s)	Mr. Kirit Chauhan Mrs. Rupal Mehta
3	Amount of loan disbursed by Company / any company in the group, during the year	The Company has granted a loan of Rs. 81,70,905 during the FY 2025-26 to the Trust to acquire shares under the said Scheme and to facilitate the grant of ESOPs to eligible grantees.
4	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	Rs. 81,70,905
5	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Not Applicable
6	Any other contribution made to the Trust during the year	Not Applicable

(ii) Brief details of transactions in shares by the Trust

Particulars	No. of Shares
a) Number of shares held at the beginning of the year;	0
b) Number of shares acquired during the year through (i) ~~primary issuance~~ (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share;	5000 shares acquired during the year through secondary acquisition, being 0.019% percentage of paid up equity capital as at the end of the previous financial year. The weighted average cost of acquisition per share is Rs. 1,585.47.
c) Number of shares transferred to the employees / sold along with the purpose thereof;	0
d) Number of shares held at the end of the year	5,000

(iii) **In case of secondary acquisition of shares by the Trust**:

Number of shares	As a percentage of paid-up equity capital as at the end of the year, immediately preceding the year in which shareholders' approval was obtained.
held at the beginning of the year	0
acquired during the year	5000 shares acquired during the year through secondary acquisition, being 0.019 % of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained.
sold during the year	0
Transferred to the employees during the year	0
held at the end of the year	5000 shares acquired during the year through secondary acquisition, being 0.019 % of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained.