

Report on Corporate Governance

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

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

1 Corporate Governance Philosophy:

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

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

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

2 Board of Directors:

The Members of the Board of Directors of the Company are eminent personalities from various fields who bring in a wide range of skills and experience to the Board and they are entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company.

a) Composition of Board of Directors:

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

The Board of Directors of the Company comprises an optimum combination of Executive and Non-Executive Directors. The Board comprises of 8 (Eight) Directors as on 31.03.2019, of which 4 (Four) are Non-executive Directors. The Board comprises of 4 (Four) Independent Directors including one Woman Independent Director i.e. Directors, who apart from receiving sitting fees, do not have any other material pecuniary relationship or transactions with the Company, its promoters or its management, which may affect independence of judgment of the Directors. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Independent Directors bring external perspective and independence to decision making.

All the Independent Directors have confirmed to the Board that they meet the criteria for Independence in terms of definition of 'Independent Director' stipulated under Regulation 16 (1)(b) of the Listing Regulations and Section 149 of the Companies Act, 2013. These confirmations have been evaluated and taken on record by the Board. None of Independent Directors hold office as an Independent Director in more than seven listed companies as stipulated under Listing Regulations. In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management.

All the Directors have made necessary disclosures regarding their directorship as required under Section 184 of the Companies Act, 2013 and the Committee positions held by them in other companies as stipulated under Regulation 26 of Listing Regulations. None of the Directors of the Company hold Directorships in more than 20 companies, including 10 public companies. Further, none of the Director hold directorship in more than 8 listed entities as provided under Regulation 17(a)(a) of the Listing Regulations. In accordance with Regulation

26 of Listing Regulations, none of the directors are members in more than 10 committees excluding private limited companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013 or act as a chairperson of more than 5 committees (the committees being Audit Committee and Stakeholders Relationship Committee) across all the listed entities in which he/she is a director.

Profile of Directors

A brief profile of each Directors is as follows:

a. Mr. Haridas Kanani:

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

b. Dr. Harin Kanani:

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

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

c. Mr. Sanjay Mehta

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

d. Mr. Hitesh Reshamwala:

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

e. Mr. Shyamsunder Upadhyay:

Mr. Shyamsunder Upadhyay is an Executive Director in our Company. He oversees operations, maintenance, projects, logistics, administration and engineering store in our Company. He has a master's degree in science from Vikram University, Ujjain. He has 41 years of work experience in the field of chemicals and has previously been associated with companies such as Savita Chemicals, Wimco, Gharda Chemicals, Clariant India, Tytan Organics Limited, Arch Pharmalabs Limited and Laxmi Organic Industries Limited.

f. Mr. Anurag Surana:

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

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

g. Dr. Ranjan Kumar Malik:

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

h. Ms. Avi Sabavala:

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

Core Skills/Expertise/Competencies of Board:

The Nomination and Remuneration Committee has laid down the following core skills/expertise/competencies for Board Membership:

I. Directors

- Must have relevant experience in Finance/Law/Management/Sales/Marketing/Administration/Research/Corporate Governance/ Technical Operations or the other disciplines related to company's business.
- Should possess the highest personal and professional ethics, integrity and values.

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

II. Independent Directors

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

Performance evaluation criteria of Independent Directors:

Independent Directors are evaluated based on parameters such as qualification, experience, knowledge and competency, ability to function as a team, initiative, commitment, independence, independent view and judgement, understanding the environment in which the Company operates and contribution to strategic decision and raising valid concerns and management.

Board Procedure:

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business. The Board Meetings (including Committee Meetings) of the Company are scheduled in advance facilitate the Directors to plan their schedule and ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval taken by passing resolution(s), by circulation, as permitted by law, which is noted in the subsequent Board Meeting.

Department heads communicate with the Company Secretary in advance with regard to matters requiring the approval of the Board to enable inclusion of the same in the agenda for the Board Meetings. The detailed agenda

as approved by Chairman together with the relevant attachments are circulated amongst the Directors in advance. Where it is not practicable to circulate any document in advance or if the agenda is of a confidential nature, the same is tabled at the meeting. In special and exceptional circumstances, consideration of additional or supplementary items is taken up with the approval of chair and majority of the Directors. Senior Management Personnel are invited to the Board/Committee Meeting(s) to provide additional inputs for the items being discussed by the Board/Committees thereof as and when necessary. In addition to above, the Company, in compliance with Regulation 17(7) and Schedule II, Part A of the Listing Regulations, places before the Board all the required information from time to time.

The draft Minutes of the proceedings of the Meetings of the Board/Committee(s) are circulated to all the Members of the Board or Committee for their perusal within the stipulated time prescribed by Secretarial Standard on Meeting of the Board of Directors. Comments, if any, received from the Directors are incorporated in the

Minutes in consultation with the Chairman. The Minutes are approved by the Members of the Board/Committee(s) prior to the next Meeting. The signed Minutes are circulated to all the Members of the Board or the Committee with the stipulated time prescribed by Secretarial Standard on Meeting of the Board of Directors.

Attendance at Board Meetings, Last Annual General Meeting, relationship between Directors inter-se, No of Directorships and Committee Memberships/ Chairmanships and Listed Entities where the person is a Director & Category of Directorship.

The details of attendance of each Director at the Board Meetings held during the year and the last Annual General Meeting (AGM) along with the number of Companies and Committees where he/she is a Director/Member/Chairperson and the relationship between the Directors inter-se, as on 31st March, 2019 are given below.

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

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

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

§ Membership/Chairmanship of only the Audit Committees and the Stakeholders' Relationship Committees of all Listed and Unlisted Public Companies including Neogen Chemicals Limited have been considered.

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

a) Board of Directors Meetings:

The Board of Directors met 15 times i.e. on 14th April, 2018, 3rd May, 2018, 2nd July, 2018, 19th July, 2018, 28th August, 2018, 1st September, 2018, 8th September, 2018, 21st September, 2018, 6th October, 2018, 16th October, 2018, 31st October, 2018, 5th November, 2018, 26th November, 2018, 9th February, 2019 and 26th March, 2019 during the financial year under review. The maximum gap between any two Board Meetings was not more than 120 days as required under Regulation 17 of Listing Regulations, Section 173 of the Companies Act, 2013 and Secretarial Standard on Meeting of the Board of Directors.

b) Directors' Inter-se Relationship:

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

c) Familiarization programme for Independent Directors

As per Section 149 read with Schedule IV, part III of the Companies Act, 2013 and Pursuant to provisions of Regulation 25 of the Listing Regulations, the Company has formulated a programme for familiarizing the Independent Directors, their roles, rights, responsibilities in the Company, nature of the industry in which company operates, business model of the Company, etc. through various initiatives. The details of aforementioned programme is available on company's website at <https://neogenchem.com/company-policy/>.

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

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

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

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

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

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

Code of Conduct:

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

Whistle Blower Policy (Vigil Mechanism):

The Board of Directors of the Company are committed to maintain the highest standards of honesty, openness and accountability and recognize that each and every person in the Company has an important role to play in achieving the organizational goals. It is the policy of the Company to encourage employees, when they have reason to suspect violations of laws, rules, regulations, unethical conduct, questionable accounting/audit practices, reporting of fraudulent financial information to shareholders, the Government or the financial markets and/or serious misconduct otherwise, to report concerns to the Company's management.

The "Whistle Blower" Policy adopted by the Company provides a ready mechanism for reporting violation of laws, rules, regulations or unethical conduct. The Confidentiality of the 'Whistle Blower' is maintained and he/she is not subjected to any victimization and/or harassment. The present Whistle blower Policy is in conformity with the Provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. Every employee of the Company has been provided access to the Audit Committee Chairman through email/correspondence address. The details of the Policy are available on the Company's website at <https://neogenchem.com/company-policy/>.

3. Committees of the Board:

As required by "the Act" and listing agreement with Stock Exchange and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee,

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings.

A. Audit Committee:**1. Brief description of terms of reference:**

The terms of reference of this committee cover the matters specified for the audit committee under Listing Regulations as well as in Section 177 of the "the Act". The audit committee was constituted to ensure prudent financial and accounting practices, fiscal discipline and transparency in financial reporting. The quarterly results are reviewed by the audit committee and recommended to the board for its adoption. The Chairman of the committee is an Independent Director having Knowledge in Finance.

2. Audit Committee Meetings:

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

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

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

The Company Secretary acts as the Secretary to the committee.

4. Powers of audit committee:

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

5. Role, Responsibilities and Terms of Reference:

1. Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Reviewing and recommending for approval to the Board:
 - I. Proposals on borrowings from banks;
 - II. Business plan; and
 - III. Corporate annual budget and revised estimates.
 - IV. Recommending to the Board the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the internal auditor, cost auditor and statutory auditors and the fixation of audit fees and remuneration;

3. Approval of payment to statutory, internal and cost auditors for any other services rendered by them, as applicable;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval with particular reference to:
 - I. Matters required in the Director's responsibility statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013;
 - II. Changes, if any, in accounting policies and practices and reasons for the same;
 - III. Major accounting entries involving estimates based on the exercise of judgment by management;
 - IV. Significant adjustments made in the financial statements arising out of audit findings;
 - V. Compliance with listing and other legal requirements relating to financial statements;
 - VI. Disclosure of any related party transactions;
 - VII. Modified opinion(s) in the draft audit report.

- VIII. Compliance with accounting standards;
- IX. Contingent liabilities; and
- X. Claims against the Company and their effect on the financial statements; the term "financial statement" shall have the meaning prescribed to such term under Section 2(40) of the Companies Act, 2013.
5. Reviewing, with the management:
- I. the quarterly, half-yearly and annual financial statements and such other periodical statements before submission to the Board for approval;
 - II. the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.); and
 - III. the statement of funds utilized for purposes other than those stated in the issue document/ prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in the matter.
6. Reviewing and monitoring the auditor's independence and performance along-with the effectiveness of audit process;
7. Examination of the financial statement and the auditor's report thereon;
8. Approval or any subsequent modification of transactions of the company with related parties, provided that the audit committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
9. Laying down the criteria for granting omnibus approval in line with the Company's policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;
10. Scrutinizing:
- I. the need for omnibus approval and ensuring that such approval is in the interest of the Company; and
 - II. Inter-corporate loans and investments.
11. Valuation of undertakings or assets of the company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing with the management-performance of statutory, cost and internal auditors and also the adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
17. Discussing with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. Scrutinizing the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. Formulating the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the internal auditor.

20. Approval of appointment of CFO (or the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. Reviewing the functioning of the whistle blower mechanism;
22. Making recommendations to the Board in relation to the establishment of a vigil mechanism;
23. Monitoring of a vigil mechanism for enabling adequate safeguards and protection of interest of the director(s) or employees or any other person who may avail the mechanism and to provide for direct access to the chairperson of the Audit Committee in exceptional cases where deemed necessary;
24. Discretion to invite the finance director or head of the finance functions, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee: Provided that occasionally the audit committee may meet without the presence of any executives of the listed entity; and
25. Carrying out any other function as is mentioned in terms of reference of the Audit Committee as per the Companies Act, 2013, Rules framed there under, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the SEBI Listing Regulations and other applicable Rules and Regulations.

VI. Powers of Audit Committee:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To select and appoint professional advisors and obtain advice from external sources including for forensic or other investigations, if necessary;

4. To secure attendance of outsiders with relevant expertise, if it considers necessary; and
5. To have full access to the information contained in the records of the Company.

VII. The Audit Committee shall mandatorily review the following information:

1. Management's discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Details of all material transactions with related parties to be disclosed every quarter along with the compliance report on corporate governance;
4. On a quarterly basis, the details of related party transactions entered into by the Company pursuant to each omnibus approval given;
5. Whether the policy dealing with related party transactions is placed on the website of the Company;
6. Management letters / letters of internal control weaknesses issued by the statutory auditors;
7. Internal audit reports relating to internal control weaknesses;
8. The appointment, removal and terms of remuneration of the chief internal auditor;
9. Statement of deviations:
 - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
 - ii. annual statement of funds utilized for purposes other than those stated in the issue document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

B. Nomination and Remuneration Committee:

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

I. Nomination and Remuneration Committee Meetings:

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

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

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

The Company Secretary acts as the Secretary to the committee.

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Reviewing the terms and conditions of services including remuneration in respect of technical director and managing director and submitting their recommendations to the Board;
- Formulation of criteria for evaluation of independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board, their appointment and removal and shall carry out evaluation of every director's performance;
- Determination of extension or continuation of the term of appointment of the independent directors on the basis of the report of performance evaluation of independent directors.
- Evaluating the current composition, organization and governance of the Board and its committees as well as determining future requirements and making recommendations to the Board for approval;
- Determining on an annual basis, desired qualifications along with the expertise, characteristics and conduct searches for potential Board members with corresponding attributes. Thereafter, evaluation and proposal of nominees for election to the Board. In performing these tasks, the committee shall have the sole authority to retain and terminate any search firm to be used to identify director candidates;
- Evaluation and recommendation of termination of membership of individual directors in accordance with the Board's governance principles for cause or for other appropriate reasons;
- Making recommendations to the Board in relation to the appointment, promotion and removal of the senior management personnel at such level(s);
- Reviewing, amending, modifying and approving all other human resources related policies of our Company from time to time;
- Reviewing and recommending to the Board, manpower plan/ budget and sanction of new senior management positions from time to time in the future;
- Reviewing and recommending to the Board matters relating to revision of compensation/ salary and long term wage settlements;
- Determination of compensation levels payable to the senior management personnel and other

staff (as deemed necessary) which shall be market-related, usually consisting of a fixed and variable component;

15. Reviewing and approving compensation strategy from time to time in the context of the current Indian market in accordance with applicable laws;
16. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
17. Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
18. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
19. Consideration and approval of employee stock option schemes and to administer and supervise the same;
20. Decision on matters such as quantum of and milestones for grant, eligibility of employees who shall be entitled to grant of options, vesting period and conditions thereof, termination policies etc.
21. Reviewing, with the management, all human resource related issues from time to time so as to maintain harmonious employer-employee relations;
22. Periodically reviewing and re-examining the terms of reference and making recommendations to our Board for any proposed changes;
23. Authorization to obtain advice, reports or opinions from internal or external counsel and expert advisors;
24. Ensuring proper induction program for new directors, key managerial personnel and senior management and reviewing its effectiveness along-with ensuring that on appointment, they receive a formal letter of appointment in accordance with guidelines provided under the Companies Act, 2013;
25. Developing a succession plan for our Board and senior management and regularly reviewing the plan;
26. Consideration and determination of the nomination and remuneration policy based on performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate;
27. Ensuring that it proactively maintains a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company; and
28. Performing such other activities as may be delegated by the Board and / or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

IV. Remuneration policy:

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

V. Performance evaluation criteria for Independent Directors:

The Nomination and Remuneration Committee of the Board has laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence of SEBI (Listing Obligations and Regulation Requirements), 2015.

VI. Remuneration to Directors and Senior Management Employees

- Details of remuneration / sitting fees paid during the year 2018-19 and number of shares held as on 31st March, 2019 by the directors of the Company are as follows:

- Details of fix component and performance linked incentives along with performance criteria.

Name of the Director	Salary	Contribution to Provident Fund	Pension	Other Perquisites	Bonus	Sitting Fees	Commission	Total	No. of Shares Held
Mr. Haridas Kanani	45,87,100	1,50,000	0	0	25,000	0	0	47,62,100	1,39,99,680
Dr. Harin Kanani	41,26,576	1,50,000	0	0	25,000	0	0	43,01,576	20,00,000
Mr. Shyamsunder Upadhyay	39,54,878	1,50,000	0	0	30,000	0	0	41,34,878	80
Mr. Anurag Surana	0	0	0	0	0	0	0	0	3,00,000
Mr. Sanjay Mehta	0	0	0	0	0	60,000	0	60,000	2,580
Mr. Hitesh Reshamwala	0	0	0	0	0	1,20,000	0	1,20,000	36
Dr. Ranjan Kumar Malik	0	0	0	0	0	1,00,000	0	1,00,000	Nil
Ms. Avi Sabavala	0	0	0	0	0	50,000	0	50,000	Nil

VII. Remuneration to Managing Director:

At the time of appointment or re-appointment, the Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes Nomination & Remuneration Committee and the Board of Directors) and the Managing Director within the overall limits prescribed under "the Act" and subject to approval of the Members of the Company in General Meeting.

VIII. Remuneration to Non-Executive Directors:

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

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

IX. Remuneration to Senior Management Employees:

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

- The relationship of remuneration and performance benchmark is clear.
- The fixed pay short and long-term performance objectives appropriate to the working of the Company and its goals.
- The components of remuneration includes salaries, perquisites and retirement benefits

- The remuneration including annual increment and performance incentives is decided based on criticality of the roles and responsibilities, the company's performance vis-à-vis the annual budget achievement, industry benchmark and current compensation trends in the market.
- The Managing Director will carry out individual performance review based on the standard appraisal matters and after taking into account the appraisal score card and other factors mentioned herein above, recommends the annual increment to the Nomination & Remuneration Committee for its review and approval.

C. Stakeholders' Relationship Committee:

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

i) Brief description of terms of reference:

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

ii) Roles and Objectives:

- To look into complaints of shareholders and investors pertaining to transfer / transmission of shares, non-receipt of share certificates, non-receipt of dividends, non-receipt of annual reports, issue of duplicate share certificates and other miscellaneous complaints.
- The Committee is responsible for satisfactory Redressal of Investors' complaints.

- The Stakeholder Relationship Committee also has a role as defined under Regulation 20 (4) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

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

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

The Company Secretary acts as the Secretary to the committee.

iv) Policy relating to investors:

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

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

vi) Meeting and Attendance during the year:

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

D. Corporate Social Responsibility Committee:

Pursuant to the requirements of Section 135 of the Act and The Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of the Company has duly constituted the Corporate Social Responsibility (CSR) Committee.

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

I. CSR Committee Meeting:

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

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

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

The Company Secretary acts as the Secretary to the committee.

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

III. Terms of reference of the Corporate Social Responsibility Committee:

- Formulation and recommendation to the Board, a corporate social responsibility policy and subsequent amendments as required from time to time;
- Ensuring that the corporate social responsibility policy shall include/ indicate the activities to be undertaken by the companies as specified in Schedule VII of the Companies Act, 2013 and the rules made there under, from time to time excluding the activities undertaken in pursuance of its normal course of business;
- Monitoring the corporate social responsibility policy by instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company from time to time;
- Recommendation of the annual budget for the corporate social responsibility activities of our Company in compliance with the relevant statutory provisions;

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

4. GENERAL BODY MEETING:

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

Note:

1. MEANS OF COMMUNICATION:

a. Quarterly Results:

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

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

a. Newspapers wherein Results normally Published:

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

b. Website

The results of the Company also displayed on the website of the Company at www.neogenchem.com and also on the website of the Stock Exchanges were the shares of the Company are listed i.e. www.bseindia.com and www.nseindia.com.

c. Official News Release:

The Company shall regularly publish information, update on its financial results and also displays official news releases in the investor relations section of its website and also on the website of the Stock Exchanges were the shares of the Company are listed i.e. www.bseindia.com and www.nseindia.com.

d. Presentations and Analyst Meet:

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

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

2. GENERAL SHAREHOLDER INFORMATION:

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

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

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

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

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

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

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

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

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

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

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

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

- i) **Share Transfer System:**

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

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

k) **Distribution of Shareholding as on 31.03.2019:**

Shareholding of Shares	Number of Shareholders	% to share holders	Total Shares held	% of Shareholding
up to 5,000	73	76.84	90,608	0.45
5,001 - 10,000	12	12.63	84,550	0.42
10,001 - 20,000	3	3.16	43,122	0.21
20,001 - 30,000	1	1.05	34,122	0.17
30,001 - 40,000	-	-	-	-
40,001 - 50,000	-	-	-	-
50,001 - 1,00,000	-	-	-	-
1,00,001 - Above	6	6.32	1,98,26,391	98.75
Total	95	100.00	2,00,78,793	100.00

l) **Dematerialization of Shares and Liquidity:**

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN is INE136S01016 for dematerialization of shares. As on 31st March 2019, all the equity shares were held in dematerialized form.

Plant locations:

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

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

Mr. Lalit Ashok Karne
Company Secretary
Secretarial Department
Office No, 1002, 10th Floor,
Dev Corpora Bldg, Opp. Cadbury Co.,
Pokhran Road No. 2, Khopat, Thane - 400601
Tel: +91 22 2549 7300
Email: investor@neogenchem.com

Address for Correspondence with Registrar and Share Transfer Agent:

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, L.B.S Marg,
Vikhroli (West), Mumbai, Maharashtra - 400083
Telephone No: +91 22 49186000
Fax No: +91 22 49186060
Email Id:saili.lad@linkintime.co.in

n) **Unclaimed Dividend:**

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

o) **Code of Conduct:**

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

p) **CEO / CFO Certification:**

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

q) **Management Discussion And Analysis:**

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

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

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

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

b) Details of Non-compliance by the listed entity:

There were no instances of non-compliance by the company or penalties, strictures imposed on the company by stock exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the reporting period of last three years

c) Details of establishment of vigil mechanism, whistleblower policy and affirmation that no personnel has been denied access to the Audit Committee:

The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Company has whistle blower policy wherein the employees are encouraged to report violation of

laws, rules and regulations. The confidentiality of such reporting is maintained and is not subject to any discriminatory practice. We affirm that no employee has been denied access to the Audit Committee. The said Whistle-Blower Policy has been hosted on the website of the Company.

d) Details of Code of Conduct and High Standard:

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

e) Managing Director and Chief Financial Officer Certifications:

The Managing Director and CFO have issued a certificate pursuant to the provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, certifying that the financial statements do not contain any untrue statements and these statements represent a true and fair view of the company's affairs. The said certificate is annexed.