

NEOGEN CHEMICALS LIMITED

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**CORPORATE SOCIAL RESPONSIBILITY
(CSR) POLICY**

Last approved by the Board of Directors on May 29, 2021

CONTENTS

1. Introduction.....	3
2. Objective.....	3
3. Definitions.....	3-4
4. CSR Strategy and Activities.....	4-5
5. CSR Committee.....	5
6. ROLE of CSR Committee.....	6
7. CSR Funds/ Expenditure.....	6-8
8. Implementation Process.....	8-9
9. Overall Improvement in functioning and discharge of CSR.....	9
10. Disclosure.....	10
11. Impact Assessment.....	10
12. Amendment to the Policy.....	10
13. Interpretation.....	10
14. Annexure A.....	11-12
15. Annexure B.....	13-17

1. Introduction

In accordance with the provisions of Companies Act, 2013 (“**Companies Act**”), Neogen Chemicals Limited (“**Company**”), constituted a CSR Committee which in exercise of its authority and discharge of its responsibility, formulated a Corporate Social Responsibility Policy (“**CSR Policy**”) as elaborated hereunder. Capitalized terms used in this CSR Policy and not defined herein shall have the meaning as ascribed to them under the Companies Act. As a responsible Company, It has since its inception participated in business activities which help in improving quality of life for the Communities where it operates. This also includes creating better livelihood opportunities. Neogen on a voluntary basis has contributed towards welfare of society over a period of time. Now, Company will strive to do its best to follow the requirements of New Companies Act, on CSR obligation in letter and spirit.

2. Objectives

The CSR Policy shall be read in line with Section 135 of the Companies Act, the Companies (Corporate Social Responsibility Policy) Rules, 2014, **The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021** and such other regulations, circulars, and notifications (collectively referred hereinafter as “**CSR Regulations**”) as may be applicable and as amended from time to time and will, *inter alia*, provide the following:

- (a) establishing a guideline for compliance with the provisions of CSR Regulations to dedicate a percentage of Company’s profits for social projects;
- (b) ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting; and
- (c) creating opportunities for employees to participate in socially responsible initiatives.

3. Definitions

a) “Board of Directors” or “Board” means the Board of Directors of Neogen Chemicals Limited, as constituted from time to time.

(b) “Administrative overheads” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

c) "CSR Committee" means Corporate Social Responsibility Committee constituted by the Board of Directors of the Company, from time to time, under provisions of the Companies Act, 2013.

d) "Independent Director" means a director of the Company, not being a whole-time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independent director under the Companies Act, 2013 and the Listing Obligations and Disclosures Requirements (LODR) with Stock Exchanges.

e) "Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -

- (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
- (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;

(f) "Ongoing Project" means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;

g) "Policy" means Corporate Social Responsibility Policy as approved by the Board of Directors of the Company taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

4. CSR Strategy and Activities

- 4.1. The CSR initiatives and activities that will be undertaken by the Company would be those as mentioned in Annexure A of this Policy, which are within the overall ambit of Schedule VII to the Companies Act, 2013 and which may be enlarged from time to time as decided by the CSR Committee. The Board of the Company shall ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company
- 4.2. Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance

with the provisions contained in the rules made thereunder and Schedule VII of the Act, but shall not include the following, namely:-

(i) activities undertaken in pursuance of normal course of business of the company:

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that:

(a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;

(b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;

(ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;

(iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;

(iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);

(v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;

(vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

5. CSR Committee:

The CSR Committee of the Board of the Company shall consist of three or more directors, out of which at least one director shall be an independent director.

Where the amount to be spent by a company does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

6. Role of CSR Committee:

The Corporate Social Responsibility Committee shall,—

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in specific areas or subject and which are within the overall ambit of Schedule VII to the Companies Act, 2013 and after taking into consideration the recommendations of CSR Committee the Board of Directors shall approve the policy and disclose contents of such Policy in its report and also place it on the company's website;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the company from time to time.

(d) The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance to the CSR policy, which shall include the following, namely:-

- (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- ii) the geographical area covered, agencies or trusts or NGOs with which the projects/activities are to be undertaken, amount to be spent on various projects whether ongoing or fresh.
- (iii) the manner of execution of such projects or programmes as specified in clause 8 below;
- (iv) The modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (v) Monitoring and reporting mechanism for the projects or programmes; and
- (vi) details of need and impact assessment pursuant to clause 11 of this Policy, if any, for the projects undertaken by the company;

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

7. CSR Funds/ Expenditure

- (a) The Board of the Company shall ensure that the Company spends in every financial year, at least 2% of the average Net Profits made by the Company during the 3 (three) immediately preceding financial years.
- (b) The board shall ensure that the administrative overheads does not exceed five percent of total CSR expenditure of the company for the respective financial year.

- (c) Any income or surplus arising from the CSR projects or programs shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year and such surplus shall not form part of the business profits of the Company.
- (d) Where a company spends an amount in excess of requirement provided above in sub clause a of this Clause 1, such excess amount may be set off against the requirement to spend under the said clause up to immediate succeeding three financial years subject to the conditions that –
 - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub- clause (c) of this clause.
 - (ii) the Board of the company shall pass a resolution to that effect.
- (e) If the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in sub- clause (f) below, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- (f) Any amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.
- (g) If a company is in default in complying with the provisions of sub- clause (e) and (f) above, the company shall be liable to a penalty as specified in section 135 (7) of the Act;
- (h) The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by -
 - (i) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or

(ii) Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

(iii) a public authority:

Provided that any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

(i) The company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

8. Implementation Process

8.1. The operations of the CSR activities of the Company and the CSR Policy shall be overseen by the CSR Committee. While deciding on the CSR activities, priority shall be given to the needs and requirements of communities or area in the vicinity of the manufacturing facilities of the Company. The Company will continue to engage with stakeholders including experts, NGOs and the Government and would take up such other CSR activities in line with Government's intent and which are important for society.

8.2. The CSR Committee may be resourced with suitably qualified individuals for the purpose of running its operations. Such individuals may be deputed from the Company itself or outsourced.

8.3. The time period/duration over which a particular program will be spread, will depend on its nature, extent of coverage and the intended impact of the program. The Company may accordingly classify the projects into long term/ ongoing projects or short term Projects;

8.4. The Board shall ensure that the CSR activities are undertaken by the company itself or through -

(a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or

(b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or

(c) any entity established under an Act of Parliament or a State legislature; or

(d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

- 8.5. Every entity, covered under sub-clause (6.4) who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the **01st day of April 2021**;
- 8.6. A company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of their own personnel for CSR on recommendation being made by the CSR Committee and approved by the Board.
- 8.7. A company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with CSR Regulations and as approved by the Board on recommendation of the CSR Committee of the Company.
- 8.8. If the CSR activities are conducted through any agency/ trust as mentioned in clause 8.4 above then the Company Secretary and Committee Members shall ensure that the company has proper records pertaining to constitution and registration of such section 8 company, the closure report from such agency/ trust/ NGOs on spending of CSR amount as contributed by the Company and the overall project report, financials of the Section 8 company, if required and such other documents as the committee may deem fit.
- 8.9. The Board of the company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to that effect and a brief report on the same shall be placed before the Board for noting on regular intervals.
- 8.10. In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

9. Overall Improvement in functioning and discharge of CSR

The CSR Committee shall from time to time explore the ways and means whereby improvements that need to be brought about towards the discharge of CSR by the Company are identified and steps taken to ensure that measures necessary to effectuate the areas of improvement so identified are taken in the right earnest.

10. Disclosure:

As per the Section 135 of the Act read with CSR Rules, the details related to composition of the CSR Committee, the CSR Policy, and Projects approved by the Board shall be disclosed in the Director's Report of the Company and its website. The Director's Report of the Company shall include an Annual Report on CSR Activities in the format as given in Annexure B to this Policy, as applicable.

11. Impact Assessment:

(a) Every company having average CSR obligation of ten crore rupees or more in pursuance of Clause 7(a) above, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

(b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

(c) A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

12. Amendments to the Policy:

The Board may on recommendation being received from the CSR committee, subject to the applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace this policy entirely with a new policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force. Any subsequent amendment/ modification in the provisions of applicable law shall automatically apply to this CSR Policy.

13. Interpretation:

In case of any conflict between the provisions of this CSR Policy and provisions of any applicable law, the provisions of applicable law shall prevail over this CSR Policy.

ANNEXURE A

The Company will specifically undertake CSR projects related to the following list of activities which are within the overall ambit of Schedule VII to the Companies Act, 2013:

(i) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, setting up bore wells and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

iii) Eradicating hunger and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

(iv) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

(v) protection of national heritage, art and culture including restoration of works of art; setting up public libraries; promotion and development of traditional art and handicrafts;

(vi) Rural development projects and improving the quality of life in rural areas;

(vii) contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(viii) disaster management, including relief, rehabilitation and reconstruction activities.

(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and

Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).



**“ANNEXURE -B
 FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD’S
 REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2020**

Brief outline on CSR Policy of the Company.

Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set- off for the financial year, if any (in Rs)
1			
2			
3			
	TOTAL		

Average net profit of the company as per section 135(5).

(a) Two percent of average net profit of the company as per section 135(5)

Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

Amount required to be set off for the financial year, if any

Total CSR obligation for the financial year (7a+7b- 7c).

(a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Stat	Distri	Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Name	CSR Registration number.
1.												
2.												
3.												

TOTAL												
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Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.									
2.									
3.									
	TOTAL								

Amount spent in Administrative Overheads

Amount spent on Impact Assessment, if applicable

Total amount spent for the Financial Year (8b+8c+8d+8e)

Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

(a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.							
2.							
3.							
	TOTAL						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1.								
2.								
3.								
	TOTAL							

In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

Date of creation or acquisition of the capital asset(s).

Amount of CSR spent for creation or acquisition of capital asset.

Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Sd/- (Chief Executive Officer or Managing Director or Director).	Sd/- (Chairman CSR Committee).	Sd/- [Person specified under clause (d) of sub-section (1) of section 380 of the Act] (Wherever applicable).
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