

ZIM Laboratories Limited

Corporate Social Responsibility Policy

(Effective from 19th September, 2025, as approved by the Board of Directors on 19th September, 2025.)

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i. Preamble:

- Along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth.
- The Company's focus has always been to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations.
- The Corporate Social Responsibility (CSR) Policy has been framed in accordance with the provisions of section 135 of the Companies Act, 2013 ("Act") and the Rules prescribed thereunder and as defined hereinafter (collectively referred as "Applicable Laws").

ii. Definitions:

- **"Annual Action Plan"** shall mean a plan framed and recommended by the CSR Committee and approved by the Board according to which the Company shall initiate the CSR activities for the relevant financial year.
- **"Administrative Overheads"** According to Rule 2(1)(b) of the Companies (CSR Policy) Rules, 2014, administrative overheads mean the expenses incurred by the Company in the general management and administration of CSR functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or programme.

(The maximum permissible limit for administrative overheads is five per cent of the total CSR expenditure of the company for the financial year.)

- **"Board"** shall mean the Board of Directors of the Company.
- **"CSR Activities"** shall mean the projects and / or programmes undertaken by the Company either directly or through implementing agency pursuant to this Policy and Applicable Laws.
- **"Implementation Agencies"** shall mean:
 - a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
 - 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
 - any entity established under an Act of Parliament or a State legislature; or
 - a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- **"Ongoing Project"** means a multi-year project, stretching over more than one financial year and undertaken by the Company under its CSR activities having timelines not

exceeding three years excluding the financial year in which it was commenced, and includes such project which 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.

Explanation :

- The project should have commenced within the financial year to be termed as ‘ongoing’. The intent is to include a project which has an identifiable commencement and completion dates. After the completion of any ongoing project, the Board of the company is free to design any other project related to operation and maintenance of such completed projects in a manner as may be deemed fit on a case-to-case basis.
- Note: The term ‘year’ refers to financial year as defined in section 2(41) of the Act
- “**Rules**” means Companies (Corporate Social Responsibility Policy) Rules, 2014, or any other rules prescribed under section 135 of the Act and pertaining to Corporate Social Responsibility, as may be amended and prescribed, from time to time.

iii. Guiding Principles:

The Company shall follow the following guiding principles for selection, implementation and monitoring of CSR Activities as well as formulation of the Annual Action Plan

- In undertaking CSR Activities, the Company shall give preference to the local areas wherein the Company operates or has its offices.
- The Company shall undertake only such CSR Activities, A) as are identified as Focus Areas under this Policy and B) as are permitted under the Applicable Laws. The Company shall also consider international, national, or state level priorities/ objectives, while identifying CSR Activities.
- The Company shall endeavour utmost transparency in selection, implementation, monitoring and reporting of CSR Activities.
- The Company shall ensure that all the CSR Activities are implemented as per the approved Annual Action Plan, authorised by the Board.
- The Company shall not discriminate against the beneficiaries of the CSR Activities, on any grounds whatsoever, including race, gender, age, ethnicity, caste, religion, domicile, but may focus its CSR Activities to benefit the economically or socially weaker, or marginalised sections, of the society.
- This policy will apply to all projects / programmes undertaken as part of the Company’s Corporate Social Responsibility and will be developed, reviewed and updated periodically with reference to relevant changes in corporate governance, international standards and sustainable and innovative practices. The policy will maintain compliance and alignment with Section 135 of the Act, Applicable Rules and Schedule VII thereto.

iv. Implementation:

Pursuant to Rule 4 of the Companies (CSR Policy) Rules, 2014 a company may undertake CSR activities through following three modes of implementation:

- (i) Implementation by the company itself
- (ii) Implementation through eligible implementing agencies as prescribed under sub-rule (1) of rule 4.

- (iii) Implementation in collaboration with one or more companies as prescribed under sub-rule (4) of Rule 4. The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes for capacity building of their own personnel for CSR.

v. Constitution of CSR Committee:

The CSR Committee of the Company shall be constituted as per the provisions of the Section 135 of the Companies Act, 2013 and Rules made thereunder including any amendment thereto or re-enactment thereof.

The quorum for CSR Committee Meeting shall be one-third of its total strength of members or two members, whichever is higher.

vi. Roles and Responsibilities of CSR Committee:

The roles and responsibilities shall inter alia include the following:

- i. Formulate, review and recommend to the Board a CSR Policy indicating the activities to be undertaken by the Company as specified in schedule VII of the Companies Act, 2013 and monitor it from time to time;
- ii. Provide guidance on various CSR initiatives undertaken by the Company and monitor implementation and adherence to the CSR programs and policy of the Company from time to time;
- iii. Recommend to the Board an Annual CSR Action Plan delineating the CSR projects or programmes to be undertaken during the financial year.
- iv. In case the Company is not able to spend the stipulated two percent of the average net profits of the preceding three financial years or any part thereof, the CSR Committee shall provide the reasons for not spending the amount to the Board and such reasons shall also be included in the Board's report.
- v. Reviewing the findings and recommendations regarding the CSR initiatives from any investigation or audit conducted by regulatory agencies or external auditors or consultants.
- vi. Respond to any query, observation or clarification sought by the Ministry of Corporate Affairs or any other regulatory authority with regard to the Company's CSR supported initiatives.
- vii. And any other responsibility, as may be suggested by the Board or, as may be required by the Act and/or the Rules.

vii. Roles and responsibilities of Board:

CSR is a Board-driven process. The responsibilities of the Board of a CSR-eligible Company, inter-alia, include the following —

- (i) approve the CSR policy, CSR Annual Action Plan and Budget recommended by the CSR Committee;
- (ii) disclose contents of such policy in its report and also place it on the Company's website, if any;

- (iii) ensure that the activities included in the CSR policy are undertaken by the Company;
- (iv) ensuring that the Company spends, in every financial year, at least two percent of the Company's average net profit, made during the three preceding financial years;
- (v) specifying the reasons in its report if, in an unlikely circumstance, the Company fails to spend the stipulated CSR money during a financial year;
- (vi) making any change(s) in the constitution of the CSR Committee from time to time;
- (vii) Ensuring that administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year;
- (viii) The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by them and the Chief Financial Officer or the person responsible for financial management shall certify the same. The Board in case of on-going project shall monitor the implementation in respect to the allocated and approved timelines and shall make modifications for smooth implementation, and
- (ix) Taking such other steps and measure as may be required in terms of the Act and/or the Rules and as it deems necessary.

viii. CSR Projects or Programmes:

The Company may undertake the following projects or programs towards CSR in accordance with Schedule VII of the Companies Act, 2013:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution made to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water;
- 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. 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;
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water, including contribution to clean Ganga Fund set up by Central Government for rejuvenation of river Ganga;
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans and their dependents including widows;
- vii. Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;

- viii. Contribution to the prime minister's national relief fund or Prime Ministers 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;
 - (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 and Institutions as mentioned in Schedule VII in the field of technology, national laboratories and autonomous bodies engaged in conducting research in the field of atomic energy, science and technology, biotechnology, pharmaceuticals, electronics and information, defence, agricultural, scientific and industrial research, engineering and medicine; and notified in Schedule VII of the Act and rules made thereunder.
- ix. Rural development projects.
- x. Slum area development.
- xi. Disaster management, including relief, rehabilitation and reconstruction activities.
- xii. Any other activities or subjects specified in Schedule VII of the Companies Act, 2013 (the Act) and the rules made thereunder, as amended from time to time and circulars/notifications issued by statutory authorities.

Further, creation or acquisition of any capital asset by the Company against CSR amount, shall be in terms of the provisions of the Act and the rules made thereunder.

The focus areas of the Company to be covered under its CSR initiatives would be Education, Sanitation, Healthcare, Women Empowerment and Environment Conservation.

9. Conditions and Restrictions:

The CSR Committee and the Board of Directors shall be governed by the following conditions and restrictions while undertaking any CSR projects/programmes/activities:

- a. The CSR projects/programmes/activities undertaken by the Company, as per this policy shall exclude activities undertaken in pursuance of its normal business.
- b. The CSR projects/programmes/activities shall be undertaken in India only except for training of Indian sports personnel outside India who is representing any State or Union Territory at national level or India at international level.
- c. The CSR projects/programmes/activities that benefit only the employees of the Company and their families, shall not be considered and not qualify as CSR expenditure.
- d. Contribution of any amount directly or indirectly to any political party under Section 182, shall not be considered and not qualify as CSR expenditure.
- e. The surplus, if any, arising out of the CSR projects/programmes/activities shall not form part of the business profit of the Company.
- f. Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services shall not form part of CSR expenditure.
- g. Activities carried out for fulfilment of any other statutory obligations under any law in force in India shall not form part of CSR expenditure.

10. CSR Expenditure:

- Every year the Company shall spend at least 2% of its average Net Profit as defined under the Rules during the three immediately preceding financial years, on the CSR activities as per the approved Annual Action Plan.
- Any amount remaining unspent at the end of the financial year, if any, except in case of an ongoing project, shall be transferred to a Fund to be specified in Schedule VII for this purpose, within a period of six months of the expiry of the relevant financial year.
- In case the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened for that financial year in a schedule bank to be called as “Unspent Corporate Social Responsibility Account” and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year.
- Any surplus arising out of CSR projects, programmes or activities shall not form part of the business profits of the Company and shall be utilized towards the eligible CSR Activities or shall be ploughed back into the same project or shall be transferred to the unspent CSR Account or as addressed in accordance with the Applicable Laws.
- In case the Company spends the fund in excess of the requirement specified in the Companies Act, 2013 and Rules made thereunder, such excess amount will be eligible to be set off by the Company upto the immediate succeeding three financial years subject to conditions that :
 - a) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any
 - b) the Board of the company shall pass a resolution to that effect.
- Subject to the provisions of the Act, the Company may also utilise its CSR spend towards creation or acquisition of a capital asset, which may be held by –
 - a. a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
 - b. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - c. a public authority

11. Approval of CSR Activities:

- The CSR Activities to be undertaken by the Company as per the CSR Policy shall be approved by way of Annual Action Plan by the Board of Directors on the recommendations of CSR Committee.
- The Annual Action Plan shall contain the following information with respect to the CSR Activity proposed to be undertaken by the Company:

- i. List of CSR projects or programmes or activities to be undertaken in the relevant financial year to be undertaken in areas or subjects specified in Schedule VII of the Act;
- ii. Local areas where the CSR Activities are to be undertaken;
- iii. Manner of execution;
- iv. Modalities of utilization of funds and implementation schedule;
- v. details of need and impact assessment, if any, for the projects undertaken by the Company;
- vi. Monitoring and reporting mechanism

The Board on the recommendation of the CSR Committee may update, alter, modify, revise and replace the Annual Action Plan on the basis of reasonable justification.

The Committee may, at its discretion, appoint or seek the opinion, advice, or guidance of external experts, consultants, or third-party agencies to assist in the effective identification, evaluation, planning, and implementation of CSR projects. Such engagement may also extend to supporting the Committee and the Board in assessing the feasibility, impact, and alignment of proposed initiatives with the company's CSR objectives and regulatory requirements.

12. Implementation of CSR Activities:

- The Company shall undertake and implement CSR activities either directly or through a registered public trust, registered society or a section 8 company under the Companies Act, 2013, as may be specified in Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.
- The implementing agencies, who intend to undertake any CSR activity shall register themselves with the Central Government and obtain a unique CSR Registration Number, wherever applicable.
- The CSR activities to be undertaken by the Company under the Policy shall be approved by way of Annual CSR Action Plan by the Board on the recommendation of the CSR Committee.

13. Monitoring of CSR Activities:

- The CSR Committee shall review and monitor the CSR activities and CSR Annual Action Plan once in a financial year.
- The Board shall review the status of implementation and fund utilization of the various projects and programmes as per the approved CSR Plan once in a year.
- For the Board to satisfy that the disbursed CSR Funds have been utilized for its intended use, the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- The CSR activities will be effectively and objectively monitored using appropriate monitoring tools that may include one or more of the third-party audit(s) or certification(s), impact assessment(s), self-assessment report(s), field visit(s), periodical review(s) or any other appropriate mechanism.

14. CSR Reporting:

- The CSR initiatives / projects of the Company shall also be reported every year in the Annual Report of the Company in the format prescribed under the Companies Act, 2013.
- The Company shall undertake impact assessment if the CSR obligation is Rs. 10 crore or more in pursuance of Section 135 (5) of the Act in the three immediately preceding financial years or any other limit as may be amended from time to time through an independent agency. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

15. Disclosures:

- Annual report on CSR Activities shall be included in the Board's Report forming part of Company's Annual Report.
- The composition of the CSR Committee, CSR Policy and Projects approved by the Board shall be displayed on the website of the Company at www.zimlab.in.

16. General:

- The CSR Policy would be subject to revision/amendment/substitute in accordance with the guidelines and as and when required or as may be prescribed under the Act.
- The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy as and when required.
- The power to interpret and administer the Policy shall rest with the Chairperson of the CSR Committee whose decision shall be final and binding. The Chairperson is also empowered to make any supplementary rules/orders to ensure effective implementation of the Policy. These will, however, be reported to or tabled before the CSR Committee of the Board, from time to time, to ensure CSR Committee's oversight on these issues.
- Any questions and clarifications relating to this Policy should be addressed to the Company Secretary at cs@zimlab.in