

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY – ZIM LABORATORIES LIMITED**

Approved by the Corporate Social Responsibility Committee (CSR Committee) on 09.12.2014

### **Policy Framework**

On 29 August, 2013, the President of India provided assent to the Companies Act, 2013 (the Act).

Section 135 of the Act, which stipulates the provisions relating to Corporate Social Responsibilities for companies, was notified on 27 February, 2014 and became effective on 1 April, 2014 with the implementation of the CSR Provisions. ZIM Laboratories Limited (ZIM Laboratories or the Company) falls within the scope of the aforesaid CSR Provisions.

### **Policy Statement**

The CSR policy of ZIM Laboratories Limited (the Company) encompasses the Company's philosophy towards Corporate Social Responsibility and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large.

The CSR policy has been formulated with the following objectives:

1. **Serving the community:** Giving back to the community and addressing their needs is a key priority for the Company. The Company believes that the progress of the local community should go hand in hand with the growth of the Company. The Company therefore intends to concentrate on the communities immediately around its areas of operation and support their upliftment.
2. **Focus on quality:** The Company believes in delivering high-quality support to meet the needs of the community.
3. **Leveraging resources:** Leveraging the Company's internal resources such as research, marketing, financial, human resources and products to maximize impact in social initiatives.

### **CSR Governance**

The Committee members (hereinafter referred to as the CSR Committee) of ZIM Laboratories Limited has decided to adopt a CSR policy that will comply with the objectives and requirement set both, in Section 135 of the Companies Act, 2013 (hereinafter referred to as the Act) and Rules notified thereunder. The Company intends to be a significant and durable contributor to the CSR initiative in India.

The Company has, in compliance with the CSR Provisions, constituted, the CSR Committee comprising following Directors:

1. **Dr Anwar Siraj Daud, Chairman**
2. **Mr Zulfiqar M Kamal, Member**
3. **Mr Raghav Kapoor, Member**
4. **Mr Suprakash Chakravarty, Member**

The terms of reference of the CSR Committee shall include the following:

1. To identify the Corporate Social Responsibility projects/activities/ programmes to be undertaken by the Company (CSR activities), in alignment with Schedule VII of the Act.
2. To formulate the Corporate Social Responsibility Policy (CSR Policy) *inter alia*, to include the CSR activities, specify the modalities of execution and the implementation schedules.
3. To recommend to the Board of Directors the amount of expenditure to be incurred on the CSR activities, for each financial year of the Company.
4. To devise a suitable and transparent mechanism for monitoring progress/ status of implementation of the CSR activities.
5. To monitor CSR Policy from time to time and revise the same as and when needed.
6. To carry out, from time to time, such other functions as may be prescribed by the Act or CSR Rules or as may be delegated by the Board.

#### **Core CSR areas identified by the Company for CSR (CSR Areas)**

Section 135 of the Companies Act, 2013 and Rules made thereunder stipulates that the CSR Projects must fall within the purview of Schedule VII of the Act.

In accordance with the statutory requirements and keeping the Company philosophy as a priority, the CSR Committee identified the following thrust areas in line with our CSR goals:

- 1) Major projects to be implemented in phases, in a period of 5 to 10 years, within the purview of Schedule VII.**
- 2) Sanitation and water supply.**
- 3) Educational and vocational skill development activities.**
- 4) Contribution to other organizations engaged in activities covered under notified CSR projects.**

#### **Budget Allocation**

- 1. The Company will allocate a minimum 2 per cent of the average net profits for the preceding three financial years in order to achieve its CSR objectives through spending in CSR. CSR Projects will be identified by the Company and approved by the CSR Committee.**
- 2. Proposals received from various agencies such as NGOs/Govt/Semi-Govt/Peoples' representatives/Trusts/Societies/CPSEs/in-house (Executing Partners) meeting the prescribed criteria under the Companies Act, 2013 and Rules made thereunder, shall be**

evaluated by the CSR Committee and amount as agreed by the CSR Committee, out of the annual budget, will be allocated for such activities which shall be executed in project mode.

3. Any surplus/benefit arising out of the approved CSR Projects will be allocated to CSR Projects only. The Company will ensure that any surplus/benefit, if any arising out of the CSR Projects shall not form part of the business profits of the Company.

### **Monitoring Mechanism**

For ensuring effective implementation of each of the CSR Projects, suitable monitoring mechanism will be put in place by the CSR committee.

### **Communication and reporting**

The CSR programme details would be communicated in the public domain through the annual report in the reporting format as mandated by Section 135 of the Companies Act, 2013.