

CORPORATE SOCIAL RESPONSIBILITY POLICY (“CSR POLICY”)

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1. INTRODUCTION

The objective of Corporate Social Responsibility (CSR) is to benefit the society by improving the quality of individuals, their families and local community at large.

This Policy is effective from 13th November, 2024, as amended from time to time.

2. VISION

Ambey Laboratories Limited (hereinafter to be referred as "the Company" or "Ambey") through its CSR activities intends to participate in the overall development of the society and encourage alignment with Social Development Goals (SDGs) related to gender sensitivity, skill enhancement, entrepreneurship development, research in education, Hygiene & Water etc.

This policy lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of the community at large. The Company's CSR policy has been framed in accordance with Section 135 of the Companies Act, 2013 and the rules framed thereunder. This Policy covers all the internal dimensions of the CSR structure and further captures and sets out the process of implementation of the CSR related activities.

3. SCOPE

This Policy shall apply to all the CSR initiatives and activities taken by the Company in India, whether such project is executed in collaboration with any other company or on its own.

4. DEFINITIONS

- (a) **"Act"** means Companies Act, 2013 including any statutory modification or re-enactment thereof.
- (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 program.
- (c) **"Board"** means Board of Directors of the Company.
- (d) **"Corporate Social Responsibility" (CSR)** means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the CSR Rules, but shall not include the following, namely:
 - (i) activities undertaken in pursuance of normal course of business of the Company.
 - (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 Company 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.
- (e) **“CSR Rules”** means the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments thereon.
- (f) **“Chairperson”** means Chairperson of the Board.
- (g) **“CSR Committee”** means Corporate Social Responsibility Committee of the Company constituted by the Board, if any.
- (h) **“CSR Policy/ Policy”** means Corporate Social Responsibility Policy of the Company.
- (i) **“CSR Activities”** means the activities to be undertaken by the Company in areas or subject specified in Schedule VII to the Act and specified under this Policy.
- (j) **“Employee”** means employee of the Company (whether working in India or abroad).
- (k) **“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.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act or the Rules made thereunder, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

5. APPROACH

The approach of CSR will be revolving around the principles of honesty, focus upon impact, strengthening the relationship between communities and companies, employee engagement, innovation, team building, transparency and accountability with a holistic approach for development.

6. CSR PROGRAMS AND PROJECTS

The Company will carry on its CSR activities in areas or subjects as prescribed under Schedule VII of the Act, as amended from time to time. An illustrative list of such areas or subjects is outlined below:

- 6.1 Eradicating hunger, poverty, 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.
- 6.2 Promoting education, including special education and employment enhancing vocation skills, especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- 6.3 Promoting gender equality empowering women, setting up homes and hostels for women and orphans; setting up old age homes, daycare centers, and other facilities for senior citizens, and

measures for reducing inequalities faced by socially and economically backward groups.

- 6.4 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 the Central Government for rejuvenation of river Ganga.
- 6.5 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 arts and handicrafts.
- 6.6 Measures for the benefit of armed forces veterans, war widows, and their dependents; Central Armed Police Forces (CAPF) and Central Paramilitary Forces (CPMF) veterans, and their dependents including widows Measures for the benefit of Armed Force veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Force (CPMF) veterans, and their dependents including widows.
- 6.7 training to promote rural sports, nationally recognized sports, Paralympic sports, and Olympic sports.
- 6.8 contribution to the Prime Minister's National Relief Fund or any other fund including Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities, and women.
- 6.9 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.
- 6.10 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 Defence 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).
- 6.11 Rural development projects.
- 6.12 Slum area development (the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force)
- 6.13 Disaster management, including relief, rehabilitation, and reconstruction activities.
- 6.14 Any other activity as may be specified under the Act or the CSR Rules from time to time.

The Company's CSR projects and programs will be undertaken by the Company either by itself or jointly with other organizations.

The Company encourages its employees, their family and friends, civic organizations, and volunteers to participate in its CSR Project activities.

The CSR projects and programs may also be implemented through registered public charitable trusts or a registered society, registered under Sections 12A and 80G of the Income Tax Act, 1961, companies established under Section 8 of the Act (corresponding to Section 25 of the Companies Act, 1956) and/or through any implementing entity as permitted under the Act and CSR Rules.

7. GOVERNING BODY

The Company's programs and projects for CSR will be governed by the Board of the Company.

The responsibilities of the Board are outlined below:

- a) formulate and recommend, a CSR Policy which shall indicate the activities to be undertaken by the Company in the areas or subjects, specified in Schedule VII of the Act.
- b) recommend the amount of expenditure to be incurred on the activities referred to in clause 7(a).
- c) monitor the CSR Policy from time to time.
- d) formulate and recommend an annual action plan, which shall include the following, namely: -
 - the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
 - the manner of execution of such projects or programs as specified in sub-rule (1) of Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.
 - the modalities of utilization of funds and implementation schedules for the projects or programs.
 - monitoring and reporting mechanisms for the projects or programs; and,
 - details of need and impact assessment, if any, for the projects undertaken by the Company.
- e) implement, oversee, and monitor the progress of the project or activity rolled out under this Policy.
- f) provide regular updates on the CSR activities undertaken during the financial year; and,
- g) such other functions and responsibilities, as may be assigned from time to time.

8. FINANCIAL OUTLAY FOR CSR ACTIVITIES

Every year, the Board will make a budgetary allocation for CSR activities/projects for the year. The budgetary allocation will be based on the CSR obligation of the Company for that financial year arrived in the manner provided under the Act.

The Company shall strive to spend the budgeted amount allocated for CSR activities/projects planned for each financial year, within that year. If for any reason, any of the provisioned annual budget remains unutilized, the same will not lapse and will be treated in the following manner:

- I. In case of an Ongoing Project, the unspent amount shall be transferred to an account i.e., 'Unspent CSR Account' within 30 days of the end of the financial year, or within such other period as may be specified in the Act or CSR Rules from time to time, and such sum shall be spent during the next three financial years from the date of transfer, in the manner prescribed under the Act read with CSR Rules, failing which, the Company shall treat the unspent amount in the manner prescribed under the Act read with CSR Rules.
- II. In case of activities/projects other than Ongoing Project, the same shall be transferred to funds specified in Schedule VII of the Act, or any such other fund(s) as may be specified under the Act or CSR Rules, within 6 months of the close of the financial year or within such other time as may be specified from time to time.

Any surplus arising out of the CSR activities, projects, or programs shall not form part of the business profits of the Company and shall be treated in the following manner:

- a. ploughed back into the same project; or
- b. shall be transferred to the Unspent CSR Account (if any) opened by the Company, from which the said amount shall be spent in pursuance of CSR policy and annual action plan of the Company; or
- c. such surplus will be transferred to a Fund specified in Schedule VII of the Act, within six months of the expiry of the financial year.

The Board may during any financial year, approve to undertake CSR expenditure beyond the CSR obligation for that particular financial year. Such excess CSR spend shall be carried forward for set off against the CSR obligation of the Company for the next three consecutive financial years in the manner decided by the Board in compliance with the provisions of the Act and the Rules.

9. PROJECT IMPLEMENTATION

Every year, the Board shall formulate, recommend and approve an annual action plan of the CSR projects to be undertaken. The annual action plan shall include the following broad parameters or such other matters as may be required by the Act or Board:

- i. the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
- ii. the manner of execution of such projects or programs as specified in the CSR Rules.
- iii. the modalities of utilization of funds and implementation schedules for the projects or programs.
- iv. monitoring and reporting mechanisms for the projects or programs; and;
- v. Details of need and impact assessment, if any, for the projects undertaken by the Company.

Provided that the Board may alter such plan at any time during the financial year, based on the reasonable justification to that effect.

- vi. Ongoing Project(s) will be broken up into annual targets and activities to be implemented sequentially yearly, and the budget would have to be allocated for the implementation of these activities and achievement of targets set for each successive year, till the completion of the project.

In the event an external agency is engaged for the CSR initiatives of the Company, the following broad parameters shall be considered while appointing any external agency:

- Legally authorized to undertake CSR activities.
- Confirmation of the ethical and clean track record of the agency.
- Agency having a track record of at least three years of working in CSR areas.
- duly registered under Sections 80G and 12A of the Income Tax Act.
- Has obtained a Unique CSR Registration Number from the Ministry of Corporate Affairs.
- The agency shall have the requisite systems and processes in place for monitoring and reporting.
- Such other conditions as may be decided by the Board from time to time.

The Board shall ensure that the Administrative Overheads shall not exceed such percentage of the total CSR expenditure of the Company as prescribed and notified in the Act read with CSR Rules.

10. MONITORING

- a. The Company recognizes that regular and robust monitoring is critical for CSR projects.
- b. Implementation and monitoring of the CSR activities and projects will be overseen by the Board.
- c. Monitoring is to be done periodically on key performance indicators- timelines, utilization of funds, targets, qualitative and quantitative impact, etc. depending on the nature and need of the CSR project.
- d. Continuous feedback mechanism plays a pivotal role in monitoring to plan out the mid-course correction in implementation, whenever required.
- e. If the projects are being implemented by an implementation agency, the board may designate special executives for monitoring the CSR projects.
- f. The monitoring and evaluation may also be assigned by the Board to an independent external agency for the sake of objectivity and transparency. The periodic report concerning the status of CSR activities should be submitted to the Board.
- g. The Board may also undertake a study to assess the impact caused by the CSR activities of the Company. For the said purpose, the Board may designate special executives for this purpose or avail the services of specialized agencies.
- h. In case the Company's average CSR expenditure obligation is ten crore rupees or more, in the three immediately preceding financial years, the Company shall mandatorily undertake an impact assessment, through an independent agency, of their CSR projects or activities having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

11. EMPLOYEE VOLUNTEERISM

The Company provides opportunities to its employees to participate in projects and programs undertaken in the social development sector. Participation in CSR initiatives by employees is voluntary and employees may choose activities they wish to participate in. The Company also encourages family and friends of the employees to participate in CSR activities. Apart from this, employees are encouraged to identify the social development area, and the Board can take the recommendations ahead as per the process and in consonance with statutory norms.

12. ACCOUNTING AND AUDITING

The Company will follow the accounting and auditing Guiding note/standards duly approved/laid down by the Ministry of Corporate Affairs in India or by the prescribed regulatory authority and for other geographies, it will be aligned to local requirements and compliances.

13. DISCLOSURE

The Company will comply with all the statutory guidelines, issued on the subject ensuring that it makes full disclosure of its CSR activities in the Annual Report as mentioned in the Act/ Rules. The Company's engagement in this domain shall be disseminated on its website, annual reports, and/or its in-house journals as and when deemed fit. The Company shall disclose the CSR Policy, and the Projects approved by the Board on its website. CSR annexure in the Annual Report, web link of the Policy along with salient features of the Policy, and details of change (if any) during the financial year, shall be disclosed in the Board's report.

14. REVIEW AND AMENDMENT OF THE POLICY

The Board shall review and amend the CSR Policy from time-based on the changing needs and make suitable modifications as may be necessary. In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

Date: 13th November, 2024



Chairman