

ZERO MASS PRIVATE LIMITED

**POLICY ON
CORPORATE SOCIAL RESPONSIBILITY (CSR)**
(Revised On 29.06.2022)

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1. Why CSR

Corporate Social Responsibility (CSR) is a company's commitment to operating in a way that is mindful of its impact on the ecological, physical, and social environments. As a self-regulating business strategy, CSR helps companies align their economic, environmental, and social goals with their business activities and development. This approach encourages organizations to embrace responsible practices, ultimately benefiting the environment, communities, and society at large.

2. Preamble

The Zero Mass Private Limited (hereby referred to as 'The Company') Corporate Social Responsibility Policy (hereby referred to as 'The CSR Policy') has been developed in accordance with Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 (hereby collectively referred to as the 'Act' in this CSR Policy document) notified by the Ministry of Corporate Affairs, Government of India.

3. Objective of the Policy

3.1 The objectives of this Policy are to continuously and consistently:

- (i) Articulate the Company's core philosophy of CSR;
- (ii) Outline the Board's vision and approach for undertaking CSR activities and creating impact in the communities;
- (iii) Define and lay down the guiding principles and strategies for implementing Company's CSR initiatives;
- (iv) Establish boundaries for acceptable behavior and guidelines for best practices in CSR related initiatives as applicable;

4. Definitions

4.1 In this Policy, unless the context otherwise requires:

- (i) 'Board' shall mean the "Board of Directors" of Zero Mass Private Limited.
- (ii) 'CSR Activities' shall mean the projects and / or programmes undertaken by the Company either directly or indirectly pursuant to Applicable Laws in accordance with this Policy.
- (iii) 'Corporate Social Responsibility' means Corporate Social Responsibility as defined in Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

(iv) 'Ongoing Project' means a multi-year project undertaken by a Company in fulfillment 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.

(v) "Implementation Agency/ies" means any other trust, society or company or any entity established under an Act of parliament or a state legislature or any other agency which is eligible to undertake CSR Activities, on behalf of the Company in compliance with the Applicable Laws.

(vi) 'Rules' means Companies (Corporate Social Responsibility Policy) Rules, 2014, or any other rules prescribed under section 135 of the Act and pertaining to CSR, as may be amended and prescribed, from time to time.

4.2 Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and/or Rules.

5. Corporate Social Responsibility (CSR) Committee

As per Section 135(1) of the Companies Act, 2013, any company having:

- A net worth of Rs. 500 crore or more,
- A turnover of Rs. 1000 crore or more, or
- A net profit of Rs. 5 crore or more during the immediately preceding financial year,

is required to constitute a Corporate Social Responsibility (CSR) Committee of the Board. The CSR Committee must consist of at least three directors, including at least one independent director.

Exemption under Companies (Amendment) Act, 2020:

However, as per the Companies (Amendment) Act, 2020 (Notification dated 28th September, 2020), and in accordance with Section 135(9) of the Companies Act, 2013, if the amount a company is required to spend on CSR under Section 135(5) does not exceed fifty lakh rupees, the requirement to constitute a CSR Committee is waived. In such cases, the functions of the CSR Committee, as prescribed in the Act, will be discharged by the Board of Directors.

Since the amount to be spent by our company under Section 135(5) does not exceed fifty lakh rupees, we are exempt from the requirement to constitute a CSR Committee. Therefore, the Board of Directors will be empowered to make decisions, including changes to the CSR policy, which would otherwise be handled by the CSR Committee.

This provision ensures that the Board takes the necessary decisions and ensures compliance with the CSR requirements without the need for a separate CSR Committee.

6. Focus Areas

The Company shall undertake CSR Projects / Programs that are aligned with areas listed in Schedule VII of the Act, within the geographical limits of India, for the benefit of marginalized, disadvantaged and underserved sections of the community and the environment.

The detailed list of CSR Projects should be within the scope of the following activities:

- i. 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;
- 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, 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 the Clean Ganga Fund set--up by the 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 arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- viii. Contribution to the Prime Minister's National Relief Fund or any other 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;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural development projects;
- xi. Slum area development (Amendment Notification dated 6th August 2014)
- xii. Such other activities as may be specified under the Act or CSR Rules from time to time.

7. CSR Expenditure

7.1 Every year the Company shall spend at least 2% of its average net profit as defined under the Rules (“CSR obligation”) during the three immediately preceding financial years, on the CSR Activities in pursuance of its Corporate Social Responsibility Policy.

7.2 The Company shall consider any administrative costs in meeting its CSR obligation, provided that, such costs shall not exceed the cap as prescribed under Applicable Laws.

7.3 Any amount remaining unspent at the end of the financial year, 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.

7.4 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 any scheduled bank to be called the ‘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 to be specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year.

7.5 Any surplus arising out of CSR Activities shall not form part of the business profits of the Company and shall be utilized towards the eligible CSR Activities in accordance with Applicable Laws.

8. CSR Implementation

- I. The company may conduct CSR programs by itself and/or through registered trusts, societies and/or section 8 companies with an established track record carrying on activities in the related areas or as suggested by the Ministry of Corporate Affairs vide circulars / notification.
- II. The company may collaborate or pool resources with other companies to undertake CSR activities and may expenditure incurred on such collaborative efforts would qualify for computing the CSR spending.

9. CSR Reporting:

The Company shall annex with its Board Report an annual report on CSR in format as prescribed under CSR Rules. The CSR Committee to prepare report that are required to be placed before the Board. The format of the Report shall be the format prescribed under the CSR Rule

10. Amendments to the CSR Policy

- I. CSR committee will review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications as may be necessary.
- II. CSR policy may be updated to align it with changing requirement or changes in the legal and regulatory framework. Any revision in the policy shall be approved by the Board of Directors.

11. Website:

This Policy shall be disclosed on the website of the Company

For Zero Mass Private Limited

Sd/-

Lokanath Panda

Whole -Time Director
