

**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

*Pursuant to Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021*

(MCA Notification dated 22<sup>nd</sup> January, 2021)

**ESSAI EDUCATION SERVICES PRIVATE LIMITED**

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## **1. PREAMBLE**

Essai Education Services Private Limited ('the Company') through the recommendations made by the Corporate Social Responsibility Committee ('CSR Committee') has developed a Corporate Social Responsibility Policy (hereinafter to be referred as 'CSR Policy') in alignment with its objective, principles, and values, for delineating its responsibility as a socially and environmentally responsible corporate citizen. The Policy lays down the principles and mechanisms for undertaking various programs in accordance with Section 135 of the Companies Act 2013.

It is the Company's philosophy, firm belief and intent to effectively implement CSR and make a positive difference to society. It recognizes that it cannot do it all; so that if there are choices to be made, bias will be towards doing fewer projects with better outcomes and good impact and will focus initiatives on communities in which the Company lives, operates and particularly forming community whose development is the basic mission of the Company.

This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014, Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time.

## **2. DEFINITIONS**

- a) "Act" means the Companies Act, 2013 (18 of 2013);
- 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) "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 these rules, 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;

d) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

e) "CSR Policy" means a statement containing the approach and direction given by the board of a company, considering 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.

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.

Words and expressions used and not defined in this policy but defined in the Act and/or rules shall have the same meanings respectively assigned to them in the Act or rules.

### **3. SCOPE AND APPLICABILITY**

This policy shall be applicable to all CSR initiatives and activities undertaken by Essai Education Services Private Limited either directly or through entities as mentioned in rule 4 of the Companies (Corporate Social Responsibility) Amendment Rules, 2019 for the benefit of different segments of the society.

#### **4. OBJECTIVE OF CSR POLICY**

The objective of this policy is to continuously and consistently:

- a. Recognize and frame the segments the Company shall chase towards achieving its CSR objectives.
- b. Formulate the modus operandi of the CSR activities and implementation of the processes.
- c. Initiate projects that benefit communities
- d. Encourage an increased commitment from employees towards CSR activities and volunteering.
- e. Generate goodwill in communities where the company operates or are likely to operate.

#### **5. GOVERNANCE STRUCTURE**

Section 135 of Companies Act, 2013 mandates every company having a net worth of Rs. 500 Crore or more or turnover of Rs. 1,000 Crore or more or net profit of Rs. 5 Crore or more during the immediately preceding financial year to constitute a Corporate Social Responsibility (CSR) Committee.

The CSR Committee of the Board is responsible to formulate and recommend CSR Policy indicating the activities falling within the purview of Schedule VII to the Companies Act, 2013, to be undertaken by the Company, to recommend the amount to be spent on CSR activities and to monitor the CSR Policy periodically. The CSR Committee will be supported by the identified volunteers from the employees made up of cross-functional team, for implementation of the approved projects.

##### **CSR Committee:**

The CSR Committee of the Board of Directors comprises of the following Members:

1. Kabir Singh Juneja, Director and
2. Patmanadhan Bhuvaneshwari, Director.

#### **6. RESPONSIBILITIES OF THE CSR COMMITTEE:**

The responsibilities of the CSR committee include.

- a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Companies Act, 2013.
- b. Recommend the amount of CSR expenditure to be incurred on the activities referred to in clause (i) above.

- c. Monitor the Corporate Social Responsibility Policy of the company from time to time including monitoring the progress of projects or programs against which CSR expenditure is contributed.
- d. Ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the Company.
- e. Give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

## 7. PRINCIPLES OF SELECTION OF POLICY

The Company believes that the actions of the organization and its community are highly interdependent. The Company strives to become an asset in the communities where it operates. As part of the CSR program, the Company actively implements the projects and initiatives for the betterment of society, communities, and the environment. Its support to any project will depend on the scale of the project and feasibility of the project.

While identifying the projects all efforts must be made to the extent possible to define the following:

- a. Project objectives.
- b. Baseline survey – it would give the basis on which the outcome of the Project would be measured.
- c. Implementation schedules- Timelines for milestones of the Project will need to be prescribed.
- d. Responsibilities and authorities.
- f. Major results expected and measurable outcome.

## 8. FOCUS AREAS/GOALS

Sr.No	Goal Area	Projects/Actions/Activities
1	Healthcare	The Company will work with organizations working in providing medical or health related projects such as Health and Sanitation Development programs, medical camps, Old age home etc
2	Development of art and culture.	The Company will work with organizations working in 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  To sponsor art exhibition and few cultural activities, partnering with NGOs (registered trusts)
3	Underprivileged Children Education.	Support for Underprivileged Child Education

		<p>Scholarships for Children to admit them in good schools.</p> <p>If in day school, support children with post school activities and coaching</p> <p>Employees of the Company can also engage in helping children in activities, counselling, and coaching.</p>
<b>4</b>	<b>Contribution/Financial Assistance.</b>	Contribution to 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 Scheduled Castes, the Scheduled Tribes, other backward classes, minorities, and women;
<b>5</b>	<b>Promoting Employment Enhancing Vocational Skills.</b>	<p>Contribute to workforce productivity through academic, Employment training and extension programs.</p> <p>('It is clarified that any programmes, including financial education programmes run by the Company under this focus area shall be to enhance the employability and productivity of general public.')</p> <p>Support job placement and career progression</p> <p>Imparting vocational skills to impoverished and unemployed Youth</p>

## 9. IMPLEMENTATION

(1) CSR Projects will be undertaken based on the recommendation of the CSR Committee to the best possible extent, within the defined Focus / Thrust Areas.

(2) 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.

(3) Every entity, covered above, 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 and obtain a unique CSR Registration Number: Provided that the provisions of this sub-rule shall not affect the CSR projects or programmes approved prior to the 01st day of April 2021.

(4) The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per the CSR policy as well as for capacity building of their own personnel for CSR.

(5) The 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 these rules.

(6) The Board shall satisfy itself/ or be satisfied 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, in the absence of the Chief Financial Officer shall certify to the effect.

(7) The CSR Committee shall provide guidance on the allocation of the CSR budget among the thrust areas on an annual basis.

(8) In case of ongoing project, the Board 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.

## **10. MONITORING PROCESS OF CSR ACTIVITIES**

- a. To ensure effective implementation of the CSR activity at each location, a monitoring mechanism will be put in place by the CSR Committee.
- b. Annual action plan will be formulated by the CSR Committee with respect to the CSR projects undertaken by the Company.
- c. Any other donations will be cleared / signed off by any one of the CSR Committee member.
- d. The CSR Committee will monitor and review on a periodical basis the progress of CSR activities undertaken / completed.
- e. To ensure transparency and communication with all stakeholders, the CSR Committee will document the details of the Company's CSR initiatives, CSR expenditure, CSR unspent amount and ensure that the same are reported in the Annual Report on CSR Activities forming part of Board's Report of the Company.

## **11. ANNUAL ACTION PLAN**

The Annual action plan will be formulated by the CSR Committee. The annual action plan in pursuance of its CSR policy, shall include the following, namely: -



- a. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
- b. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4.
- c. the modalities of utilisation of funds and implementation schedules for the projects or programmes.
- d. monitoring and reporting mechanism for the projects or programmes; and
- e. details of need and impact assessment, if any, for the projects undertaken by the company:

The CSR Committee may alter such plan at any time during the financial year.

## **12. BUDGET, ALLOCATION AND CSR EXPENDITURE**

- a. For achieving the CSR objectives through implementation of meaningful and sustainable CSR Projects, the CSR Committee will allocate for its Annual CSR Budget, 2% or more of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with the relevant provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- b. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- c. Any surplus arising out of the CSR activities shall not form part of the business profit of the company and 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.
- d. Any amount remaining unspent pursuant to any ongoing project, undertaken by the company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of 30 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.
- e. In case the company spends an amount in excess of at least 2% of the average net profits of the Company made during the three immediately preceding years (as per sub-section (5) of section 135), such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 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-rule (2) of Rule 7 of the Companies (Corporate Social Responsibility) Amendment Rules, 2021.

- (ii) the Board of the company shall pass a resolution to that effect.
- e. The CSR amount may be spent by the company for creation or acquisition of a capital asset, which shall be held by –
  - 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
  - beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or 10
  - a public authority:

Provided that if any capital asset created by the 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.

### **13. CSR REPORTING AND DISCLOSURE**

#### **a. Annual Report on CSR**

Annual Report on CSR shall form part of the Board's Report

#### **b. Impact Assessment**

- i. In case the company has an average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, 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.
  - ii. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
  - iii. In case the company undertakes an impact assessment, then it 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.
- c. Disclosure shall mandatorily disclose the composition of the CSR Committee, CSR Policy and Projects approved by the Board on its website for public access.

### **14. TRANSFER OF UNSPENT CSR AMOUNT**

Until a fund is specified in Schedule VII for the purposes of subsection (5) and (6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act.

### **15. EFFECTIVE DATE**

This policy shall be effective from 01st April, 2023

## 16. CONTACT

For queries related to CSR policy, please contact  
**[finance@essai.in](mailto:finance@essai.in)**