



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

INTRODUCTION AND OBJECTIVES

Zee Learn Limited (ZLL), a part of Essel Group, is a leading education company, founded with the purpose of 'Improving Human Capital'. The company has contributed in the field of education across age groups, all the while maintaining its core values of integrity, ownership, leadership, trust and continuous learning. We believe that every child has a unique and infinite potential and we are committed to help children realize their capabilities.

At ZLL, we believe that a business cannot succeed in a society that fails and therefore it is imperative for business houses to invest in the future by taking part in social building activities. The said policy is in line with the requirements of Section 135 of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY (CSR) PHILOSOPHY

Our approach to CSR is built on creating sustainable programs that actively contribute and support the social and economic development of the communities in which we operate. CSR for ZLL is beyond its own immediate business interests to make positive difference. At ZLL we are:

- 1) Committed to promoting the principle of inclusive growth and equitable development.
- 2) Committed to carry out our business activities respecting the cultures and practices of each region we operate in and proactively engage in activities that contribute to society as a good corporate citizen.
- 3) Committed to invest in our community development by empowering women and children (especially girl child) by providing respective skills and education.
- 4) Committed to engage and work actively in areas of promoting education and providing healthcare.

DEFINITIONS

"Act" means The Companies Act, 2013, and/or statutory modification thereof and 'Section' shall mean the section of the said Act.

"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;

"Areas of Interest" means the areas of interest as identified by The Company for implementing CSR goals and shall include the areas specified in this CSR Policy and shall include all CSR Activities as defined under the Act and CSR Rules from time to time.

"Company and/or The Company" means Zee Learn Limited

“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;

(vi) **“CSR Policy”** means a statement containing the approach and direction given by the board of a company, taking into account 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;

(vii) **“CSR Committee”** means Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Companies Act, 2013.

(viii) **“CSR Rules”** means The Companies (Corporate Social Responsibility) Rules, 2014, as amended and modified from time to time.

(ix) **“Funding”** shall mean the disbursements that are to be made to an Organization pursuant to this CSR Policy, and in accordance with the Act and Rules.

(x) **“International Organization”** means an organization notified by the Central Government as an international organization under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;

(xi) "**Net profit**" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -

- (a) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
- (b) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;

"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;

"Public Authority" means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);

"Net-worth means" an aggregate value of the paid-up capital and all reserves created out of the net profits and securities premium account minus the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written-off.

Following is excluded from computations of net worth:

- (a) Reserve created out of revaluation of assets;
- (b) Reserves out of write back of depreciation;
- (c) Reserve created out of amalgamation. (Section 2(57) of the Act)

"Turnover" means an aggregate value of realization of amount made from the sale, supply or distribution of goods or on account of service rendered or both, by the company during the financial year.

CONSTITUTION, COMPOSITION AND SCOPE OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Constitution and composition of the CSR Committee:

The CSR committee consist of 3 Members of the Board including 1 Independent Director and the members of the Committee shall elect one of them as the Chairman of the Committee.

The CSR Committee shall recommend to the Board the amount of expenditure to be incurred by the Company on CSR activities and the Board will ensure that the activities as are included in the CSR Policy are undertaken by the Company subject to and in accordance with the provisions of section 135 of the Companies Act, 2013.

Quorum of the CSR Committee:

The quorum for a meeting of the Committee on CSR shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one), or two members, whichever is higher.

Invitees to the CSR Committee:

The CSR Committee may, at its discretion, invite employees of The Company from time to time to participate in the meetings of the CSR Committee and assist the CSR Committee in the implementation of the CSR Policy.

Role of CSR Committee:

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which 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:

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

Meeting & decision of the CSR Committees:

- a. The CSR Committee shall meet as frequently as it determines necessary but at least once annually.
- b. The CSR Committee shall maintain minutes of each of its meetings.
- c. The CSR Committee shall review proposed projects and make recommendations to the Board for approval of such projects and allocation of Funding in accordance with the Act.
- d. The final decision with regards to the acceptance or rejection of a CSR Proposal shall be with the Board.

CSR Budget:

CSR Committee will recommend the annual budgeted expenditure project wise to the Board for its consideration and approval.

Sitting Fees:

The Sitting Fees for attending the meeting shall be determined by the Board of Directors.

FOCUS AREAS

ZLL is to undertake multiple initiatives focusing on bringing about inclusive social development which contributes towards realization of its corporate social responsibility vision. ZLL's CSR strategy is focused on four broad areas of activity that addresses the social problems and needs of multiple target groups of the society in a holistic and sustainable manner mainly viz. Promoting Education, Health Care, Women's Empowerment and Sports.

Education: Our primary focus is based on the belief that every child has the ability to learn, and excel in any field of their interest. Opportunities coupled with access to quality academic and professional education among deserving, vulnerable and meritorious students can shape their successful careers and future. ZLL in collaboration with local communities and partner organization(s) shall focus to address literacy and gender equality in education. The Company proposes to support all the areas of Education including but not limited to pre-primary, primary, secondary, higher secondary & higher education, Adult literacy, vocational & skilling.

Health Care: The Company proposes to partner with NGOs and other self-help groups to promote awareness, enable access and affordability in availing health care services.

Women's Empowerment: Status of women in the society or country at large is reflected in the Progress and development that the society or a nation has achieved. ZLL shall support activities contributing to gender equality, socio-economic empowerment of the women and bring awareness programs on anti-social issues.

Sports: Sports today is an integral part of holistic development of the human personality and excellence in sports is also associated with national prestige and morale. Therefore, ZLL shall support talent in youth.

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES, PLANNING & IMPLEMENTATION AND EXPENDITURE

The Company shall upon the recommendation of its CSR Committee and with necessary approval of the Board, can undertake any of the following activities, as part of its Corporate Social Responsibility initiatives, which are defined in Schedule VII of the Companies Act 2013;

Areas of CSR Activities / initiatives:

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach 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 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 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 Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

Contribution to any fund set up by state govt. or any local govt. does not include in point (viii) above.

(ix) (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; 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 Defense 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).

(x) Rural development projects

(xi) Slum area development.

(xii) Disaster management, including relief, rehabilitation and reconstruction activities.

Provided that, the CSR projects and programs or activities that benefit only to the employees of the Company and their relatives shall not be considered as CSR activities.

The Company may update the above list as per Section 135 and Schedule VII of the Act as amended from time to time.

CSR Planning & Implementation:

1. 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.

The Company shall implement Corporate Social Responsibility activities / initiatives as per point (a) to (b) mentioned above or through through a registered trust or a society registered or a company established by the ZLL or it's holding or subsidiary or associates within Essel Group viz., 'Taleem Foundation', 'Gyanmala Public Education Trust,' 'Zee Learn Education Society,' 'Mount Litera Education Foundation,' or in collaboration with trusts, NGOs, academic institutes, self-help groups, autonomous institutions and professional consultancy organizations etc outside the Essel Group..

2. Every entity, covered under sub-rule (1), 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 April 1, 2021.

Provided that the provisions of this sub-rule shall not affect the CSR projects or programmes approved prior to April 1, 2021.

3. A company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

4. A 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.

5. The Board of a company shall satisfy itself 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 shall certify to the effect.

6. In case of ongoing project, the Board of a Company 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.

7. For achieving its CSR Initiatives and Activities through implementation of meaningful & sustainable CSR programs, the Company needs to allocate, in every financial year, at least 2% (two per cent) of the average net profit made by the Company during the three immediately preceding financial years.

The CSR Commitment shall comprise of the following:

- 2% (two percent) of the average Net Profits of The Company for the last 3 (three) financial years;
- Any income arising from the CSR Commitment; and
- Surplus arising out of CSR activities, if any.

CSR Expenditure:

1. The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

2. Any surplus arising out of the CSR activities shall not form part of the business profit of a 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.

3. Where a company spends an amount in excess of requirement provided under 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 this rule.

(ii) the Board of the company shall pass a resolution to that effect.

4. The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall 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 under sub-rule (2) of rule 4; or

(b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

(c) a public authority:

Provided that any capital asset created by a 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.

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.

The list of funds at present specified under Schedule VII are as under:

- Prime Minister's National Relief Fund (PMNRF)
- Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM-CARES Fund)
- Swach Bharat Kosh
- Clean Ganga Fund

Consequence of non-transfer of unspent CSR amount in aforesaid manner:

If the Company is in default in complying with the provisions of sub-section (5) or sub-section (6) of section 135 of the Act, shall be liable to

- To pay penalty twice the amount of twice the amount required to be transferred or Rs. 1 Crore, whichever is less and
- Every officer shall liable to pay penalty of one-tenth of the amount required to be transferred or Rs. 2 lacs, whichever is less

The aforesaid Offence is decriminalized by the Companies (Amendment) Act, 2020

CORPORATE SOCIAL RESPONSIBILITY REPORTING MECHANISM:

Website Disclosure.

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

Reporting in Annual Report.

The Company shall publish its annual report on CSR Activities in its Directors Report in the manner prescribed under the Companies Act 2013 and the CSR Rules, particulars specified in Annexure I or Annexure II, as applicable.

The Annexure II will be applicable to the Company for Financial Year commenced on or After April 1, 2020, in the format as given below:

APPROVAL OF POLICY

This policy is approved by the CSR Committee and the Board on August 13, 2021.