EML CONSULTANCY SERVICES PVT. LTD.

Corporate Identification Number (CIN): U72900DL2011PTC326335

(Trade Name: Servosys Solutions)

POLICY

ON

CORPORATE SOCIAL RESPONSIBILITY (CSR)

EML Consultancy Services Pvt. Ltd.

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1. Preamble

Pursuant to Section 135 of the Companies Act, 2013 (the "Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the "CSR Rules"), and on the recommendation of the Corporate Social Responsibility Committee, the Board of Directors (the "Board") of EML Consultancy Services Pvt. Ltd. (the "Company") has approved this Policy on Corporate Social Responsibility (hereinafter referred to as "CSR Policy" or "Policy").

For EML, CSR is an integral part of its corporate culture, rooted in the organization's core values. The Company is committed to making a meaningful and measurable impact on the lives of economically, physically, and socially challenged communities in India.

Objective of CSR: The Company recognizes the importance of corporate social responsibility in promoting the welfare of the society in which the Company is working. The CSR Policy shall be guided by the Company's corporate vision and the aspiration to be the Company of Choice for Customers, Shareholders, Employees and Community. The primary purpose of the Company's CSR philosophy is to make a meaningful and measurable impact in the lives of economically, physically and socially challenged communities of the Country.

2. Mission, Vision & Goal

Mission: Company carries out its CSR activities through an integrated approach of development of society by focusing on creation of sustainable livelihood, promoting education, health and skills development among the underprivileged and needy sections of the society as well as promoting computer education in schools.

Vision: ''Company shall strive to achieve an image of one of the most respectable and socially responsible corporate entity in the country''

Goal of the company – The goals of the Company include accurately identifying genuine cases of underprivileged and needy persons, help them overcome the challenges faced by them in areas of health, education, employability and continue to enlarge its canvas of CSR in terms of adding new sections of society and new areas where the Company can contribute effectively

3. Definitions

Pursuant to the Act and its rules thereof, unless the context otherwise requires, the following words, expressions, and derivations thereof shall have the meanings assigned to them as under:

a) **"Administrative overheads"** Administrative overheads are the expenses incurred by the company for 'general management and administration' of CSR functions. However, the expenses which are directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or programme, shall not be included in the administrative overheads.
Administrative overheads generally comprise of items such as employee costs, utilities, office supplies, legal expenses, etc. However, expenses which are attributed to the project implementation shall be included in project cost only.
Note: The maximum permissible limit for administrative overheads is five per cent of the total CSR expenditure of the company for the financial year.

b) "Corporate Social Responsibility (CSR)" Rule 2(1)(d) of the Companies (CSR Policy) Rules, 2014

defines CSR and the following activities are specifically excluded from being considered as eligible CSR activity:

(i) activities undertaken in pursuance of normal course of business of the company
(ii) (ii) activities undertaken 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 section 2(k) of the Code on Wages, 2019;

(v) sponsorship activities for deriving marketing benefits for products/services;

(vi) activities for fulfilling statutory obligations under any law in force in India.

c) "CSR Committee" means the Corporate Social Responsibility Committee as constituted by the Board of the Company as referred to in Section 135 of the Act.

d) "Average Net profit" The average net profit for the purpose of determining the spending on CSR activities is to be computed in accordance with the provisions of section 198 of the Act and will also be exclusive of the items given under rule 2(1)(h) of the Companies (CSR Policy) Rules, 2014. Section 198 of the Act specifies certain additions/deletions (adjustments) to be made while calculating the net profit of a company (mainly it excludes capital payments/receipts, income tax, set-off of past losses).

Profit Before Tax (PBT) is used for computation of net profit under section 135 of the Act.

e) "Ongoing Project" Ongoing project has been defined under rule 2(1) (i) of the Companies (CSR Policy) Rules, 2014 as:

(i) a multi-year project, stretching over more than one financial year;
(ii) having a timeline not exceeding three years excluding the year of commencement;
(iii) includes 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.

The project should have commenced within the financial year to be termed as 'ongoing'. The intent is to include a project which has an identifiable commencement and completion dates. After the completion of any ongoing project, the Board of the company is free to design any other project related to operation and maintenance of such completed projects in a manner as may be deemed fit on a case-to-case basis.

Note: The term 'year' refers to financial year as defined in section 2(41) of the Act.

4. Annual Action Plan for CSR Activities

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 of the CSR Rules;

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.

f) Other details, as may be required by the Board.

g) Other details, as may be prescribed under the Act and CSR rules time to time.

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

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5. CSR Expenditure

a) The Board of the Company shall ensure that the Company spends, in every financial year, at least two per cent (2%) of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

b) The Company shall give preference to the local area and areas around it where it operates for spending the amount earmarked for Corporate Social Responsibility activities.

c) The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

d) Any surplus amount arising out of the CSR activities & programmes shall either be ploughed back into the same project or shall be transferred to the Unspent CSR Account. Such amount shall be spent in pursuance of this policy and annual action plan of the Company; or the Company shall transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

e) In case the Company spends an amount in excess of the requirement provided under sub-section (5) of Section 135, such excess amount may be set off against the requirement to spend up to the immediate succeeding three financial years subject to the conditions that 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 CSR Rules and the Board of the Company shall pass a resolution to that effect.

f) The CSR amount may be spent by the Company for the creation or acquisition of a capital asset (as may be necessary to achieve the objectives of the entities for whom capital assets are being acquired) which shall be held by:

i. 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 of CSR Rules; or

ii. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

iii. public authority.

6. Transfer of Unspent CSR Amount

a) The Company shall transfer the unspent amount that relates to any ongoing project, undertaken by the Company in pursuance of this Policy, within a period of thirty 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**. Such amount shall be spent by the Company in pursuance of its obligation towards this CSR 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.

b) The Board of the Company shall, in its report made under clause (o) of sub-section (3) of Section 134 of the Act, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to above, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

7. Selection of CSR Activities & Programmes

a) The Chairperson of the CSR Committee shall identify CSR activities & programmes in accordance with the provisions contained in the Act and Rules in view of EML's vision, and with a detailed assessment.

b) The Chairperson of the CSR Committee may engage external professionals if required for the purpose of identification of CSR activities & programmes.

c) The Company shall prefer the following areas for undertaking its CSR activities & programmes and will give preference to the local areas, areas around which the Company operates. The Company may also undertake its CSR activities in other urban, semi-urban, and semi-rural locations all over India, as may be required for the benefit of society.

CSR ACTIVITIES

1. The Board shall ensure that the CSR Activities that are undertaken by the Company should be within the scope of the following activities:

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;

(ii) Promoting education, including special education and computer education and employment enhancing vocation skills especially among children, woman, 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 centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically back ward groups;

(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conversation of natural resources and maintaining quality of soil, air and water;

(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 windows 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 social-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) Such other activities as may be specified under the Act or the CSR Rules from time to time.

2. Based on the scope of activities set out in paragraph above, the CSR Committee shall provide recommendations to the Board with respect to specific CSR Activities that may be undertaken by the Company.

Other activities as included in Schedule VII of the Act.

The CSR Committee shall consider all identified CSR activities in the form of a CSR Annual Action Plan and shall recommend the same to the Board for its approval.

8. Implementation of CSR Activities & Programmes.

a) The Company will implement its identified CSR activities & programmes either itself or through the implementing partners who shall be:

i. 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

ii. 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

iii. any entity established under an Act of Parliament or a State legislature; or

iv. 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.

b) The implementing partners through which CSR activities & programmes are undertaken shall be registered with the Central Government by filing the form CSR-1 electronically with the Registrar, and the Company shall obtain their Registration Certificate and PAN to establish their authenticity.

9. Monitoring & Evaluation of CSR Activities & Programmes

a. The CSR Committee holds annual review meeting along with its Management Review meetings and checks whether the policy as laid down is achieved as per the estimates.
b. The outcome of the review meeting is required to declare whether that implementation and monitoring is in compliance with objectives and goals of this policy.

10. Disclosures

a) **Annual Report on CSR:** The Company shall include in the annual report of the Company an annual report on CSR containing particulars as specified from time to time under the Act and its Rules.

b) **Unspent CSR amount:** The Company shall disclose in its Board's Report, the unspent CSR amount, as approved by the Board, along with the reasons for not spending such amount and, unless the unspent amount relates to any ongoing project referred to in sub-section (6) of Section 135 of the Act, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

c) **Display of CSR activities on the website:** The Company shall disclose the composition of the CSR Committee, CSR Policy, and Projects approved by the Board on its website.

11. Amendment/Modification

This policy may be revised or modified by the approval of the Board of the Company subject to the recommendation of the Corporate Social Responsibility Committee of the Company as and when deemed fit.

12. Capacity building

Company encourages its employees to participate in these activities as volunteers, whether it is during health related camps for underprivileged, like eye check-up camps, or through spending time with the Senior citizens in Old Age Homes being aided by the Company. The CSR Committee is headed by a Senior Consultant having many years of experience in CSR related activities, including preferably experience with an NGO involved in CSR related activities. The other committee members include the Directors of the Company and nominated persons from the Company from time to time.

13. Communication

The CSR policy of the company will be available on its ZOHO platform which is accessible by all the employees of the Company.

Sd/-
Ajay Agarwal
Director
DIN: 06884940
Date: 10.07.2020