



Corporate Social Responsibility (CSR) Policy



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1. BACKGROUND

Corporate Social Responsibility (“CSR”) is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. As a responsible Corporate Citizen, it is imperative that the business of the company is undertaken in a responsible and fair manner with all the stakeholders.

This policy shall apply to all CSR initiatives and activities taken up and by the Balancehero India Private Limited (hereinafter referred to as “**Balancehero India or BHI**”), for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons.

Balancehero India is committed to and conducts its business activities lawfully and in a manner that is consistent with its compliance obligations and meets the highest ethical standards.

2. OBJECTIVES

With the introduction of CSR regulations under the Companies Act, 2013, the corporates now have a legal mandate to actively support and undertake their responsibilities towards the society at large. The Company pledges itself for the continued CSR activities within the corporate policy framework. This Policy shall be read in line with section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars and notifications (collectively referred hereinafter as ‘Regulations’) as may be applicable and as including any amendment from time to time.

3. CSR ACTIVITIES

The Policy recognizes that CSR is not merely a compliance; it is a commitment to support initiatives that measurably protect environment, spread/promote education, and improve the lives of underprivileged. CSR activities that may be undertaken by the Company shall include all the items or activities that are not recognized as such under the regulations as amended from time to time.

Activities to be undertaken by the CSR committee as per Schedule VII of Companies Act, 2013 as amended from time to time. Below mentioned is the illustrative list of Schedule VII:

- a. Eradicating, hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to Swach Bharat Kosh set by the Central Government for promoting sanitation and making available safe drinking water;

- b.** promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
 - c.** 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;
 - d.** 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 or rejuvenation of river Ganga;
 - e.** 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;
 - f.** 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;
 - g.** training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
 - h.** contribution to Prime Minister's National Relief Fund or 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;
 - i.** (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).

- j. rural development projects;
- k. slum area development;
- l. disaster management, including relief, rehabilitation and reconstruction activities; and
- m. such other activities and projects covered in Schedule VII to the Companies Act, 2013 from time to time.

4. MODALITIES AND IMPLEMENTATION SCHEDULE FOR EXECUTION OF PROJECTS OR PROGRAMS OR CSR ACTIVITIES

The Company will undertake its CSR activities, approved by the Board either directly or through a Registered Trust or through a Registered Society or establish another company under Section 8 of the Companies Act, 2013 or even to collaborate with other entities as approved by the Board of Directors. The implementation Schedule for CSR activities will be dependent on the availability of eligible projects. The surplus arising out of the CSR activities, projects or programs shall not form part of the business profits of the Company.

CSR committee shall review the status of the CSR activities.

The Company shall strive to implement the CSR activities on its own or through partnership with other agencies in accordance with the guidelines prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

5. EXPENDITURE

The Company shall endeavour to spend, in every financial year at least 2 per cent of the average net profits of the Company made during the 3 immediately preceding financial years for CSR Policy. The Company may use the CSR capacities of their own personnel in executing the CSR activities and also effectively monitoring the same but such CSR expenditure shall not exceed 5% of its total CSR expenditure in one financial year.

If a Company spends on CSR in excess of the requirement, such excess amount may be set-off against the requirement of the CSR Spending u/s 135(5) up to the immediate succeeding 3 financial years subject to condition 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 this rule.
- the Board of the Company shall pass a resolution to that effect.

6. LOCATION OF CSR EFFORTS/ACTIVITIES

The Regulations provides that the corporates shall give preference to the local area and areas around where it operates, for spending the amount earmarked for CSR activities. However, the Board may also recommend any specific area or location, where in its opinion, the CSR activities of the Company would be highly beneficial to the interests of the society at large.

7. RESPONSIBILITIES OF BOARD

The responsibilities of the Board in regard to CSR includes:

- a) The Board of Directors of BHI will after considering the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the Company and disclose contents of such Policy in its report, if any, in such manner as prescribed under the Companies Act, 2013; and also place it on the Company's website ; and ensure that the activities as are included in CSR Policy of the Company are undertaken by the Company.
- b) 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.
- c) Approve the annual action plan of CSR as recommended by CSR Committee. Further, the Board may alter the said action plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.
- d) The Board shall monitor and ensure that the CSR activities and CSR expenditure are undertaken as per Sec 135 read with relevant rules as amended from time to time.
- e) The Board of Directors are required to disclose the reasons if the amount allocated for CSR activities are not spent during a financial year in the Board's Report.

8. CSR COMMITTEE:

The Company shall constitute a Corporate Social Responsibility (CSR) Committee of the Board as per Section 135 of the Companies Act, 2013.

9. REPORTING, MONITORING AND DISCLOSURE

- The Company shall annex with its Board Report an annual report on CSR in the prescribed regulatory format.
- If the company fails to spend the amount earmarked for CSR as per sub-section (5) of section 135, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.
- Every Company having average CSR obligation of Rs. 10 Crores or more in the 3 immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of Rs. 1 Crore, 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.
- Impact assessment expenditure for a financial year shall not exceed 5% of the total CSR expenditure for that financial year or Rs. 50 lakhs, whichever is less.
- The Company shall furnish a report on Corporate Social Responsibility in Form CSR-2 as provided under Companies Act, 2013 to the Registrar as an addendum to Form AOC-4 NBFC from financial year 2020-2021 onwards.

10. DISPLAY OF CSR ACTIVITIES ON WEBSITE:

The Company will display on its website for public access:

- **Projects approved by the Board;**
- **Composition of CSR committee; and**
- **CSR Policy.**

11. REVIEW OF POLICY

The Policy shall be amended or modified with approval of the Board on the recommendation of the Corporate Social Responsibility Committee. The Policy shall be reviewed by the Board as and when necessary. Consequent upon any amendments in the Act or CSR Rules or any change in the position of the Company, necessary changes in this Policy shall be incorporated and approved by the Board on the recommendation of the Corporate Social Responsibility Committee.

Notwithstanding anything contained in this Policy, in case of any contradiction of the provision of this Policy with any existing legislations, rules, regulations, laws or modification thereof or enactment of a new applicable law, the provisions under such law, legislation, rules, regulation or enactment shall prevail over this Policy.