



GROWW INVEST TECH PRIVATE LIMITED
(FORMERLY KNOWN AS NEXTBILLION
TECHNOLOGY PRIVATE LIMITED)

CORPORATE SOCIAL
RESPONSIBILITY POLICY

Document Owner & Version Control

Version	Nature of Change	Policy Owner /Department	Date of Approval	Approving Authority
1.0	Initial version	Secretarial Team	January 20, 2023	Board

I. OBJECTIVE

The Company intends to make a positive difference to society and contribute its share towards the social cause of betterment of society. The "Corporate Social Responsibility Policy" (CSR Policy) of the Company is formulated for determining the guidelines for contributing toward the sustainable development of the society and environment as a whole.

This Policy has been formulated and recommended by the Corporate Social Responsibility Committee (CSR Committee) and adopted by the Board of Directors at its meeting held on 20.01.2023. The Board may, upon recommendation of the CSR Committee, amend or modify this CSR Policy as and when necessary.

II. 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;

- (e) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
- (f) "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;
- (g) "International Organisation" means an organisation notified by the Central Government as an international organisation 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;
- (h) "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: -
 - (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - (ii) 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;
- (i) "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;
- (j) "Public Authority" means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);
- (k) "section" means a section of the Act.

Words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013 shall have the same meanings respectively assigned to them.

III. CONSTITUTION, COMPOSITION AND SCOPE OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (“CSR COMMITTEE”)

(a) Constitution and composition of the CSR Committee

Pursuant to section 135 of the Companies Act, 2013, the Board of Directors of the Company has constituted the CSR Committee.

The CSR initiatives/activities of the Company will be identified and initiated by the CSR Committee, which shall comprise of at least two Directors out of which, at least one Director shall be an Independent Director, if the Company has appointed an Independent Director as per the provisions of Section 149 of the Companies Act, 2013.

The members of the CSR Committee shall elect one of them as the Chairman of the Committee. The Committee shall meet as required under the Companies Act, 2013 or as may be necessary from time to time.

The Committee members shall disclose their interest, if any, in the NGO or the CSR projects while considering any proposal for the CSR activity.

The CSR Committee will ensure that the activities undertaken by the Company are as this Policy, subject to and in accordance with the provisions of section 135 of the Companies Act, 2013

The composition of CSR Committee shall be disclosed in the Board’s report.

(b) Scope of the CSR Committee

The CSR Committee has been set up to:

- i. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013.
- ii. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company.
- iii. To monitor the CSR policy of the Company from time to time.
- iv. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

IV. GUIDELINES FOR IDENTIFICATION OF THE CSR PROJECTS

- a. To work with communities proximate to our office location/centers of operations in India. As appropriate, and on a case-to-case basis, we may choose to work with communities in these same geographies which are not necessarily proximate to our office location/centers of operation.
- b. The CSR Committee should also consider the following criteria while selecting the CSR projects:

- i. scalability of the project;
 - ii. whether the outcome of the project is measurable;
 - iii. whether the project is an ongoing project.
- c. The CSR Committee shall ensure that the CSR initiatives / activities undertaken by the Company are not biased towards any religion or community or ethnic group.

V. IMPLEMENTATION AND RESOURCES FOR THE CSR ACTIVITIES

- a) 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.
- b) The average net profit of the Company shall be calculated in accordance with section 198 of the Companies Act, 2013.
- c) In case, in any Financial Year the Company has spent more than its CSR obligation, the Company is eligible to set off the excess amount up to immediate succeeding three financial years, subject to following conditions that:
 - i. the excess amount available for set off shall not include the surplus arising out of the CSR activities;
 - ii. the Board of the company shall pass a resolution to that effect.
- d) Any Director or Head of Finance or Chief Compliance officer will have the authority to approve the re-allocation of funds among the approved projects or budget line items/heads of an approved project within the overall CSR budget approved for the same Financial Year, provided such re-allocation in a Financial Year does not exceed a cumulative value of INR 500,000/- (Rupees Five Lakhs only), above which approval of the CSR Committee will be required to sanction the amount.
- e) In case the Company fails to spend such allocated amount other than amount allocated in respect of the on-going project, the Board shall specify the reasons for not spending the prescribed amount in the Board's Report prepared under Section 134 of the Companies Act, 2013.
- f) The surplus arising out of the CSR projects or programs or 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.
- g) The CSR expenditure shall include all expenses including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of CSR Committee and administrative overheads, which shall not exceed five percent of total CSR expenditure of the company for that financial year, but should not include any expenditure on an item not in conformity or not in line with the activities which fall within the purview of

Schedule VII of the Act.

- h) The modalities of the execution of the CSR projects or programs and their implementation along with the monitoring process of such projects or programs will be as decided by the CSR Committee from time to time.
- i) The Company can appoint expert agencies, consultancy firms etc., wherever required to carry out the CSR activities for guidance on project design and implementation, due diligence of implementation partners, impact assessment surveys etc.
- j) The Company can either on its own or through *external agency may carry out CSR activities. Such external agency shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar.

*External agency shall mean any of the following entity:

- 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.
- e. CSR fund may be spent for creation or acquisition of a capital asset, which shall be held by a Section 8 Company, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number or beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or a public authority.
- f. Any programs or activities that benefit only the employees of the Company and their relatives shall not be considered as CSR activities.
- g. The Company may collaborate with other corporates having the similar interest in the projects funded by the Company.

VI. MONITORING MECHANISM:

The goals and objectives along with the annual budgets of CSR to be discussed and signed off at the beginning of every financial year with the CSR committee and the Board of Directors.

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

- i. list of CSR projects to be undertaken
- ii. the manner of execution of such projects,
- iii. utilization of funds,
- iv. monitoring and reporting mechanism for the projects or programs; and

v. details of need and impact assessment, if any, for the projects undertaken by the Company

The Board of Directors may alter the plan, any time during the financial year, as per the recommendation of its CSR Committee.

Along with approval of the annual plan, the CSR committee to review the progress of all key programs vis-à-vis its broad objectives for the previous year including effective utilization of the funds and a formal assessment of outcomes and impacts as considered relevant by the Board and the Committee.

All decisions on outcome/impact evaluation are required to be presented to the CSR Committee /Board once a year.

VII. GUIDELINES FOR TREATMENT OF UNSPENT AMOUNT BY THE COMPANY:

- i. Where the unspent amount pertains to 'ongoing project'
 - a. Transfer such unspent amount within 30 days of the end of the Financial Year in a separate bank account called as 'Unspent CSR Account' and utilize the same for an ongoing project.
 - b. Where the amount remains unspent even after three years, the same shall be transferred to any fund as per Schedule VII of the Act within six months from the end of that Financial Year.
- ii. Where the unspent amount pertains to other than the 'ongoing project'

The CSR Committee shall ensure that the unspent amount shall be transferred to any of the funds as provided under the Schedule VII of the Act within six months from the end of that financial year.

VIII. CSR REPORTING

An Annual CSR Report and plan will be included in the Directors Report within the Annual Financial Statement of the Company and will be placed before the CSR Committee and the Board for approval at the end of every financial year. The report will adhere to the requirements of Section 135 of the Companies Act, 2013 and the rules thereunder and as may be amended from time to time.

IX. DISPLAY OF CSR ACTIVITIES ON ITS WEBSITE

The composition of CSR Committee, and CSR Policy and Projects approved by the Board will be displayed on the company's website, for public access.

X. AMENDMENTS TO THE POLICY

The Board shall review and amend this Policy as and when required. Any subsequent amendment/modification in the regulation and/or other applicable laws in this regard shall automatically apply to this policy and shall be updated to the Board annually at the time of review of the policies of the Company.