

## **Corporate Social Responsibility Policy**

### **1) INTRODUCTION**

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. Therefore, it is the core corporate responsibility of Spice Money Limited (“SML”) to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders. CSR is defined as the integration of business operations and values, whereby the interests of all stakeholders including investors, customers, employees, the community and the environment are reflected in the Company's policies and actions. Hence, the CSR commitment of SML positions its social and environmental consciousness as an integral part of its business plan and its commitment to all its stakeholders.

The Policy has been formulated as per the Notifications issued by Ministry of Corporate Affairs regarding Companies (Corporate Social Responsibility Policy) Rules, 2014 from time to time (“Notifications”); Schedule VII and Section 135 of Companies Act, 2013 relating to Corporate Social Responsibility (including any amendments thereof) which is to be effective from 01<sup>st</sup> April, 2014.

### **2) POLICY STATEMENT**

The CSR Policy of SML aims to achieve, consolidate and strengthen Good Corporate Governance including socially and environmentally responsible business practices that balance financial profit with social well-being.

### **3) SCOPE AND APPROACH**

- 3.1 SML is committed to the well-being of the local communities and the society at large.
- 3.2 The scope and approach of the CSR Policy of SML is defined by the following considerations:
- (a) SML acknowledges that there are or can be expected and unintended outcomes and impact of its core business.
  - (b) SML will take into consideration the activities referred under Schedule VII of the Companies Act, 2013 read in consonance with Notifications regarding amendments to the Schedule VII of Companies Act, 2013.
- 3.3 The proposed focus of SML’s CSR initiatives is therefore on thematic and geographic areas that are most impacted during the course of its work.
- 3.4 The **geographic scope** of SML’s CSR work priority wise includes:
- (a) the immediate surroundings of the registered office and/or branch offices of SML;
  - (b) the district, town or city as a whole where the registered office and/or branch offices of SML are located;
  - (c) the country as whole as part of SML’s contribution to national efforts towards dealing with emergency situations and achieving higher national goals.
- 3.5 The **thematic/ programme** focus of the SML’s CSR work includes, but is not limited to:
- (a) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of 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 differentially 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 for 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;
- (g) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- (h) contribution to the Prime Minister's National Relief 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) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (j) Rural development projects.
- (k) Slum area development.

3.6 The approach of SML would be oriented to identify and formulate projects in response to felt societal needs in diverse areas falling in the geographic scope mentioned in para 3.4 and to implement them with full involvement and commitment in a time bound manner.

3.7 This section enlists a set of sample activities that can be undertaken by the Company towards the achievement of the CSR goal and objectives. These are by no means an exhaustive list and will be reviewed and modified from time to time as *per need*.

#### **4) STRATEGIES**

4.1 The strategies for designing, implementing and monitoring the CSR activities of SML are based on activities suggested in the Notifications; Schedule VII and Section 135 regarding Corporate Social Responsibility of Companies Act, 2013. These strategies will help in standardizing the CSR related processes to be essential in the context of SML;

- (a) Build on core strengths and comparative advantage: SML will undertake those activities under its CSR plan where it has a well- defined comparative advantage and/or a primary responsibility to address an issue.
- (b) Emphasize sustainability: Before roll out of any projects/initiatives, SML will have the option to assess the feasibility and potential for sustainability.
- (c) Engage in-house facility for coordinating roll out of CSR activities: The implementation of the CSR activities will be coordinated by a CORPORATE SOCIAL RESPONSIBILITY COMMITTEE especially created for CSR.
- (d) Mainstream CSR into the core business plan of SML: Annual CSR Plan and the Annual Budget Allocation will be approved by the Board of SML before implementation. This plan will be developed through the active engagement, leadership and inputs of the staff members of SML.

#### **5) GUIDING PRINCIPLES**

5.1 In keeping with the Notifications; Schedule VII and Section 135 of Companies Act, 2013, the CSR initiatives of SML will be guided by the following overarching principles:-

- i) Ensure care for all stakeholders in implementing its core business as well as CSR activities. SML will remain committed to protecting the interests of all its partners and stakeholders and the society at large.
- ii) Undertake ethical business practices building on the existing systems for maintaining transparency and accountability.
- iii) Promote healthy workplaces and maintain commitment to quality, health and safety in every aspect of business.
- iv) Ensure environmental consideration and strategic environment conservation initiatives as an integral aspect of business processes.
- v) Promote equality of opportunity and diversity of workforce throughout business operations.

## **6) INSTITUTIONAL SET UP**

6.1 The Corporate Social Responsibility functions of SML will be co-ordinated and monitored by a CSR Committee constituted by the Board of Directors of SML.

6.2 The following persons are the members of the CSR Committee.:

Mr.Dilip Kumar Modi-Chairman  
Mr.Ramesh Venkataraman-Member  
Mr.Suman Ghose Hazra-Member

6.3 Towards achievement of the CSR targets, the CSR Committee will identify opportunities for CSR activities within the broad framework outlined in this policy. The committee will additionally be responsible for facilitating selection of appropriate agencies for implementation, supervising and monitoring the quality of work and reporting to the Board about the progress. The Committee will, from time to time, also provide necessary inputs into the preparation of the Annual CSR plan. Furthermore, the appropriate agencies must be a registered trust or registered society or a company established under section 8 of the Companies Act, 2013 as to fulfil the criteria for their eligibility under Notifications.

6.4 Within the overall framework of the CSR Policy and aligned to the business plan of the SML, the CSR Committee will facilitate the development of an annual CSR action plan and budget. This will include projects identified by SML staff at various locations, if any. The Annual CSR Plan detailing the individual projects and budgeting will become operational after review and approval by the SML Board.

6.5 The CSR Committee will have the option to co-ordinate, monitor and assist operationalization of the activities in partnership with a range of stakeholders including Civil Society Organizations, Community based organizations and other public and private sector enterprises. Services of technical experts will be sought when required. For this purpose, SML can enter into agreements with these agencies and/ or experts on agreed terms of reference including detailed work plans with budgets and timelines.

6.6 CSR Committee will prepare Annual plans, follow up on financial and programme targets, recommend CSR projects, facilitate agencies selection, co-ordinate periodic monitoring

and evaluation visits, provide feedback to the implementing organizations and report to the Board of SML.

## **7) IMPLEMENTATION MECHANISM**

7.1 Overall, the CSR Committee will be responsible for overseeing the planning, coordination and implementation of CSR activities including compilation of information and preparation of annual reports, etc. The CSR Committee will be responsible for identifying appropriate opportunities/ projects for CSR as well as facilitating necessary processes for operationalizing the projects.

7.2 While identifying the CSR initiative the following considerations will be taken into account:

- i) Thrust of the schemes/projects should be in the identified priority areas of SML.
- ii) While implementing the identified projects, time frames and milestones will be predefined.

7.3 The financial limits and the sanctioning authorities for CSR projects shall always be approved by the Board of Directors of SML.

## **8) ALLOCATION OF FUNDS**

8.1 The following criteria shall be followed in the allocation of funds:

(a) The CSR Budget, in every financial year, shall be two per cent of average net profits of SML made during the three immediately preceding financial years, as per the Notifications; Schedule VII and Section 135 of Companies Act, 2013 on CSR, which shall be approved by the SML Board.

(b) The surplus arising out of CSR projects or programs or activities shall not form part of the business profit of the Company.

9.2 Fund disbursement to implementing organization(s) would be released after the requisite documentation between SML and the organization(s) with the recommendation of the CSR Committee and then approval by the Board of SML.

## **9) REVIEW AND REPORTING**

9.1 CSR Committee will meet on a need basis, to review the progress of proposed activities as per agreed targets and timelines.

9.2 An annual report of the activities undertaken under the CSR initiatives will be prepared as prescribed by law and suitably integrate into the Board's Report of SML.

9.3 CSR Committee will evaluate the CSR activities.

## **10) DISPLAY**

10.1 This CSR Policy will be displayed on the website of SML.

10.2 The significant contents of this Policy as notified by law will be disclosed in the Board's Report of SML.

## **11) GENERAL**

11.1 The Company reserves the right to modify, cancel, add, or amend any of the above contents of the Policy but subject to the approval of Board of SML.

- 11.2 Any or all provisions of the CSR Policy shall be subject to revision/amendment in accordance with the Companies Act, 2013 and any notifications on the subject as may be issued by Ministry of Corporate Affairs, from time to time.
- 11.3 In case of doubt with regard to any of the provision of the Policy and also in respect of matters not covered herein, the interpretation & decision of the Board of SML shall be final.