



Spandana Sphoorty Financial Limited

Corporate Social Responsibility Policy
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PREAMBLE:

In pursuit of our mission to be one of the most significant microfinance service providers in the country by offering a range of financial and non financial products and services to low income households and individuals to improve their quality of life, we constantly endeavor to deliver quality services to our clients and remunerative returns to our Investors by maintaining highest levels of transparency and integrity. In the process we strive to be the most responsive corporate citizen in the community we serve. It is therefore a conscious strategy to design and implement various programmes making a lasting impact on the society at large. Spandana is therefore committed to giving back to the society through its Corporate Social Responsibility (CSR) initiatives.

CORE VALUES OF SPANDANA:

Following are the core values of the Company. It is known as TRICS:

1. **Transparency:** Maintaining simplicity and clarity in all activities and operations, so that high standards of fairness can be established in all the dealings.
2. **Responsiveness:** Constantly working to identify the changing needs of clients and potential clients and developing suitable products and services to address these needs so as to continue as a dominant player in the microfinance industry.
3. **Integrity:** Maintaining high standards of conduct, truthfulness and honesty in all dealings, in order to honour the commitment made to the clients in particular and all stakeholders in general.
4. **Commitment:** Performing all activities and tasks with professionalism and enthusiasm in order to give the highest level of client satisfaction at optimal efficiency.
5. **Team Spirit:** Working together to create synergy that results in accelerated growth.

ROLES AND RESPONSIBILITIES OF BOARD:

The Board of Directors will play an important role in driving the CSR initiatives of the Company. The Board shall have the following roles and responsibilities:

- Constitution of CSR Committee;
- Approving the CSR Policy as formulated & recommended by the CSR Committee;
- Approve the budget for CSR activities every year and allocation thereof to various projects;
- Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR programmes/ projects;
- Publishing in its Annual Report an annual report on CSR containing particulars as specified in the Act and ensure annual reporting of its CSR activities on the Company website and elsewhere as appropriate;
- Ensuring that it specifies the reasons in its report for not spending the allocated amount in case the Company fails to spend such amount.

CONSTITUTION OF CSR COMMITTEE:

In compliance with section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company shall constitute the CSR committee comprising of atleast 3 Directors out of which one director shall be an Independent Director.

SECRETARY:

The Company Secretary shall be the secretary of CSR Committee.

QUORUM:

The quorum for the meeting of the Committee shall be one-third of the total members of the Committee or two whichever is higher.

MEETINGS:

The Committee shall meet as decided by the Chairman of the Committee.

ROLE AND RESPONSIBILITIES OF CSR COMMITTEE:

As per sub section (3) of section 135 of the Companies Act, 2013 (“the Act”), the duty of the committee shall be as follows:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII;
- Recommend the amount of expenditure to be incurred on such activities;
- Review the periodical progress in implementing the CSR initiatives and ensure completion as per plan;
- Assess the impact of the CSR initiatives of the Company.

CSR BUDGET:

The Board of Directors shall allocate in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

AREA OF CSR ACTIVITIES:

The Company shall give preference to the local areas and areas around which it operates, for spending the amount earmarked for CSR.

The Company shall take up the following activities under CSR:



1. Promoting education, including special education for the differently abled.
2. Employment/Income enhancing vocational skills especially for women.
3. Rural development projects.
4. Slum area development.

Explanation- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.]

5. Helping people affected by natural calamities including relief, rehabilitation and reconstruction activities.
6. Any other activity enumerated in the Schedule VII of the Act from time to time.

MODE OF IMPLEMENTATION:

The Company shall implement the identified activities in any of the following modes:

1. Directly by the employees of the Company.
2. Jointly with any NGO, Trust, Section 8 Company involved in similar initiatives.
3. Donating to any NGO, Trust, Section 8 Company for identified projects.

GENERAL:

This Policy shall be subject to review once in a year or earlier as may be deemed necessary by the Board/CSR Committee and in accordance with regulatory amendments from time to time.