CORPORATE SOCIAL RESPONSIBILITY POLICY
(‘CSR 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 (the 'Company') 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 positions its social and environmental consciousness as an integral part of its business plan and its commitment to all its stakeholders.

The Board of Directors (the 'Board') of the Company has adopted the CSR Policy upon the recommendation of the Corporate Social Responsibility Committee (the 'CSR Committee') in terms of the provisions of Section 135 of the Companies Act, 2013 (the 'Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the 'Rules') and Schedule VII of the Act and other provisions applicable to the Company effective from 1st April, 2014.

(2) POLICY STATEMENT

The CSR Policy 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

CSR at the Company portrays the deep symbiotic relationship that the group enjoys with the communities it is engaged with. We believe that to succeed, an organization must maintain the highest standards of corporate behavior towards the society in which it operates. We believe that integrating social, environmental and ethical responsibilities into the governance of businesses ensures their long-term success and sustainability.

(a) The Company is committed to the well-being of the local communities and the society at large.

(b) The Company will take into consideration the activities referred under provisions of Section 135 of the Act and Rules made thereunder read with Schedule VII of the Act.

(c) The geographic scope of the Company's CSR work priority-wise includes:
   - (i) the immediate surroundings of the registered office and/or branch offices of the Company;
   - (ii) the district, town or city as a whole where the registered office and/or branch offices of the Company are located;
   - (iii) the country as whole as part of the Company's contribution to national efforts towards dealing with emergency situations and achieving higher national goals.
   - (iv) the Company shall give preference to the local area(s), where the Company has its operations, in carrying out the CSR projects and programs.

(d) The thematic/ programme as defined under Schedule VII of the Act includes, but is not limited to:

(i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differentially 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 centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

(iv) 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;

(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 widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(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 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;

(ix) contributions 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;

(x) 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);

(xi) Rural development projects;

(xii) Slum area development; and

(xiii) disaster management, including relief, rehabilitation and reconstruction activities.

(e) The approach of the Company would be oriented to identify and formulate projects in response to felt societal needs in diverse areas falling in the geographic scope as mentioned and to implement them with full involvement and commitment in a time bound manner.

(f) 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) CSR OBJECTIVES

(a) The strategies for designing, implementing and monitoring the CSR activities of the Company are based on activities suggested in the provision of Section 135 of the Act and the Rules framed thereunder and Schedule VII of the Act. These strategies will help in standardizing the CSR related processes to be essential in the context of the Company;

(b) Build on core strengths and comparative advantage: the Company 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;

(c) Emphasize sustainability: Before roll out of any projects/initiatives, the Company will have the option to assess the feasibility and potential for sustainability;

(d) Engage in-house facility for coordinating roll out of CSR activities: The implementation of the CSR activities will be coordinated by a CSR Committee especially created for CSR initiatives.

(e) Mainstream CSR into the core business plan of the Company: Annual CSR Plan and the annual budget allocation will be approved by the Board of the Company before implementation. This plan will be developed through the active engagement, leadership and inputs of the staff members of the Company.

(5) GUIDING PRINCIPLES

In keeping with the provisions of Section 135 of the Act and relevant Rules made thereunder and Schedule VII of the Act, the CSR initiatives of the Company will be guided by the following overarching principles:

(a) The Company will remain committed to protecting the interests of all its partners and stakeholders and the society at large.

(b) Undertake ethical business practices building on the existing systems for maintaining transparency and accountability.

(c) Promote healthy workplaces and maintain commitment to quality, health and safety in every aspect of business.

(d) Ensure environmental consideration and strategic environment conservation initiatives as an integral aspect of business processes.

(e) Promote equality of opportunity and diversity of workforce throughout business operations.

(6) ANNUAL ACTION PLAN

CSR Committee shall formulate and recommend to the Board, an annual action plan which shall include the following:

(a) the list of CSR projects or programmes that are approved and to be undertaken by the Company;
(b) the manner of execution of such projects or programmes;
(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.

The Board of the Company are empowered to alter the annual action plan during the financial year, if so recommended by the CSR Committee, based on the reasonable justification for such change.

(7) ROLE OF THE CSR COMMITTEE WITH RESPECT TO UNDERTAKING THE CSR ACTIVITIES

(a) The CSR functions of the Company will be co-ordinated and monitored by a CSR Committee constituted by the Board of the Company.

(b) 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 the 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 Act to fulfil the criteria for their eligibility.

(c) Within the overall framework of the CSR Policy and aligned to the business plan of the Company, the CSR Committee will facilitate the development of an annual CSR action plan and budget. This will include projects identified by the Company 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 Company’s Board.

(d) 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, the Company can enter into agreements with these agencies and/ or experts on agreed terms of reference including detailed work plans with budgets and timelines.

(e) The 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 the Company.

(8) IMPLEMENTATION MECHANISM

(a) 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.

(b) 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 the Company.

(ii) While implementing the identified projects, time frames and milestones will be predefined.

(c) The financial limits and the sanctioning authorities for CSR projects shall always be approved by the Board of Directors of the Company.

(9) ALLOCATION OF FUNDS

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 the Company made during the three immediately preceding financial years, as per provisions of Section 135 of Companies Act, 2013, which shall be approved by the Board of the Company.

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

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

(10) MONITORING

(a) The CSR Committee will monitor the programs and projects to ensure that they are being carried out in compliance with this Policy and the Act, and in accordance with the approved budget. Money expended towards CSR shall be released only against verification of utilization of funds as per approved work-plans and timelines. Verification may be done through review of documents, field visits and through an active feedback mechanism.

(b) In the event it is observed that any CSR activity taken up is not being implemented in the desired manner, the CSR Committee may, with the approval of the Board, discontinue funding of such project at any time during the course of implementation and deploy such funds for any other project/ activity or program.

(11) REVIEW AND REPORTING

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

(b) 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 the Company.

(12) GENERAL

(a) This CSR Policy will be displayed on the website of the Company.

(b) 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 the Company.

(c) Any or all provisions of the CSR Policy shall be subject to revision/amendment in accordance with the Act, Rules and any notifications on the subject as may be issued by Ministry of Corporate Affairs, from time to time.

(d) In case of doubt with regard to any of the provisions of the Policy and also in respect of matters not covered herein, the interpretation and decision of the Board of the Company shall be final.

(e) In the event of any inconsistency between this policy and the applicable provisions of Section 135 of the Act and the Rules made thereunder, as amended from time to time, the provisions of the Act and the Rules shall prevail. This policy shall be interpreted and applied in a manner consistent with such applicable provisions of the Act and Rules /laws.

(f) Words and expressions used and not defined in this Policy but defined in the Act and Rules shall have the same meanings respectively assigned to them in the Act and the Rules.