

SPENCER'S RETAIL LIMITED

CORPORATE SOCIAL RESPONSIBILITY
(CSR) POLICY

A. PREAMBLE

Spencer's Retail Limited ('Company') was incorporated on 8 February, 2017 as a Public Limited Company. The Company aims at contributing towards the up liftment of the poor and underprivileged residing in its area of operation, along with its focus on generating profits, protecting the interests of investors and shareholders and serving its customers with utmost satisfaction. The Company is aware of its duties towards the society and environment in which it operates and recognizes its role in managing the social, economic and environmental challenges confronting society.

B. OBJECTIVE

The purpose of this policy is:

- To define CSR projects or programs which Company plans to undertake and which fall within the purview of the Companies Act 2013 ("the Act") and Rules made thereunder as amended from time to time;
- Modalities of execution of such CSR projects or programs;
- Monitoring process of such CSR projects or programs;

C. REGULATORY FRAMEWORK

The Ministry of Corporate Affairs has notified the Companies (CSR Policy) Amendment Rules, 2021 vide a notification dated January 22, 2021, which seeks to amend the Companies (Corporate Social Responsibility Policy) Rules, 2014.

In view of the aforesaid amendment, the Company frames this policy to comply with the requirements of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 as notified by Ministry of Corporate Affairs.

D. CORPORATE SOCIAL RESPONSIBILITY PURPOSE STATEMENT

The Company seeks to impact the lives of the underprivileged by supporting and engaging in activities that aim to improve contribution to the society. We are dedicated to the cause of



providing access to basic services, empowering people, educating them and to improving their quality of life. While we will undertake programmes based on the identified needs of the community, healthcare, education and promoting community development initiatives shall remain at the forefront. Across the different programme areas focused by the Company, it would be our tireless endeavor to reach the disadvantaged and the marginalized sections of the society.

The Company is committed to identifying and supporting programmes aimed at:

- Provision of access to basic healthcare services/facilities, safe drinking water & sanitation and conducting health awareness camps;
- Empowerment of the disadvantaged sections of society through promoting inclusive education for all, as well as through livelihood generation and skill development;
- Supporting environmental and ecological balance through energy conservation, adoption of initiatives resulting into Greenhouse Gas Emissions (GHG) reduction and transformation into a low carbon business practices;
- Undertaking livelihood generation/promotion and women empowerment projects;
- Any other programme that falls under our CSR Policy and is aimed at the empowerment of disadvantaged sections of the society;

E. ROLES AND RESPONSIBILITIES: BOARD OF DIRECTORS

The Board of Directors of the Company will be responsible for:

1. Approving the Company's CSR Policy;
2. Disclosing mandatorily the composition of the CSR Committee, CSR Policy and Projects approved by the Board on their website for public access in such a manner as prescribed under Section 135 of the Act and Rules thereunder;
3. Ensuring that the Company spends, in every financial year, at least two percent of the Company's average net profit, made during the three preceding financial years;
4. Ensuring that the administrative overheads shall not exceed five percent of the total CSR expenditure of the Company for any financial year.



5. In an unlikely circumstance wherein the Company fails to spend the stipulated CSR mount during a financial year, BoD is responsible for ensuring that it specifies the reasons in its report for not spending the earmarked amount;
6. Getting the approval of Central Government for carrying out CSR activities in e-form namely CSR -1 to generate Unique registration number. Mandatory transfer of unspent CSR amount by the Company to any fund included in Schedule VII of the Companies Act.
7. The Board shall have the power to make any change(s) in the constitution of the CSR Committee;

F. COSTITUTION OF CSR COMMITTEE

Company has constituted “Corporate Social Responsibility Committee” (the “CSR Committee”) of the Board as per the provisions mentioned under the Act, read together with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, to ensure that the purpose of this Policy is being effectively served.

The Composition of the CSR Committee of the Board is as follows:

Name	Designation
Mr. Sanjiv Goenka	Chairman
Mr. Shashwat Goenka	Member
Mr. Utsav Parekh	Member

G. ROLES AND RESPONSIBILITIES OF CSR COMMITTEE

The roles and responsibilities of the Company’s CSR Committee are as follows:

- Prepare, revise and modify the CSR Policy for the Company keeping parity with the Group CSR Policy and place the same with the Board of Directors for its approval.
- Ensure that the programmes /projects undertaken by the Company on its own or through Trust are aligned with the approved CSR policy of the Company / Group and are also aligned to Schedule VII and Section 135 of the Act.



- Will provide guidelines for selection of projects/ programmes or implementing partners to the respective Human Resource or CSR teams, wherever applicable.
- Review and approve annual budgets with respect to CSR programmes.
- In case the Company is not able to spend the stipulated two percent of the average net profits of the preceding three financial years or any part thereof, the CSR Committee shall provide the reasons for not spending the amount to the Board; the reasons shall also be included in the Board's report.
- Receiving reports to assess the performance and effectiveness of projects supported by the Company.
- Reviewing the findings and recommendations regarding the CSR initiatives from any investigation or audit conducted by regulatory agencies or external auditors or consultants.
- Respond to any query, observation or clarification sought by the Ministry of Corporate Affairs or any other regulatory authority with regard to the Company's CSR supported initiatives.
- Ensure that the Company's website displays the approved CSR policy.
- Develop and institutionalize a CSR reporting mechanism in light with Section 135, of the Act and Rules thereunder.
- And any other responsibility, as may be suggested by the Board of Directors.

H. CSR BUDGET

A specific budget is allocated for CSR activities. This budget is project/programme driven.

Any surplus arising out of the CSR 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 of the Act, within a period of 6 (six) months of the expiry of the Financial Year.

Excess CSR expenditure could be set off in succeeding three financial years, subject to the conditions mentioned in the Act. The CSR amount may be spent by the Company for creation or acquisition of a capital asset, in the manner prescribed in the Act.



The unspent CSR expenditure pertaining to an annual CSR project shall be transferred to any fund included in Schedule VII of the Act, within 6 (six) months from the end of concerned financial year. If the unspent CSR expenditure pertains to an Ongoing CSR Project, the amount has to be transferred to a separate bank account to be called as "Unspent CSR Account" within 30 (thirty) days of the end of the concerned financial year and is to be spent on CSR expenditure, within a period of 3 (three) financial years. In case the Company is unable to spend the CSR expenditure on the Ongoing CSR project within the prescribed period of 3 financial years, it would be required to transfer the amount so unspent to any fund included in Schedule VII of the Act, within 30 (thirty) days of the end of the concerned financial year.

I. MONITORING

The Company will put in place a well-defined, transparent monitoring and review mechanism to ensure that each CSR project/ programme has:

- Clear objectives developed out of the societal needs that may be determined through need assessment studies and research (secondary or primary)
- Clear targets, time lines and measureable indicators wherever possible
- A progress monitoring and reporting framework that is aligned with the requirements of Section 135 of the Act and Rules thereunder

The CSR Committee assign roles and responsibilities to the relevant team towards monitoring of the CSR activities and would have the responsibility of monitoring approved projects and funds disbursements for such projects. Monitoring mechanisms may include visits, meetings, and progress reports.

With regard to the budget, the Company will establish an accounting system that will allocate and account for CSR spend across projects and programmes.

J. REPORTING AND RECORD KEEPING

The Company will monitor progress of CSR projects and expenditure and will report impact to the Board and the CSR committee. The Company is required to report its CSR performance in its Director's Report as prescribed in Section 135 of the Act and Rules thereunder.



In respect of the reporting, the Board will be responsible to ensure that:

- I. The report of the Board includes the annual report on CSR Activities of the Company and sets out the requisite information in terms of the Act and the Rules;
- II. The contents of the latest and updated version of the CSR Policy is included in the report of the Board;
- III. The contents of the CSR Policy along with composition of the CSR committee, and projects approved by the Board are also made available on the website (if any) of the Company.
- IV. In case of failure to ensure the minimum CSR Expenditure, detailed reasons for the same are adequately disclosed in the Board Report.

K. ANNUAL ACTION PLAN

The CSR Committee shall also formulate and recommend to the Board, an Annual Action Plan as per format specified or such other format as the committee think proper, which shall include the following, namely:-

- the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- the execution of the projects or programmes in the specified manner;
- the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- monitoring and reporting mechanism for the projects or programmes; and
- details of need and impact assessment, if any, for the projects undertaken by the company.

The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

The Board shall satisfy itself that the funds 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 so, in the format as specified under the Act, to the effect.

In case of ongoing project, the Board of a Company shall monitor the implementation of the project



with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

With regard to the budget, the Company will establish an accounting system that will allocate and account for CSR spend across projects and programmes.

L. PENALTY

If the Company is unable to spend and transfer the unspent CSR amount or non-compliance of any other the provisions, the Company and every officer who is default shall be liable to a penalty as may be prescribed under the Companies Act, 2013 and the Rules made thereunder, as amended.

M. AMENDMENT IN CSR POLICY

Any modification/amendment in the CSR Policy shall be carried out by the “CSR Committee” with the prior approval of the Board of Directors of the Company

N. MANAGEMENT COMMITMENT

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

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Footnote

This policy was approved by the Board of Directors on June 15, 2021 in suppression of the earlier Policy.

For Spencer's Retail Limited



**Rama Kant
Company Secretary
(FCS 4818)**