



**fincare**  
Small Finance Bank

**Fincare Small Finance Bank**

**Corporate Social Responsibility  
Policy– Version 3**

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## 1. Preamble

The concept and need for Corporate Social Responsibility (CSR) has gained prominence from all avenues. CSR is relevant not only to meet social obligations of a company but also its business objectives. Being socially responsible enables organizations to strengthen relationship with stakeholders and helps reap enhanced benefits and contribute to inclusivity in growth.

The Government as well as regulators have framed various guidelines pertaining to responsibilities of business as well as the mandatory Corporate Social Responsibility provisions under the Companies Act, 2013. The Ministry of Corporate affairs vide notification dated 27<sup>th</sup> February, 2014 has notified the enforceability of Sec. 135 of Companies Act (i.e. provision for CSR) and Companies (Corporate Social Responsibility Policy) Rules, 2014 w.e.f. 01.04.2014.

Fincare Small Finance Bank (hereinafter referred to as the 'Bank') in particular and also the sector at large, has a meaningful social impact due to the sheer nature of the business viz. small ticket credit and also due to the client segment it addresses viz. low income households in rural and semi-urban India. By adopting CSR as a separate pillar of our core operations, the Bank aims to build greater relevance to its credo of 'a commercially successful business with a strong Social DNA'.

The CSR policy of the Bank is framed in line with the Guidelines on Corporate Social Responsibility for Private and Public enterprises.

## 2. Governance Structure

Board Level CSR Committee:

- Comprising of 3 or more directors with at least 1 independent director.
- Composition to be disclosed in the annual Board of directors' report.

Responsibilities of CSR Committee:

- Formulate and recommend a CSR Policy and amount of CSR expenditures.
- Regular monitoring of CSR initiatives.

Responsibilities of Bank's Board:

- Approve and disclose CSR policy in the annual Director's report and on Bank Website.
- Ensure implementation of CSR activities as per the Policy.
- Director's report to specify the reasons in case the specified amount is not spent.

### **3. Short Title & Applicability**

This policy, which encompasses the Bank's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large, is termed as the "CSR Policy". This policy shall apply to all CSR initiatives and activities taken up by "Fincare SFB".

### **4. Resources Structure**

The Corporate Social Responsibility Committee ('CSR Committee' at the Board level) is responsible for formulating and recommending to the Board, the CSR Policy indicating the activities falling within the purview of Schedule VII to the Companies Act, 2013 and rule, to be undertaken by the Bank.

The CSR Committee shall be set up and guided by the Board of Directors.

### **5. Funding and Allocation**

The Annual spending on CSR shall be 2% of the average Net Profit before tax (PBT) of the bank during the 3 preceding Financial years.

Further in line with the RBI circular dated Dec 21, 2005 ( RBI.No./2005-06/237) pertaining to donations by Banks, the Bank shall ensure that the donations made during financial year ( including for CSR) do not exceed, 1% of the published profit of the Banks for the previous year.

### **6. CSR Thrust Areas**

The Company has identified a few key themes for undertaking CSR Projects/programs/activities across its markets of presence.

The actual distribution of the expenditure among these focus areas shall be based on need identification studies or discussions with borrower community/local government/Gram panchayat/NGOs. The Bank shall give preference to the local area(s) around which the Bank operates for CSR spending.

The key themes for the Bank's CSR program are as follows:

- **Health & Hygiene** – the goal is to create awareness and render quality health care to people living in villages and small towns by organizing:
  - Primary health care Camps

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- Preventive health camps for awareness and screening
- Distribution of first aid kits, protection kits
- Create awareness about schemes/benefits /support offered by the Government and private healthcare agencies
- Distribution of Health and hygiene awareness booklets
- **Livelihood & Literacy** - Focus on livelihood promotion and financial literacy of the community which enables them to use their resources in the best possible way, by organizing:
  - Financial literacy and information camps – understanding savings, credit, insurance
  - Skills training through video shows, booklet distribution, demo camps etc.
  - Study centres to promote back-to-school initiative among children
  - Livestock protection and immunization camps
  - Veterinary camps
  - Vaccination camps
  - Livestock maintenance education drives
- **Community & Environment** - Focus on improving the living and health conditions of communities, by organizing
  - Cleaning & sanitation camps
  - Chlorination drives
  - Water Tank cleaning
  - Borewell/Tap repair, restoration and replacement
  - Safe Drinking water drive
  - Pest control activities
  - Mosquito repellent distribution
  - Sapling distribution & planting
  - Greening activities
- **Others** - Empowering women, Scholarship schemes for deserving students from low-income households, relief in case of natural calamities, contribution to Government schemes/initiatives, partnering with NGOs/agencies engaged in CSR activities etc.
- Any other activities that the CSR Committee of the Company may define from time to time, based on inputs received from stakeholders.

## 7. Implementation

1. The CSR Committee shall provide guidance on the allocation of the CSR budget among the thrust areas on an annual basis.
2. CSR Projects shall be undertaken based on the recommendation of the CSR Committee to the best possible extent, within the defined thrust areas.
3. The Board and CSR committee may decide whether the Bank shall undertake CSR activities directly on its own or through
  - a. A company established under section 8 of the act or a registered trust or a registered society, registered under section 12A and 80G of the Income Tax Act , 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
  - d. A company established under section 8 of the Act or a registered 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 3 years in undertaking similar activities.

With effect from April 01, 2021, Any entity as listed in (a) to (d) above which intends to undertake any CSR activity shall register itself with the Central Government in the MCA21 portal by filing the e-form CSR 1 and obtain a CSR Registration Number.

4. The Bank's support to any project shall depend on the scale and feasibility of the project.
5. The CSR Committee shall monitor the CSR activities by ensuring:
  - Oversight to the Quarterly Activity Calendar and progress report.
  - Approval of donations in any form, made by the Bank.
6. The Bank shall upload the details of CSR initiatives in the public domain i.e. Website and Annual report in order to ensure transparency with all stakeholders.

## 8. Document review and approval

Policy Owner: COO – Sustainability

Effective date: Date of Board Approval

Revision history:

Sl. No.	Author	Date	Revision
1.	Shivakumar Shirani, DGM - HR	12-11-2017	Version 1
2.	Shishir Poonacha S, DGM - Corporate HR	19-03-2019	Version 2
3	Praveen Bhaskar, DVP – Sustainability	21-03-2022	Version 3

This document has been reviewed by

Sl. No.	Author	Date	Revision
1	Pankaj Gulati, CPO	15.11.2017	Version-1
2.	Pankaj Gulati, CPO	19-03-2019	Version 2
3.	Mahender Chawla – COO Sustainability	07-05-2022	Version 3

This document has been approved by

	Name	Date reviewed	Signature
1	Board of Directors	18.11.2017	
2	Board of Directors	22.01.2020	
3	Board of Directors	20.06.2022	