

Annexure – 1

CORPORATE SOCIAL RESPONSIBILITIES (CSR)

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline on CSR policy of the Company.

The Corporate Social Responsibility Policy (CSR Policy) of the Company sets out the broad framework guiding the Company's CSR activities. The Policy also sets out the principles and the rules that need to be adhered to while taking up and implementing CSR activities to be undertaken as specified in Schedule VII of the Companies' Act, 2013 (excluding the activities pursued in the normal course of business) and the expenditure thereon.

2. The Composition of the CSR Committee: CSR committee had the following members upto September 30, 2021:

| Sl. No. | Name of the Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year FY 2021-22 |
|---------|----------------------|--------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------------|
| 1 | Y Rama Rao | Member | None | None |
| 2 | Thyagesh Baba | Member | None | None |
| 3 | V Suresh Babu | Member | None | None |

As permitted under the revised CSR provisions effective January 22, 2021 (Section 135 (9)), the Board has on September 30, 2021, disbanded the above committee and the functions of the Committee shall be discharged by the Board.

- 3.** Provide the web-link where the CSR Policy and CSR projects approved by the board are disclosed on the website of the company: https://sparkcapital.in/wp-content/uploads/SCA_CSR_POLICY.pdf
- 4.** Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. – **Not Applicable.**
- 5. (a) Average net profit of the Company as per sub section 5 of section 135:**

| Financial year | Profit Before Tax* |
|----------------------------|-----------------------|
| FY 2018-19 | 6,09,88,778/- |
| FY 2019-20 | 7,93,47,289/- |
| FY 2020-21 | 14,96,02,718/- |
| Average Net Profits | 28,99,38,785/- |

* Calculated as per Section 198 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014.

(b) Two percent of average net profit of the Company as per sub section 5 of section 135 – **Rs. 19,32,925/-**

(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years - **NONE**

(d) Amount required to be set-off for the financial year, if any - **NONE**

(e) Total CSR obligation for the Financial Year [(b)+(c)-(d)] – **Rs. 19,32,925/-**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) - **Rs. 19,32,925/-**
 (b) Amount spent in Administrative Overheads - **NONE**
 (c) Amount spent on Impact Assessment, if applicable - **NONE**
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]- **Rs. 19,32,925/-**
 (e) CSR amount spent or unspent for the Financial Year:

| Total amount spent for the Financial Year (in Rs.) | Amount unspent (in Rs.) | | | | |
|----------------------------------------------------|------------------------------------------------------------------------|------------------|------------------------------------------------------------------------------------------------------|--------|------------------|
| | Total amount transferred to unspent CSR Account as per Section 135 (6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5) | | |
| | Amount | Date of transfer | Name of the fund | Amount | Date of transfer |
| 19,32,925/- | NONE | | NONE | | |

(f) Excess amount for set off, if any

| Sl. No. | Particular | Amount (in Rs.) |
|---------|-------------------------------------------------------------------------------------------------------------|-----------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | Rs. 19,32,925/- |
| (ii) | Total amount spent for the Financial Year | Rs. 19,32,925/- |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | NIL |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | NIL |

7. **Details of Unspent CSR amount for the preceding three financial years: None, as there is no unspent CSR amount.**

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.) | Amount spent in the Financial Year (in Rs.). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | Amount remaining to be spent in succeeding financial years. (in Rs.) | Deficiency, if any |
|--------------|---------------------------|--------------------------------------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------|--------------------------------------------------------------------------------------------|-------------------|----------------------------------------------------------------------|--------------------|
| | | | | | Amount (in Rs). | Date of transfer. | | |
| 1. | FY 1 | - | - | - | - | - | - | - |
| 2. | FY 2 | - | - | - | - | - | - | - |
| 3. | FY 3 | - | - | - | - | - | - | - |
| TOTAL | | - | - | - | - | - | - | - |

8. Whether and capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Yes/ No**

If Yes, enter the number of Capital assets created/ acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sl. No. | Short particulars of the property or | Pin code of the | Date of creation | Amount of CSR amount | Details of entity/ Authority/ beneficiary of the registered owner |
|---------|--------------------------------------|-----------------|------------------|----------------------|-------------------------------------------------------------------|
|---------|--------------------------------------|-----------------|------------------|----------------------|-------------------------------------------------------------------|

| asset(s) [including complete address and location of the property] | property or asset(s) | spent | CSR Registration Number, if applicable | Name | Registered Address |
|-----------------------------------------------------------------------------------|----------------------------|-------|-------------------------------------------------|------|--------------------|
|-----------------------------------------------------------------------------------|----------------------------|-------|-------------------------------------------------|------|--------------------|

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

- Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub section 5 of section 135. – **NOT APPLICABLE**

Y Rama Rao
Managing Director

V Suresh Babu
Whole-time Director

CSR POLICY version 2 – approved on September 30, 2021

Corporate Social Responsibility (CSR) is a Company's commitment to its stake holders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

Our CSR policy is formulated by adhering to Section 135 of the Companies Act 2013, ("the Act") and we strive to commit ourselves to contribute to the society that we conduct our businesses, in a just and transparent manner. Our primary goal here is contribution to the community with a long term vision of socio economic development. The primary areas for development that we seek to contribute are — Education facilities for the poor, Healthcare, Development of sports and Environment.

A CSR Committee shall be formed in terms of the Act when it becomes mandatory for the Company to form such a Committee under the provisions of the Act. Till such time the Board shall discharge the responsibilities under the Act.

The indicative activities which are proposed to be undertaken by our Company under CSR have been specified below in accordance with Schedule VII of the Companies Act 2013. Such activities would be by and large for the following causes:

- Eradicating hunger and poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water;
- Promoting education including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently abled and livelihood enhancement projects.
- 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.
- Contribution to 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, scheduled tribes, other backward classes, minorities and women.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining of quality of soil, air and water.
- 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;
- Measures for the benefit of armed forces veterans, war widows and their dependants;
- Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government. Rural development projects.
- Disaster Management: Disaster management including relief, rehabilitation, and reconstruction activities, supporting for Covid 19 relief measures. The above objectives are broad based and will be construed in a liberal manner within the framework of the Act.

Further to contributions towards any of the above causes, should there be any surplus arising out of CSR activities will be reinvested into CSR initiative and this will be over and above the 2% contribution.

The Company shall implement its CSR activities any of the following methods;

- a. Directly on its own;
- b. Through its own non-profit foundation set-up so as to facilitate this initiative;
- c. Through independently registered non-profit organisations that have a record of at least three years in similar such related activities;

Only CSR activities undertaken in India will be taken into consideration.

Activities meant exclusively for our employees and their families shall not qualify.

The Board of Directors shall mandatorily report on CSR in their report in the specified format in accordance to the Act. The report shall include activity-wise spending, and also reasons for spends under 2% of the average net profits of the previous three years computed in accordance with Section 198 of the Act and a responsibility statement that the CSR policy, implementation and monitoring process is in compliance with the CSR objectives, in letter and in spirit. This shall be signed by either the CEO or the Managing Director or any Director of the Company.