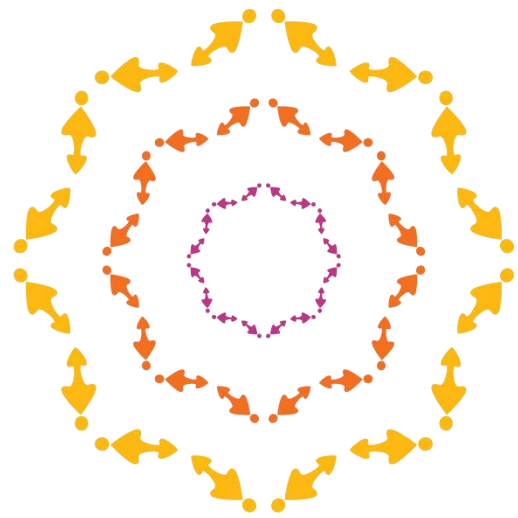


Samasta Microfinance Limited



samasta
microfinance

Corporate Social Responsibility Policy (CSR)

| SI nr | Heads | |
|--------------|------------------------|-----------------------------|
| 1 | Version Number | 1.0 |
| 2 | Prepared by | CSR Department |
| 3 | Approved by | CSR Committee |
| 4 | Effective as on | |
| 5 | Revision Status | 00 (Initial Version) |

About SAMASTA Microfinance:

Samasta Microfinance is a public limited, Non banking financial company began operations in March 2008 with an aim to provide financial services to the financially weaker sections in the southern and western states of India.

Samasta focuses on bridging the gap between ambition and achievement of the working poor across India, by providing financial and non-financial services, in a sustainable long-term relationship and enable them to achieve a better quality of life.

Samasta, as a Non-Banking Financial Company, believes that the way forward lies in micro finance which empowers individuals and enriches communities. By alleviating financial stress among the poor and offering an opportunity for income-generation, it helps improve the quality of life. The micro loans can be used to pay off outstanding debts borrowed from local money lenders at very high interest rates, start small businesses, pay educational expenses and for emergency health services, which are the primary requirements of the people we cater to.

CSR Policy:

According to rule 2 (1) (e) of the CSR rules- “CSR policies” “relates to the activities as specified in schedule VII to the act and the expenditure thereon, excluding the activities undertaken in pursuance of the normal course of business of a company”.

SAMASTA Microfinance CSR Policy:

SAMASTA Microfinance as an organization is very much committed towards the development of the society and having a objective of improving the quality of life of the community. The company shall allocate 2% of the average net profits of preceding three years towards CSR activities. In case any surplus/corpus fund arises out of the projects initiated under CSR will be re-deployed back into CSR projects only and shall ‘not be used as any form of profit for the company. Under this CSR policy, a committee will also be formulated to fulfil all the roles and responsibilities and to conduct the annual CSR board meetings as well.

The focus of the CSR activities will be both rural & urban areas. However, the locations wherein the CSR activities shall be conducted has to be approved by the CSR committee as and when required.

The objective of the CSR activity/activities will be to provide benefit to all the people irrespective of their background details. However, a special focus will always be given to women, girl child, aged population and those coming from the marginalized communities.

SAMASTA's focus will be to contribute to the sustainable development of the society & environment and to make our planet for the future generations.

Objective:

1. Striving the economic development of the community intending to positively develop the society at large.
2. Carrying out developmental initiatives which are purely sustainable in nature.
3. To operate in a socially, environmentally and economically responsible manner.

Approach:

The approach of the CSR will be revolving around principles- honesty, focus upon impact, strengthening the relationship between communities and companies, employee engagement, Innovation, Team building, Transparency & accountability with a holistic approach for development.

Delivery Mechanism:

The CSR department of the SAMASTA Microfinance will be run by an in-house dedicated CSR team and through several societies promoted/recommended by the CSR committee/BoD. However, the partner agencies will be selected on the basis of well defined selected criteria.

1. Work experience of the partner agencies in the required field.
2. Liasoning or collaboration with any government & non government agencies.
3. Cost structure & manpower availability.

Review of Policy:

The developed CSR policy will be reviewed/developed/modified as per the requirement. Also, the final document will be prepared only after the approval/consent of CSR committee.

CSR Activity focus areas:

All the CSR activities of SAMASTA Microfinance will be aligned towards improving the quality of life of the community. However, the focus areas will be related to Health, Livelihood, Education & literacy programme, cattle well being and Skill development. The recommendation may be suggested by the CSR team based on the secondary research and other sources of information.

Location of CSR activities:

Location for any CSR activity conducted by SAMASTA Microfinance will be decided by the core CSR committee. The recommendation may be suggested by the CSR team based on the secondary research and other sources of information.

Governance mechanism:

The CSR committee will govern and review the CSR and its activities for the company. The CSR committee will recommend the annual business plan for CSR and place it to the board for its approval. The plan will be inclusive of the nature & scope of the project, budget, resource requirements and allocation across location/locations. The CSR committee will be inclusive of minimum three directors, of which one will be independent.

The CSR committee monitor the activity and achievements as per the vision statement of the project. The company may also create an consultative council from academic and development sector having eminent experience in the areas where the company is running their CSR projects.

Scope of SAMASTA Microfinance CSR:

The following mentioned focus areas will be taken under consideration under the scope of CSR.

| Sl nr | Focus Areas | CSR Initiatives | Ref. Schedule number of companies act. |
|--------------|--------------------|--|---|
| 1 | Education | <ul style="list-style-type: none">● Financial Literacy program for rural women.● Educate and Mass awareness program on road safety. | Schedule VII (ii) |
| 2 | Health | <ul style="list-style-type: none">● Preventive health care activities● Treatment services for both human & Cattle at door step.● Providing Cataract eye surgery for the aged population. | Schedule VII (i) |
| 3 | Animal Welfare | <ul style="list-style-type: none">● Cattle breed improvement project: Integrated livestock development program.● Potter development activities. | Schedule VII (iv) |
| 3 | Skill Development | <ul style="list-style-type: none">● Skills development program for unemployed youth in rural and semi urban. | Schedule VII (ii) |
| 9 | Disaster Relief | <ul style="list-style-type: none">● Extending relief measures during the time of natural disaster, anywhere in the country | Schedule VII (I) |

Composition of CSR Committee & Board:

Corporate Social Responsibility committee of will be inclusive of at-least three or more directors, out of which one shall be an independent director.

The board's report under sub-section (3) of section 134 shall disclose the composition of the corporate social responsibility committee. As per the clause (3) of section 135 the corporate social responsibility committee shall-

- A. Formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the company as specified in the schedule VII.
- B. Recommend the amount of expenditure to be incurred on the activities to referred to in clause (a) and
- C. Monitor the corporate social responsibility policy of the company from time to time.

The Board, after taking into account the recommendations made by the corporate social responsibility committee,

- 1. Approve the corporate social responsibility policy for the company and disclose contents of such policy in its report and also place it on the company's website, if any, in any such manner as may be prescribed.
- 2. Board, shall ensure that the activities as are included in the corporate social responsibility of company as undertaken by the company.
- 3. The board, shall ensure that the company spends, in every financial year at least two percent of the average net profits of the company made during the three immediately preceding financial year, in pursuit of of its corporate social responsibility policy.

The company shall give preference to the area/areas where it operates for spending the amount earmarked for corporate social responsibility activities.

- 1. If the company fails to spend such amount the Board, shall in its report made under clause (o) of sub-section (3) of sub-section 134, specify the reason for not spending the amount.

Guiding principles of CSR:

1. CSR programme will be undertaken by the company in its identified areas. Also, the needs assessment & impact evaluation will be conducted based on the requirement.
2. The companies may enter into partnership/collaboration with various stakeholders such as government bodies, semi government agencies, business partners to create a holistic impact in the society/community through its CSR.
3. The mode of implementation of the CSR projects will be both direct through the CSR team and indirect through the hired/appointed specialized agencies considering the nature of the project.
4. The company may use the internal teams, volunteers, employee volunteers based on the requirement.

Monitoring & Evaluation of CSR activities:

Monitoring of the CSR projects can be conducted by the internal departments of SAMASTA Microfinance or any third party can also be involved considering the requirement & budget availability.

Treatment of Surplus, if any- Any form of surplus generated by any of the CSR projects will be tracked and utilized in the CSR corpus only. However, by no means it will not be added to the normal business profit.

CSR activities annual report format:

1. A brief outline of the company's CSR, including overview of the projects, programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The composition of the CSR committee.
3. Average net profit of the company for last three financial years.

4. Prescribed CSR expenditure- project wise, if have multiple projects.

5. Details of the CSR spent for the financial year

5.1 Total amount to be spent for the financial year

5.2 Amount unspent, if any.

5.3 Manner in which the amount spent during the financial year is mentioned below:-

| Sl nr | CSR project or activity identified | Sector in which the project is covered | Projects or Programs 1. Local area or other 2. Specify the state & district where projects or programs were undertaken | Amount spent on the projects or programs Sub-Heads 1. Direct expenditure on projects or programs 2. Overhead expenses | Cumulative expenditure up-to reporting period. | Total Amount Spent: Direct or through implementing agency. |
|-------|------------------------------------|--|--|--|--|--|
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |