

CORPORATE SOCIAL RESPONSIBILITY POLICY

Annapurna Microfinance Pvt. Ltd.
Corporate office: Bhubaneswar, Odisha

I. BACKGROUND

Corporate Social Responsibility is company's sense of responsibility towards the community & environment in which it operates. Annapurna believes in conducting its business responsibly, fairly and in a transparent manner.

It aims to bring an overall positive impact on the society & environment where it operates. It is also making consistent efforts over the years towards economic & social upliftment of marginalized sections of the society. It has also laid down guidelines to make CSR a key business process for sustainable development of the society and environment in which it operates.

It is also enhancing welfare measures for the society based on the immediate and long term social and environmental consequences of the company's activities in the nation.

II. OBJECTIVE & CSR ACTIVITIES

The CSR Policy specifies the projects and programmes that can be undertaken and the scope kept as wide as possible, so as to allow the company to respond to various challenges appropriately and flexibly, subject to the activities enumerated in Schedule VII of the Companies Act, 2013 as mentioned below:

- Promotion of education, awareness campaigns, child welfare & rehabilitation of differently-abled, gender equality, empowering women and employment enhancing vocational skills,
- Community development, health care, sanitation, reducing child mortality and improving maternal health, combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases; and eradicating extreme hunger and poverty,
- Ensuring environmental sustainability & setting up social business projects,
- Contribution to Prime Minister's National Relief Fund or other fund set up by the Government for socio-economic development, relief & welfare; and
- Other matters with main objective of betterment of society as prescribed.

However, the Members of the CSR Committee of the Company are authorised to consider other CSR activities that are not falling under the above mentioned criteria.

III. ROLE OF CSR COMMITTEE

The Board of Directors of the Company have constituted a *Corporate Social Responsibility (CSR) & Social Performance Management (SPM) Committee* of Directors. A separate department of "Social Performance Management" is formed for the sole purpose of managing the social activities in backward areas, which is headed by an SPM officer. The Committee reports to the Board, at least on an annual basis, the status of the CSR projects/activities undertaken by the Company along with the impact created by such projects/ activities are also shared with the board members. The Committee will play the following roles in fulfilling the Company's CSR objectives:

- Formulation & review of CSR Policy indicating the activities to be undertaken towards

- CSR initiatives, and ensuring transparent monitoring mechanism;
- Recommendation of funds for expenditure to be incurred on CSR activities;
- Formulation of projects/programmes/activities proposed by the Company & end use of the amount spent towards CSR activities;
- (Bi) Annually reporting to the Board about the status of CSR activities & contributions made by the Company & other requirements mandated as per the statute/law;
- To ensure steady progress & proper utilization of CSR amount and Periodic Field visits by the persons deputed by the Company.
- Quarterly operational/progress reports within 30 days from the end of each month along with a consolidated statement of expenses.
- To upload/update CSR Policy on its website www.ampl.net.in with a detailed status report & responsibility statement on CSR activities to be disclosed every year as part of Director's Report stating that, CSR Policy implementation and monitoring thereof is, in true letter & spirit and comply the CSR objectives.

The CSR Committee may engage external agencies to evaluate the CSR projects and monitor its progress. The Committee would constantly monitor the implementation of the CSR projects and the utilization of the CSR amount.

PROCESS FOR UNDERTAKING CSR ACTIVITIES / PROJECTS

Following procedure required to be adhered for undertaking CSR activities/projects:

- Formulating & recommending a letter of contribution for undertaking CSR activities through CSR Committee along with project plan submitted therewith.
- The contribution would be for specified project(s) identified by the Company.
- The disbursement of the contribution amount by the Company to the Partnering NGOs shall be made only if they have requisite approval.
- Whilst making any contribution activities for which it will spend and any income earned shall be specified and utilised towards CSR activities only.

IV. CSR AMOUNT & SPENDING THEREON.

The Company ensures that in every financial year it spends at least 2% of its average net profits made during the 3 immediately preceding financial years, as per Section 135 of the Companies Act, 2013 and Rules made there under.

A separate fund is maintained for the sole purpose for spending on CSR and SPM activities and allocation of funds from the profits of the Company to the said fund.

CSR Committee will Forecast/Schedule the CSR activities to be performed well in advance and make a proposed budget to allocate the funds required for that purpose and will decide on the following with regard to spending of CSR amount:

- Percentage of total amount to be contributed for social developmental activities.
- Salaries paid to regular CSR staff & volunteers (in proportion to company's time/hours spent specifically on CSR) to be factored into CSR project cost as part of the CSR expenditure.

- Tranches of disbursement of funds for social activities.
- Any surplus arising from CSR projects will not form part of business profits.
- Any income arising from the contribution received and surplus arising out of the CSR activities will be used for CSR only.
- The Committee shall recommend to contribute funds for building the CSR capacities of personnel, for the Company as well as contribute for the same to external institutions (with established track records), through which it may undertake its CSR activities, but such expenditure shall not exceed 25% of total CSR expenditure of the company in one financial year and require prior approval of CSR Committee.

Approved by Board

Dated: 24.2.2015

ANNEXURE I

CSR Committee

The Board of Directors of the Company has constituted a Corporate Social Responsibility (CSR) & Social Performance Management (SPM) Committee of Directors.

The composition of CSR & SPM committee consists of following members:

Name	Designation
Mr. Dibyajyoti Pattanaik.	Chairman (Executive Director)
Mr. Gobinda Chandra Pattanaik	Member (Managing Director)
Mr. Sean Leslie Nossel	Member (Independent Director)
Mr. Ashok Ranjan Samal	Member (Independent Director)

A separate department being formed for the sole purpose of managing the social activities in backward areas to be called as **Social Performance Management Department** headed by a SPM officer of the Company.

ANNEXURE II

CSR ACTIVITIES / PROJECTS

1. Education

This would include partnerships with organisations working in the field of primary and secondary education, formal and non-formal, literacy programmes, scholarships etc. The main focus of supporting these programmes is to ensure basic literacy, offer vocational training, and manage teaching societies and study centres.

2. Community Development

This would cover the areas of women empowerment, rehabilitation of destitute women and children, improving slum habitat, the provision of necessary amenities for economically disadvantaged persons, causes of the elderly.

3. Child Welfare

This would cover partnerships with organisations that work in the areas of rehabilitation of street children, orphans and destitute children trying to integrate them into mainstream society.

4. Differently-abled

This would include partnerships with organisations working towards rehabilitation of physically and mentally challenged children/adults. Besides organisations that work towards providing vocational training and guidance to challenged individuals with an effort to make them economically independent and contributing members of society

5. Health care and Sanitation

This would include partnerships with organisations supporting sanitation and health-care initiatives, awareness programmes and provision of basic / specialised medical facilities for the underprivileged sections of society.

6. Others

This would cover partnerships with organisations and any other development activity undertaken with the main objective of betterment of society.

However, the Members of the CSR Committee of the Company shall be authorised to consider other CSR activities that are not falling under the above areas.