

BSS MICROFINANCE PRIVATE LIMITED

Reg Off: No. 11, 2nd Block, 2nd Stage

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CIN: U74899KA1994PTC049746

Revised on 31st October 2015

Corporate Social Responsibility (CSR) Policy

Brief Background: As per Sec 135 of Companies Act 2013, with effect from 1st April 2014, every Company having Net worth of Rupees 500 crores or more, or turn over of Rupees 1,000 crores or more, or a net profit of Rupees 5 crores or more during any Financial year (FY) ('any financial year' implies 'any of the three preceding financial years' as per clarification issued by Ministry of Corporate Affairs) shall constitute a Corporate Social Responsibility (CSR) Committee, in order to undertake activities that would come under the purview of CSR activities. If the Company falls under the above criteria, the Company should ensure that it spends, in every FY, at least two per cent of the average net profits of the Company made during the three immediately preceding FYs.

Constitution of CSR Committee of the Board: As per the Act, the CSR Committee shall have three or more Directors, out of which atleast one shall be Independent Director. Further, it is clarified that the Private Companies which are not required to appoint Independent Director shall have its CSR committee without such Director. The Board of Directors of BSS NBFC has approved in its meeting dated 24th May 2014 the formation of CSR Committee. The Committee shall meet atleast once in a financial year, or more often, if required so.

Activities that can be pursued under CSR Activities: The list of activities eligible under CSR are specified in Schedule VII of the Companies Act, 2013, as amended from time to time. MCA notification dated 27th February 2014 with details of CSR activities enclosed with this policy. Out of the listed eligible project / program / activities, the Company will be focusing at one or more of the following project / program / activities:

- 1) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water
- 2) Promoting education.
- 3) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- 4) Rural development projects.
- 5) Any other activities / project / program as specified in Schedule VII of the Companies Act, 2013, as amended from time to time, subject to the approval of the Board

While deciding on selecting a CSR project / program / activity, the Company shall keep in view, inter-alia, the cost effectiveness in implementing the same.

CSR Spending: Whenever the Company falls under the criteria stipulated by Companies Act 2013, the Company should ensure that it spends, in that FY, at least two per cent of the average net profits of the Company made during the three immediately preceding FYs. The Company shall give preference to the local areas and areas around it where it operates, for spending the amount earmarked for CSR activities. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

CSR Reporting: A report, as specified, shall be submitted to the Board about the amount spent for CSR activities during the FY. The Composition of the CSR Committee, contents of the CSR approved policy and CSR initiatives undertaken by the Company shall be disclosed in the annual Board of Directors report to the General Body of the Company, in the specific format as required in the notification, and also shall be displayed on the company's website.

Review of the CSR policy: The CSR committee/ Board shall monitor and review the CSR policy annually, or if required, at more frequent intervals.

Monitoring mechanism: Compliance officer shall monitor all the aspects with regard to CSR in the Company, and submit report to the CSR Committee/Board.

Verified by

Kiran Tangudu
Compliance Officer

S Kumar
Executive Director

B L Radha
Member – GSMT

Suresh Batchu
CFO

P B Kavitha
Executive Director

S Panchakshari
Executive Director

Dr Ramesh Bellamkonda
Managing Director

Recommended by the CSR Committee to Board on 31st October 2015.

Approved by Board on 7th November 2015.