MAGALIR MICRO CAPITAL PRIVATE LIMITED

CSR POLICY

Table of Contents

Preamble

Magalir Micro Capital Private Limited (earlier as Magalir Micro Finance Private Limited) started in the year 2015 and it has spread its wings all over Tamil Nadu and Kerala. The Company is primarily engaged in the Business of Micro Finance Activities after proper approval received from Reserve Bank of India from August 2016.

Initially at the time of Incorporation, the Company was incorporated with two directors namely Mr. FATHURABBANI SADIQ and Mrs. CHEPPALA RAJAN SEENA and having its registered office situated at Chennai and started its business in the City of Tirunelveli. While on a steady growth several other directors were appointed and they also joined hands with the founders and with the innovative ideas they enlarged the business and opened several new branches in various districts such as Tirunelveli, Kanyakumari, Theni, Viruthunagar, Tuticorin, Madurai, Ramanathapuram, Sivagangai and the company has also spread its wings to Trivandrum and Kollam districts in the State of Kerala and the company has also planned to expand its branches all over Tamilnadu and Kerala and other states.

During these years after incorporation the Board of Directors of the Company is striving hard to develop the business by providing Loan to the needy people who are comes under the Self Help Group to encourage their small scale business and to meet their capital requirements to carry out those business and a large number of people were benefitted and were growing immensely with the help of Magalir Micro Capital Private Limited. The company's motto is to help the needy people and to make the people empowered especially women, so as the promoters had named the company MAGALIR referred as Women in Tamil. The company has also spent its profit for the welfare of the society and after the implementation of Section 135 of the Companies Act, 2013, the board was very happy to spent the money for CSR activities.

PURPOSE

CSR is extremely important for sustainable development for all stakeholders (all the people, on whom the business has an impact, including the society at large).

We see CSR as good for society and good for business. Better understanding of the potential benefits of CSR for the competitiveness of individual organisations and for national economies can help encourage the spread of CSR practice.

The key purpose of this policy is to:

Build a society which provides equal access to opportunities negates disparities and, is a collective responsibility. The Companies Act 2013 presents a unique opportunity to stand up to the challenge. It is a call for action. And this policy is a significant step in that direction.

- Defines what CSR means to us and the approach adopted to achieve our Good & Green goals.
- To Define the kind of projects that will come under the ambit of CSR
- To Identify broad areas of intervention in which the company will undertake projects

• Serve as a guiding document to help execute and monitor CSR projects
• Elucidate criteria for partner implementation agencies
• Explain the manner in which the surpluses from CSR projects will be treated

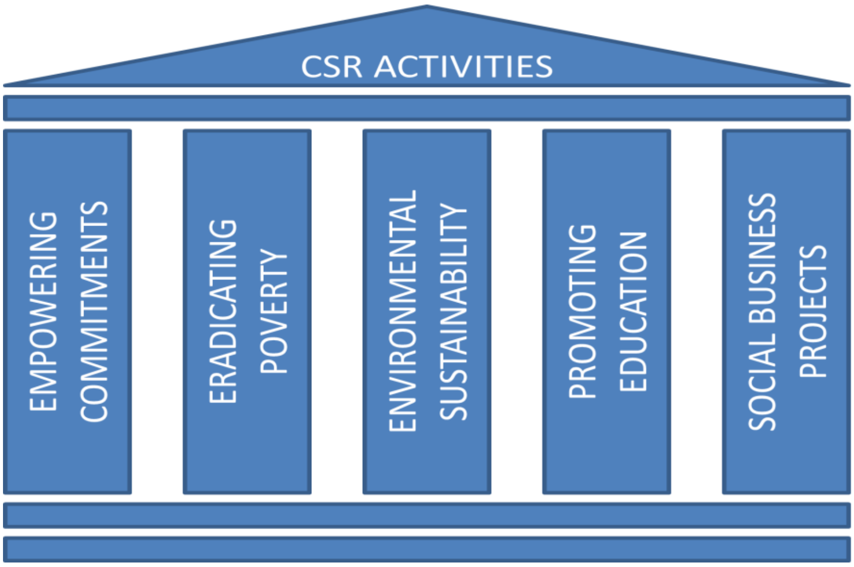
Policy Statement

CSR Policy focuses on addressing critical social, environmental and economic needs of the Marginalized/underprivileged sections of the society. Through this policy, we align our CSR strategy with the vision and goals of the Company. We adopt an approach that integrates the solutions to these problems into the strategies of the company to benefit the communities at large and create social and environmental impact.

Scope of CSR

India is a country of myriad contradictions. On the one hand, it has grown to be one of the largest economies in the world, and an increasingly important player in the emerging global order, on the other hand, it is still home to the largest number of people living in absolute poverty (even if the proportion of poor people has decreased) and the largest number of undernourished children and non availability of education. What emerges is a picture of uneven distribution of the benefits of growth which many believe, is the root cause of social unrest.

MAGALR MICRO CAPITAL PRIVATE LIMITED being a responsible body corporate with a strong intends towards achieving corporate Governance brings utmost effort to meet the requirements of CSR in the same spirit as we run business. The commitment towards achieving CSR is builds on the foundation of following pillars



The Main Theme of CSR Policy for MAGALIR MICRO CAPITAL PRIVATE LIMITED is to

"GIVING BACK THE SOCIETY ON WHAT IT HAS ACQUIRED FROM IT"

CSR and Companies Act 2013

Throughout the Continent, India is the first country to incorporate the Golden Concept of Corporate Social Responsibility (CSR) into the Legislation there by showing the rest of world to do business in a more responsible way to achieve Socio –Economic prosperity.

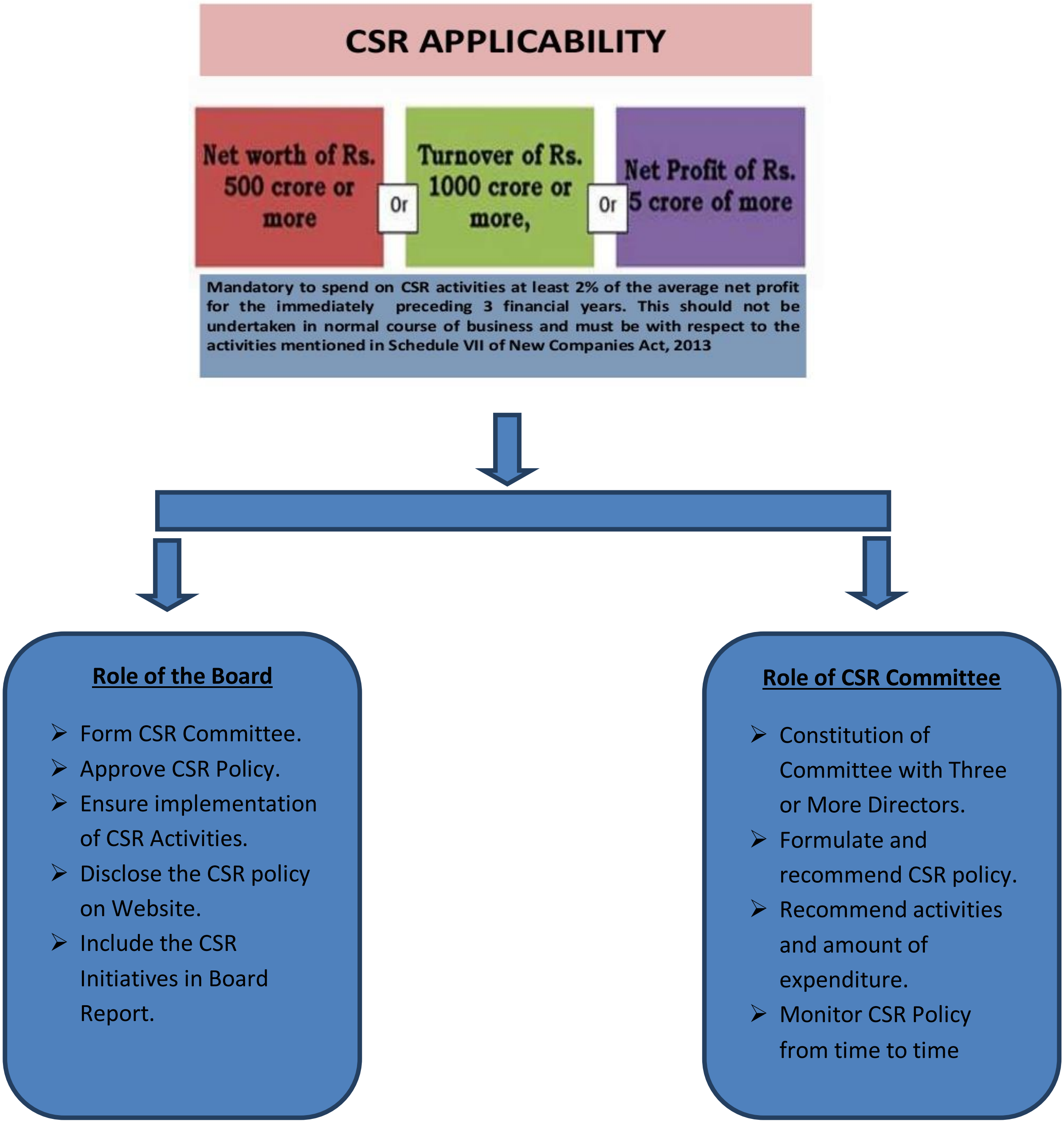
Thus a mix of Regulatory Framework and societal pressure made the Indian Corporates to implement the CSR policy more professionally. Hence with a new tool bag on its kitty and corporate resources in its hand much is depend on the ability to innovate and adapt

The provision of CSR is governed by sec 135 of Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Rules. 20I4.

Section 135 (1) of Companies Act 2013 read with rule 3(2) of Companies (Corporate Social Responsibility policy) Rules 2014 contains the triggering point for applicability of CSR, where it states that if the company falls under any of the following category during any three financial year it shall constitute CSR Committee

- Net worth of rupees Five Hundred Crores or more, or
- Turnover of rupees One Thousand Crore or more or
- Net profit of rupees Five Crore and above

The following diagram illustrates the CSR applicability



CSR Reporting

The new Act requires that the board of the company shall, after taking into account the recommendations made by the CSR committee, approve the CSR policy for the company and disclose its contents in their report and also publish the details on the company's official website.

MAGALIR MICRO CAPITAL PRIVATE LIMITED & CSR FOCUS AREA

Magalir Micro Capital Private Limited is committed towards achieving the syndrome called CSR by effective policy formation. As a practice, we classify only those projects that are over and above our normal course of business as CSR. This policy applies to all our existing CSR projects that we have endured so far well ahead of the legislation requirement. It will be further reviewed and updated.

- Go green - Tree sapling in and around the Company there by keeping the health of environment at its best to achieve Green Environment
- Training Rural, sub-urban and Urban youths to enhance their skills and earning potential through Employability Training Program.
- Providing funds for the educational institutions for the welfare of the students.
- Organising the medical camp in the villages nearby the office and other villages for medical ailment.

Our CSR policy contributes to the goals of Magalir Micro Capital Private Limited by adopting projects in the following areas of intervention defined in Schedule VII:

HUNGER, POVERTY, MALNUTRITION AND HEALTHCARE:

Eradicating the hunger, poverty and malnutrition, ensure the healthy environment through proper sanitation and preventive healthcare measures.

EDUCATION:

Providing proper education to the people who are socially and economically backwards and also fund for the welfare of the students.

ENVIRONMENTAL SUSTAINABILITY:

Providing eco-friendly activities such as sapling plantation, rural development, etc.,

MISSION:

The mission is to promote healthiest and happiest society through CSR strategies and integrating corporate processes and social & environment processes to create a win-win relationship.

VISION:

To enrich lives through CSR and make a platform for sustainability growth together with stakeholders.

OTHERS:

As may be identified in the future course of action.

CSR Committee

The below 2 (Two) directors along with an authorised person shall form a CSR Committee to take forward the CSR Policy.

Sl. No	Name of the Director	Designation	Designation in Committee
1	Mr. FATHURABBANI SADIQ	Managing Director	Chairman
2	Mrs. SEENA CHEPPALA RAJAN	Director	Member

The CSR committee shall from time to time shall examine and ensure effective implementation of CSR Policy

CSR Activities

We recognize that business success is deeply linked to society's progress. Our investments in CSR activities are therefore investments in the long term success of our Company. The aim is to deliver mutual benefit and promote shared progress. Our CSR initiative focuses on helping people in need. Our efforts will also help nurture children, who will potentially be the future leaders and innovators.

Our activities include but are not limited to:-

- Projects or programmes relating to activities specified in Schedule VII to the Act or
- Projects or programmes relating to activities undertaken by the board of directors of a Company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR policy of the company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.

The CSR Policy of the Company shall, inter-alia includes the following, namely

- a list of CSR projects or programs which a company plans to undertake falling within the purview of the Schedule VII of the Companies Act 2013, specifying modalities of execution of such project or programs and implementation schedules for the same; and
- Monitoring process of such projects or programmes

Provided that the CSR activities does not include the activities undertaken in pursuance of normal course of business of a company.

Provided further that the Board of Directors shall ensure that activities included by a company in its Corporate Social Responsibility Policy are related to the activities included in Schedule VII of the Act.

The CSR Policy of the company shall specify that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

MAGALIR MICRO CAPITAL PRIVATE LIMITED will spend the amount directly or through implementing agency in the Tamil Nadu region in our presence. The Various activities includes:

a) Eradicating hunger and poverty
b) Sponsorship for Medical Treatment & Promoting Preventive health care in rural areas
c) Promotion of education
d) Social business projects

The Corporate Social Responsibility Committee shall intimate the Board of Directors of the Company about the activities carried out as per CSR policy.

LOCATION OF CSR ACTIVITIES

The CSR Committee will choose the location for the CSR activities to be implemented.

Governance Model

We have constituted a robust and transparent governance structure to oversee the implementation of our CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013.

Draft Board Resolution for CSR.

"**RESOLVED THAT** a Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company be and is hereby constituted comprising of the following members of the Board of Directors of the Company as members of CSR Committee:

1. Mr. FATHURABBANI SADIQ - Chairman
2. Mrs. SEENA CHEPPALA RAJAN - Member

"**RESOLVED FURTHER THAT** the terms of reference of CSR Committee shall, inter-alia, include the following:

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013:
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To monitor the CSR policy of the Company from time to time;

- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

“**RESOLVED FURTHER THAT** the quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.”

CSR Budget

The CSR Money to be spent on CSR activities shall be decided by CSR Committee

Treatment of Surplus

Any surplus generated from CSR projects undertaken by us will be tracked and channelized into our CSR corpus. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.

Review of the Policy

The CSR policy shall be reviewed any time whenever the committee or board feels the same.

Thanks