SAMUNNATI FINANCE PRIVATE LIMITED	
Policy:	CSR Policy
Reviewing Authority:	Corporate Social Responsibility Committee
Approving Authority:	Board of Directors
Date of original approval	December 20, 2024
Version No.	1
Date of approval by Policy Approval Committee	December 20, 2024
Date of last review	May 19, 2026
Effective Date	December 20, 2024
Review Cycle:	Annually or as recommended by the Board of Directors

Preamble

In line with its vision to make markets work for the smallholder farmers and make Agri value chains operate at a higher equilibrium, Samunnati Finance Private Limited (Company) goes beyond business to make a sustainable, positive social, economic, and environmental impact on the lives of the people. The Company envisions sustainable and inclusive development of smallholder farmers and the agriculture ecosystem as a whole.

The Company's CSR Policy has been framed in accordance with Section 135 of the Companies Act, 2013 (Act) and the Rules framed thereunder. The Policy shall apply to all CSR programs/activities undertaken/sponsored by the Company and executed through Samunnati Foundation or through any other Trust/Society or implementation partner or any other fund set up by the Government.

CSR Purpose Statement

The primary purpose of the Company's CSR philosophy is to enable inclusive growth and creating opportunities for the unserved / underserved communities with specific focus on creating sustainable livelihoods, supporting rural development projects, promoting education and skill development, promoting environmental sustainability, and supporting innovations that largely benefit the agriculture ecosystem.

CSR Focus Areas

- Employment enhancing vocational skills
- Ensuring environmental sustainability
- Contributions or funds provided to technology incubators
- Rural development projects
- Promoting gender equality and empowering women
- Building an enabling ecosystem
- Sector Building and Knowledge sharing
- Disaster/pandemic or such other relief activities as may be approved/notified by the Regulators, from time to time

The broad details on the CSR initiatives that the Company shall undertake/support/initiate is Annexed to this Policy.

The CSR Committee may approve any other projects or initiatives as laid down in Schedule VII of the Companies Act (as may be modified/amended from time to time).

CSR Governance Structure

The CSR Policy shall be governed by the Board of Directors (Board).

Responsibilities: The Board shall be responsible:

- To approve the CSR Policy of the Company after considering the recommendation of CSR Committee and disclose contents of such policy in its report and placing on the Company's website in such a manner as prescribed in the Act

- To ensure the projects included in the Policy are undertaken by the Company
- To ensure that the Company spends, in every financial year, at least 2% of the average net profits (before tax) of the Company made during the three immediately preceding financial years in pursuance of the Policy
- To make any change(s) in the constitution of the CSR Committee as deemed suitable
- To approve the annual action plan and CSR framework (including annual budget);
- To approve projects / NGOs to be partnered or associated with;
- To ensure that the funds disbursed for the CSR Projects as part of the Company's obligation for each financial year have been utilised for the purpose and in the manner allocated and approved by it, within the same financial year;
- To ensure that the administrative overheads shall not exceed 5 (five) percent of total CSR expenditure of the Company for the financial year or such other limit as may be prescribed under the Act;
- To monitor the implementation of the ongoing projects with reference to the approved timelines and year-wise allocation;
- To suggest modifications, if required, for smooth implementation of the CSR project within the overall permissible time period under the Act.

CSR Committee

The Corporate Social Responsibility Committee (CSR Committee) is duly constituted as per the requirements of Companies Act 2013.

The terms of reference of the CSR Committee (CSR Committee Charter) shall be decided and approved by the Board of the Company.

Responsibilities: The Committee shall be responsible:

- To formulate CSR Policy which shall indicate the activities to be undertaken by the company and recommend the same to the Board of the Company for approval
- To recommend CSR activities as stated under Schedule VII of the Companies Act 2013
- To recommend the amount of expenditure to be incurred on the activities to the Board
- To monitor CSR programs of the Company from time to time and submit a report on the same to the Board

- Review the outcome of the CSR projects/activities and make recommendations to the Board of Directors;
- Monitor the CSR activities of the Company;
- Decide whether CSR activities are to be undertaken directly or through an Implementing Agency or in collaboration with any other companies;
- Formulate/finalise and recommend to the Board the following matters with respect to the CSR projects/activities:
    - Annual action plan;
    - Annual budget;
    - Time required for project implementation, with clear identification of Ongoing Projects ; and
    - Prospective outcome of the project/activity.

Mode of Implementation

All CSR programs/activities shall be executed by the Company itself or through Samunnati Foundation or through any other Trust or agencies and entities as it deems suitable.

- If external Implementing Agencies are used, the Company shall ensure that they satisfy the conditions prescribed under the Act, as amended from time to time, which inter alia currently includes that Implementing Agencies should be registered under sections 12A and 80 G of the Income Tax Act, 1961 (subject to any amendments or re-enactments from time to time) and with the Ministry of Corporate Affairs, by filing eForm CSR 1, as required and have a 3 (three) year track record in undertaking similar activities. The qualifying conditions also need to be satisfied by any step-down Implementing Agencies that are engaged by the Company's primary Implementing Agency;

- In all cases where Implementing Agencies are engaged, the Company will execute formal documentation with such agencies and ensure coverage of key terms that will enable the Company to remain in compliance with its obligations under the Act;

- The Company may, however, also directly contribute to any of the Funds prescribed in Schedule VII of the Act, to fulfil its annual obligation;

- Need based assessments may be conducted, on a case to case basis, before the commencement of the CSR Projects.

Monitoring

The CSR Committee of the Company shall recommend to the Board of the Company the amount of expenditure to be incurred on CSR programs/ activities, monitor the CSR activities of the Company and review its implementation through Samunnati Foundation or through any other Trust or agencies and entities as it deems suitable.

CSR Budgeting, Resource allocation and Disbursement

The Company shall spend on CSR activities, 2% of its average net profits (before tax) made during the three immediately preceding financial years or in accordance with the limits prescribed under applicable law from time to time, in line with the Board approved business plan for the respective year. Any additional CSR spending shall be made with the approval of the CSR Committee, the Board and Shareholders (as may be applicable).

CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities that fall within the purview of Schedule VII of the Companies Act 2013.

The surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the Company.

In case the Company fails to spend the allocated CSR amount, the Board shall specify in its Report the reasons for not spending the allocated amount.

Reporting Framework

- The progress of CSR projects and expenditure shall be reviewed by the CSR Committee atleast once in 6 months
- Quarterly Progress Report to be submitted by the implementing agencies
- The Company shall report on CSR performance in its Annual Report as per the structure and format prescribed in the notified CSR Policy Rules
- CFO/CEO of the Company shall collate and certify the annual financial information on expenditure received from the implementing agencies
- The Board of the Company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- Any unspent amount shall be treated as per extant regulatory /statutory guidelines
- The Company will make necessary disclosures in the CSR Annual Report and the website as prescribed in the Act.
- The CSR Committee, may appoint such professionals, firms, agencies etc., as it may deem fit, for effective monitoring/ evaluation/ implementation/ designing of the programs and projects of the Company, including appointing an agency that would carry out an impact assessment study of the projects, if so required, under the Act or deemed necessary by the Committee.

Review and Revision of the Policy

The CSR Committee shall review the CSR policy annually or more frequently as may be required; and recommend suitable additions/deletions as may be required and submit the same for approval to the Board.

ANNEXURE

Employment enhancing vocational skills:

- Promote education and employment enhancing vocational skills
- Provide vocational courses on agricultural essentials to develop the youth as livelihood extension workers
- Nurture youth with innovative ideas having solution oriented approach with entrepreneurial aspirations and passion for agriculture
- Promote and facilitate alternate economic activities like livestock, nursery etc in the community to enable multiple income generating sources for
- Provide training to farmers in primary processing resource management, marketing practice, etc., to develop their skillsets in handling agri value chain to avail better returns

Ensuring environmental sustainability:

- Promote programs that help create ecological balance, agroforestry, conservation of natural resources
- Promote good agriculture practices and 'climate smart' agriculture practices to maintain/use natural resources effectively & efficiently
- Promote micro-irrigation (sprinkler, drip irrigation), water harvesting system to enable judicious utilization of water in the community
- Identify farmers to train the communities to adopt sustainable agricultural practices through field demonstrations, workshops and other awareness creation techniques

Contributions to agri ecosystem enabling Incubators:

- co-host the incubator with partners including Government and academia
- Incubating start-ups with innovative ideas in the agriculture and allied sector, with specific focus on ag-tech innovations or livelihood generation
- Promote research, innovation and entrepreneurial ecosystem by providing a platform for piloting new ideas and co-creating innovations
- Facilitate funding sources, sector expertise for entrepreneurs to scale up their innovations/solutions/products
- Identify and nurture the potential start-ups through continuous engagement and make them more relevant and reachable to the target population/ agri-last mile
- Set-up Centre of Excellence centres that demonstrate /experiment on farm lands with new technologies, value processing adoptable by farmers and agri ecosytem stakeholders as applicable.

Rural development projects:

- Develop and strengthen village economy

- Create a sustainable village ecosystem that provides decent standard of living
- Contribute towards social empowerment by engaging all sections of community in the development tasks
- Building a culture of community living for sustainable growth
- Promote agriculture development programs to improve the quality of life and economic well-being of people living in rural areas
- Create awareness and facilitate farming communities to avail benefits of government policies through awareness generation programs and trainings
- Connect farming communities to agricultural universities, KVKs to avail improved seed varieties, soil testing, organic inputs and regular expert guidance on crop management
- To design and implement a 'model village' development program to provide access to healthcare, education services, access to water and sanitation, youth education and sports programs, community engagement, agriculture development, build catalytic infrastructure, provide access to technology and resource management services etc, by forging strong partnerships with the community and various stakeholders

Promoting gender equality:

- Promote and provide platforms for women by providing necessary support through training, skill development, market linkage, credit linkages, etc., to help them establish sustainable business enterprises
- Train women in relevant skills and economic activities such as sustainable agricultural practices, marketing, business planning, accounting, governance, etc. to make them an integral part of mainstream economy
- Promote projects which focus on welfare of women and enable them to achieve financial independence

Relief Activities:

- Disaster/pandemic or such other relief activities as may be approved/notified by the Regulators, from time to time