

CORPORATE SOCIAL RESPONSIBILITY POLICY



MICRO UNITS DEVELOPMENT & REFINANCE AGENCY LIMITED

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1. INTRODUCTION

Micro Units Development & Refinance Agency Limited (MUDRA) is incorporated as a wholly owned subsidiary company of SIDBI and registered with the Reserve Bank of India ('RBI') as a Systemically Important Non Deposit Accepting Non-Banking Financial Institution (NBFC-ND-SI). MUDRA was launched to support "funding the unfunded" by extending refinance assistance to various lending institutions, financing for micro enterprising activities with loan amount up to 10 lakhs. MUDRA's objective is to create an inclusive, sustainable and value based entrepreneurial culture, creating employment and sustainable income to millions, in collaboration with various partner institutions, thereby achieving economic prosperity and financial security.

To realize this vision, MUDRA recognizes the importance of contributing to sustainable social transformation through funding and development interventions. As a responsible corporate entity, MUDRA also believes in contributing to the causes of society by extending support to under privileged sections of the society through funding and promotional assistance. MUDRA's CSR (Corporate Social Responsibility) policy thus consists of both business and developmental initiatives, aimed at sustainable growth with social orientation. The efforts would be to cover frontiers which are beyond the basic regulatory and stakeholder requirements.

The CSR Policy of MUDRA has been framed in accordance with Section 135 of Companies Act, 2013 and the Rules framed thereunder to achieve this objective.

2. SHORT TITLE & APPLICABILITY:

This policy is titled as the '**MUDRA CSR Policy**' and it shall apply to all CSR initiatives and activities taken up by the Company directly or along with other institutions, for the benefit of the society. MUDRA's CSR Policy draws inspiration from the Sustainable Development Goals (SDGs) adopted by the United Nations General Assembly, in 2015, targeting issues like end to poverty, fight inequality, injustice etc. and the Environment Social & Governance (ESG) framework, besides its own vision and mission statements.

3. CSR FOCUS AREAS:

The key purpose of this Policy is to undertake CSR related activities for promoting:

- **FINANCIAL / BUSINESS LITERACY**

Organizing, implementing and evaluating campaigns to educate the general public or an organized group on financial and business literacy. Engaging in any activity(ies) that enhance understanding of financial and business literacy. Support to be extended for creating materials in print, audio, visual, electronic media which aid in imparting financial/ business literacy and their

dissemination through various media.

- **POVERTY ALLEVIATION**

Support poverty alleviation programmes to reduce inequalities faced by socially and economically backward sections of society. Support programmes on woman empowerment, food and nutrition, health, sanitation and hygiene etc. Create public awareness on various pertinent social and environmental topics like road and personal safety, environmental sustainability etc.

- **ENVIRONMENTAL SUSTAINABILITY**

Promote environmental sustainability and ecological balance through sustainability livelihood initiatives focused on natural resources conservation and management, renewable energy and energy efficiency projects, afforestation, plantation and awareness programs. Tackling issues relating to climate change, green energy, pollution etc., also to be supported. All kinds of promotional activities, seminars, workshops etc., supporting this cause to be assisted.

- **DISASTER RELIEF & REHABILITATION**

Extending relief measures during times of natural disasters, anywhere in the country. Undertaking and supporting rehabilitation measures post-disasters especially in the affected micro industry and artisanal clusters.

- **SUPPORTING PHYSICALLY /SOCIALY CHALLENGED PEOPLE**

Extending support for agencies engaged in assisting physically / socially challenged people to enable them to take up livelihood activity.

- **SUPPORTING CLUSTERS / NATIONAL HERITAGE / TARGET GROUPS.**

Support to clusters, especially artisan clusters and help protecting national heritage, monuments, culture, crafts and arts. Target group oriented developmental programmes like Scheduled Caste, Scheduled Tribes, Minorities, Women, Veterans of Armed Forces, Widows of Armed Personnel etc. may also be supported.

- **EDUCATION AND SKILL DEVELOPMENT**

Supporting education, special education and skilling opportunities, including vocational and livelihood training programmes, hand holding/ mentoring support among different target groups such as students, youth, differently abled, socially and economically challenged sections like SC/ST/OBC, Women, Minorities, unorganized sector etc.

Support for livelihood enhancement training and market access to producers as well as artisans from rural/semi-urban areas for marketing their products and services.

Support to be extended directly or through agencies such as to ITIs, Technical/Engineering institutions, Industrial Training Centres, Producer Organizations, Vocational Training Institutes and similar such institutions in Government, non-Government and Corporate sector with, facilities and capabilities for carrying out such services.

The above areas are initially identified for focus and would be periodically reviewed. The intent would be to ensure that as a responsible corporate citizen, CSR is used as a tool to integrate economic, environmental and social objectives with Company's operations and growth.

4. SCOPE OF CSR POLICY

This Policy applies to all CSR projects undertaken by MUDRA and shall aim to fulfill all the requirements of Section 135 of the Companies Act 2013. MUDRA shall ensure all these activities are over and above the normal course of business and are in line with Schedule VII of the Companies Act 2013.

5. THE GEOGRAPHIC REACH

Being a National level organization, the activities of the Company are not confined to a particular area only. Hence, the CSR activities of the Company shall be spread across the country and will be implemented as per the felt needs of any areas or any section of people. The CSR committee can identify the focus areas and activities, and recommend the same to the Board.

6. CSR BUDGET

The total budget for the CSR projects will be decided annually in accordance with the goals and priorities of the Micro Units Development & Refinance Agency Limited (MUDRA). The Committee will abide by the provisions relating to the annual expenditure on CSR activities as laid down in section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

The surplus (if any) arising out of the CSR projects or programs or activities shall not form a part of business profit of the company and shall be reinvested in the CSR activities for the Company.

7. GOVERNANCE STRUCTURE

CSR Committee

The Company has constituted a CSR Committee of the Board that reports to the Board of the company with respect to matters related to CSR.

Responsibilities

- Formulate and periodically update MUDRA's CSR Policy, to be submitted to the Board of Directors for approval.
- Developing the CSR strategy and operationalize institutional mechanisms
- Suggest areas of intervention and method of support
- Identify focus areas/ activities that are in line with the CSR Policy
- Recommend the CSR expenditure to the Board for approval
- Meet at least twice a year to review the progress made and suggest corrective actions.

- Any other relevant matters/ issues which need to be undertaken in accordance to CSR policy.

CSR Team

CSR Team is at the core of all CSR activities at MUDRA and responsible for ensuring effective implementation of CSR projects. CSR team under the overall supervision of Chief Executive Officer will oversee the implementation of CSR activities. The team headed by a DGM Rank officer will supervise and coordinate all the CSR activities of MUDRA in line with CSR policy formulated. The CSR team shall be responsible for the successful implementation of CSR projects.

Responsibilities

- Responsible for the execution of the decisions taken by the Board level CSR Committee
- Project and partner identification
- Partner due Diligence
- Timely Sanction of Projects
- Implementation and impact assessment
- Report periodically to the Board level CSR Committee
- Review progress every quarter
- Submit review report of the activities undertaken during the financial year and obtain approval of budget from Board of Directors before July 31, every year.
- Endeavor for strengthening the CSR strategy for positioning the MUDRA, as a responsible social citizen and enhance its visibility.
- Shall ensure that all compliance requirements are met.

Monitoring

The CSR Team will monitor the implementation and progress of the approved projects through appropriate mechanisms such as site visits, review meetings and progress reports. Mechanisms to track data and monitor projects will be established to ensure the transparency and efficiency of the implementation process. The projects will be evaluated against the milestones defined in the implementation plan of the project. The CSR Team will present monitoring reports of the projects to the Board level CSR Committee on a periodic basis.

Reporting

The CSR Committee of the Board, based on reports presented by the CSR Team, will annually publish report on the CSR projects as a part of the Directors' report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act 2013. The CSR Committee shall also submit a responsibility statement to the Board that the implementation and monitoring of the CSR Policy is in compliance with the approved CSR Policy of the Company.

The CSR Policy on being approved by the Board shall be displayed on the



website of the Company and any modifications carried out from time to time shall also be updated on the website of the Company respectively

8. EFFECTIVE DATE

The policy is effective from the date of Board Approval.

9. CONTACT

For queries related to CSR policy, please write to us at: ceo@mudra.org.in