



**MITRATA INCLUSIVE FINANCIAL SERVICES
LIMITED(MITRATA)**

CIN: U74899DL1985PTC020900

CORPORATE SOCIAL RESPONSIBILITY POLICY

**(In compliance of Section 135 of Companies
Act, 2013 and
Companies (Corporate Social Responsibility Policy) Rules 2014)**

1. INTRODUCTION

Mitrata Inclusive Financial Services Limited (MITRATA) is a NonBanking Financial Company Microfinance Institution (NBFC- MFI) registered with the Reserve Bank of India.

2. POLICY APPLICABILITY

As per the provisions of the Section 135 of the Companies Act, 2013 read with Schedule VII and the Companies (Corporate Social Responsibility Policy) Rules, 2014 made thereof and other applicable provisions, every Company having net worth of rupees five hundred crore or more, or turnover of rupees onethousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility (CSR) Committee.

The aforesaid provision have casted an obligation on the Company to form a Corporate Social Responsibility (CSR) Committee and spend at least two per cent. of the average net profits of the Company made during the three immediately preceding financial years.

In order to align with the provisions of Section 135, Schedule VII and other applicable provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time, Mitrata has formulated the CSR policy.

3. POLICY OBJECTIVES

The objective of the policy is to form a framework to regulate the CSR activities of the Company, so that the Company can contribute to the society and the community and fulfil its social obligation by enhancing the quality of life and economic well - being of the society at large.

4. FORMATION OF CSR COMMITTEE OF THE BOARD OF DIRECTORS:

The CSR Committee will consist of at least 3 members including 1 Independent Director. The quorum of the Committee shall be 2 members. The Board of Directors has approved the following constitution in its meeting held on September 15, 2023 :

1. Mr. Aqueel Ahmed Khan : Managing Director
2. Mr. Prabhakar Rawat : Director
3. Mr. Mathew Titus : Independent Director

In case of urgent matters, the Committee may resolve to pass the same through circulation.

The Committee shall meet as frequently as desired, to review policies, discuss the budget and strategy, approve CSR Proposals and contribution, review project progress and set the direction for the future.

The terms of reference of the Committee are as under:

- i) Formulate and recommend to the Board, a CSR policy which shall indicate the activities

Specified under Annexure A to this policy.

- ii) Recommend to the Board the amount of expenditure to be incurred on the CSR activities, and
- iii) Monitor the CSR policy of the Company from time to time.
- iv) Formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy

5. SELECTION OF PROJECTS AND PROGRAMMES AND AREAS FOR UNDERTAKING CSR ACTIVITIES:

Mitrata will spend its CSR funds in any CSR Activities specified under Annexure A to this Policy and the preference may be given to the local area and/or areas in the vicinity, where the Company operates, for spending the amount earmarked for CSR activities.

The Committee shall consider and approve the CSR projects and programmes for undertaking CSR activities in consonance with the objective of the Policy and recommend Annual Action plan to the Board.

6. IMPLEMENTING AGENCY

The Company shall undertake CSR activities directly on its own or through an implementing agency as under:

- a. Section 8 company/ registered public trust / registered society, registered under section 12A and 80 G of the Income Tax Act, 1961, established by the company, either singly or along with any other company, or;
- b. Section 8 company/ registered trust/ registered society, established by the Central Government or State Government , or;
- c. any entity established under an Act of Parliament or a State legislature, or;
- d. Section 8 company/ registered public trust/ registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Primarily each CSR activity of the Company is channelized through partnership with civil society/NGOs.

Based on performance review the Company may propose to change the implementing agency for better execution of its project to achieve the Company's CSR objectives for which the allocation of the CSR amount was made by the Company with the recommendation of the CSR Committee and approval of the Board.

The implementing agency, engaged by the Company should be covered under Rule 4 (1) of the Rules and registered with Central Government and should be in possession of unique CSR Registration Number. The CSR Committee shall ensure that any selected Implementing Agency/ies

is/are duly registered with the Central Government as per the requirements of the Rules.

7. CRITERIA FOR IDENTIFYING IMPLEMENTING AGENCY

Mitrata will identify external executing organisations that will implement the CSR programs. Each executing organisation (NGOs/Voluntary organisations) needs to fulfil the following requirements:

- a) has been in existence for a minimum period of 3 years from date of registration;
- b) is registered as a Trust/Society/Section 8 (Charitable) Company;
- c) the physical address given by the organisation is verifiable.
- d) possesses a valid Income Tax exemption certificate;
- e) the antecedents of the NGO/Organisation are verifiable/subject to confirmation;
- f) has sufficient infrastructure facilities like office, e-mail etc. and necessary resources to implement the projects;
- g) located in the area of planned activities with local knowledge; and
- h) has articulated shared vision/purpose beyond the registration documents.

8. MONITORING AND FEEDBACK

The CSR Committee will ensure a transparent monitoring mechanism for ensuring effective implementation of the CSR Activities proposed to be undertaken by the Company.

The CSR Committee will ensure that the CSR Activities are undertaken in compliance with this CSR Policy and in a project or program mode with clearly defined project deliverables, implementation schedules, processes and budgets.

The CSR Committee will monitor the programs and projects to ensure that they are being carried out in compliance with this CSR Policy and the Act and in accordance with the approved budget. The CSR Committee shall also apprise periodically to the Board of Directors about the progress of CSR Project/Program/Activities including expenditure incurred by the implementing agency(ies) till the allocation budget is fully utilized.

9. CSR SPENDING

The Company shall endeavor to achieve the objectives of CSR Policy and allocate every year:

- Minimum 2% of its average net profits made during the three immediately preceding financial years.

- Any income or surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the company and
 - a. It shall be ploughed back into the same project or
 - b. transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or
 - c. transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
 - d. Further such surplus amount, ploughed back into the same project, shall not be included:
 - i. in calculation of excess amount by the company, carried forward for claiming set off in succeeding three financial years.
 - ii. as part of 2% CSR obligation of the company for the financial year in which it is spent.
- Where a company spends an amount above requirement such excess amount may be set off against their requirement to spend up to immediate succeeding three financial years.
- All the expenditure relating to CSR shall be pre-approved by the CSR Committee. The CFO shall monitor the utilization of funds for the purposes set forth and certify to this effect.
- Administrative overheads shall not **exceed five percent of total CSR expenditure**
- Unspent CSR amount, if any, shall be transferred to separate account in accordance with the applicable CSR Rules from time to time.

10. EXCLUSIONS

CSR activities shall not include the following activities:

- a) Activities undertaken in pursuance of the normal course of business of the company ;
- b) Any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at the international level.
- c) Contribution of any amount directly or indirectly to any political party.
- d) Activities benefitting employees of the company;
- e) Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- f) Activities carried out for the fulfilment of any other statutory obligations under any law in force in India;

11. FILING OF ANNUAL REPORT ON CSR WITH MCA

The Company shall file a report on Corporate Social Responsibility in Form CSR – 2 with the MCA every financial year.

12. MODIFICATION /AMENDMENT:

Any or all provisions of this CSR Policy would be subject to revision/ amendment as may be made from time to time in the Regulations or any other applicable law.

The CSR Committee may make suitable modifications as necessary from time to time, subject to approval of the Board.

Annexure A

Schedule VII of the Companies Act, 2013 specifies the activities which may be included by companies in their Corporate Social Responsibility Policies Activities relating to:-

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widow;
- (vii) Training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports
- (viii) Contribution to the prime minister's national relief fund 8[or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST);

Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)

(x) Rural development projects

(xi) Slum area development.

Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

(xii) Disaster management, including relief, rehabilitation and reconstruction activities.