



Corporate Social Responsibility Policy

CORPORATE SOCIAL RESPONSIBILITY POLICY

Policy Statement:

Repro Micro Finance Limited (RMFL / the Company) as an NBFC-MFI believes the way forward in uplifting the poor lies in micro finance which empowers individuals and enriches communities. By alleviating financial stress among the poor and offering an opportunity for income – generation it helps improve the quality of life.

In aligning with the purpose of Corporate Social Responsibility (CSR) on addressing critical social, environmental and economic needs of the marginalized / underprivileged sections of the society, RMFL integrates the solutions to the problems to benefit the communities at large and create social and environmental impact.

Purpose of the Policy:

- Define what CSR means to RMFL
- Define the project that will come under the ambit of CSR
- Defining the Annual strategic plan
- Identify the broad areas of intervention in which RMFL will undertake its projects
- Serve as a guiding document to help execute and monitor CSR projects
- Elucidate treatment of unspent amount
- Explain the manner in which the surpluses from CSR will be treated

Projects allowed as CSR under the Companies Act, 2013.

The eligible projects allowed / specified in Schedule VII of the Companies Act, 2013 as CSR are given below:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set up the Central Government for the promotion of sanitation and making available safe drinking water and dwelling units for poor.
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects
3. 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
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, 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.

5. 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 and handicrafts
6. Measures for the benefit of armed forces veterans, war widows and their dependants;
7. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports
8. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM Cares Fund) any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women
9. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
10. Rural development projects
11. Slum area development - 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.
12. Disaster management, including relief, rehabilitation and reconstruction activities

Annual Strategic Plan

RMFL makes contribution by adopting projects in line with the projects defined in Schedule VII of the Companies Act, 2013. For purposes of focusing its CSR efforts in a continued and effective manner, the following thrust areas have been identified

- 1) Education
- 2) Healthcare
- 3) Environment stability
- 4) Drinking water/ Sanitation

- 5) Disaster Management including relief
- 6) Community development/ Social empowerment
- 7) Infrastructure Development
- 8) Contributions to funds set up by Central / State Govt.
- 9) Other areas permitted under Schedule VII of the Companies Act, 2013

Further as per Section 135 of the Companies Act, 2013 the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities. The Company may desire so, to spend for the CSR activities within the allocated amount within the State / States in India.

As a guideline for the Company to contribute the CSR expenditure to the above thrust areas, the following indicative percentage may be adopted.

Sl.No.	Thrust Area	% of Allocation *
1.	Education	Up to 60%
2.	Healthcare	Up to 60%
3.	Environment sustainability	Up to 50%
4.	Drinking water/Sanitation	Up to 30%
5.	Disaster Management including relief	Up to 50%
6.	Community development/ Social empowerment	Up to 40%
7.	Infrastructure Development	Up to 40%
8.	Contributions to funds set up by Central / State Govt.	Up to 20%
9.	Other areas permitted under Schedule VII of the Companies Act, 2013	Up to 10%

*In case if the Company could not spend in any of the above thrust area the amount could be cross spent in other thrust areas

The above percentage can be varied year on year by the CSR committee.

The scope for the aforementioned thrust area shall include the following:

1. Education

- Support to Technical / Vocational Institutions for their self-development
- Adult literacy especially amongst those belonging to BPL
- Providing laptops / desktops, projectors, furniture's, electronic / electrical items etc. to educational institutions / tuition centers etc.
- Awareness programmes on girl education
- Special attention on education, training and rehabilitation of mentally & physically challenged children/persons and Counseling of parents
- Providing scholarships, sponsoring the cost of education
- Others if any

2. Healthcare

- Providing medical aid/ grant

- Organizing health awareness camps
- Procuring medical equipments
- Creating awareness on Covid-19 Vaccination programmes or any other communicable diseases
- Others if any

3. Environment Sustainability

- Restoration of natural resources
- Organizing sensitizing programmes on environment management and pollution control
- Climate change initiative
- Others if any

4. Drinking water / Sanitization

- Digging / Construction / Renovation of wells / river ponds
- Rain water harvesting scheme
- Building toilets in the villages and schools and solid waste disposal
- Awareness programmes to the villagers for maintenance of the above facilities for availability of water
- Others if any

5. Disaster Management including relief

- Providing clothes, food water etc.
- Arranging for shelter
- Health care and medical treatment for the victims
- Others if any

6. Community Development / Social Empowerment

- Employment facilities should be provided to the community people especially to the Backward section by providing education and training thereby developing their skill for suitable Employment.
- Empowerment of Tribal Communities & employment for the Differently Abled persons.
- Computer Skill Training for School Dropouts & Skill Development Centre for Underprivileged Youth.
- Organizing training programmes for women on tailoring Embroidery designs, Home Foods/Fast Foods, Pickles, Painting and Interior Decoration and other Vocational Courses.
- Others if any

7. Infrastructure Development

Infrastructure support for construction, repair, extension etc. of the following areas

- Auditorium & Educational Institutions
- Old Age Home
- Community Centers
- Development of park
- Municipal & Corporation initiatives
- Shed in Bus Stand
- Residential houses
- Others if any

8. Contributions to fund set up Central / State Govt.

- Contribution to the Prime Minister's National Relief Fund or any other fund set up by Central /State Govt. which qualifies for CSR contribution

Mode of Execution:

The activities may be carried out either by way of:

1. Contribution to the concerned organization for the said activity; and / or
2. By way of undertaking of the project by the Company as may be required

Concerned Organization / Executing agency shall include:

- Trusts / Missions etc.
- Voluntary Agencies (NGOs) / Community based organizations
- Elected local bodies such as Panchayats
- Institutes / Academic Organizations
- Self Help Groups
- Government / Semi Government / autonomous Organizations

The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme. The process for implementation of CSR programmes will involve the following steps.

Identification of programmes at Company level will be done by means of the following:

- Receipt of proposals / requests along with need identification study
- Internal need assessment by cross functional team at the local level
- Discussions and request with local representatives / civic bodies / voluntary organization

Term of the Project of the Company will be distinguished as short term and long term project which shall be as follows:

Short term : Below 1 year

Long term : 1 year and above

While identifying the long term programmes, all efforts must be made to the extent possible to define the following:

- Programme objectives
- Baseline survey – It would give the basis on which the outcomes of the programmes would be measured
- Implementation Schedules, timelines for milestones of the programme will need to be prescribed
- Responsibilities and authorities
- Major results expected and measurable outcome

Powers for approval:

CSR programmes / projects as may be identified by the Company will be required to be put up to the CSR Committee for projects upto Rs.10,00,000/- and beyond Rs. 10,00,000/- shall be put up to the Board.

Criterion for identifying Executing Agency:

In case of programme execution by NGOs / Voluntary Organizations the following minimum criteria to be ensured

- (a) The NGO / agency has a permanent Office / address in India
- (b) The NGO is a registered entity
- (c) Possess a valid Income-Tax Exemption Certificate
- (d) The antecedents of the NGO / Agency are verifiable / subject to confirmation

Monitoring Process:

To ensure effective implementation of the CSR programmes undertaken at Company, a monitoring mechanism will be put in place by forming CSR implementation Committee. The progress of CSR programmes under implementation at work centre will be reported to by CSR Implementation Committee on a monthly basis. Company will also try to obtain feedback from beneficiaries about the programmes.

Appropriate documentation of CSR Policy, annual CSR activities, executing partners, expenditures entailed shall be maintained. Further a documentation on learnings from the CSR projects, short films on the impact of the project, success stories and periodical coffee table book shall also be prepared and maintained.

BOARD

The Board of the Company will be responsible for:

- approving the CSR Policy as formulated by the CSR Committee, with or without modifications and disclosing the CSR Policy in its report and also place it on the Company's website;
- considering the recommendations of the CSR Committee and providing appropriate instructions / directions to the CSR Committee when required;
- preparing a budget of expenditure to be applied for CSR projects contemplated in the annual policy of the Company ;
- ensuring that in each financial year the Company spends at least 2% (two percent) of the average net profits of the Company, made during the 3 (three) preceding financial years, or such other amount as prescribed under the Companies Act, 2013 and the rules framed thereunder, in pursuance of the Policy;
- ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively, and regularly monitoring implementation;
- disclosing in its annual report the names of CSR Committee members, the content of the CSR Policy and ensure annual reporting of its CSR activities on the Company website;
- ensuring annual reporting of CSR policy to the Ministry of Corporate Affairs, Government of India, as per the prescribed format; and
- Complying with the requirements under the Companies Act, 2013 and the rules framed thereunder regarding CSR.

As per Section 135 of the Companies Act, 2013, the reasons for under spending of the allocated CSR budget shall be specified in the Board's Report.

CSR Committee

CSR Committee shall consist of 3 (three) or more directors of which, at least 1 (one) will be an independent director, unless otherwise required under applicable law.

CSR Budget:

The total budget for the CSR projects shall be decided by CSR Committee in line with the provisions of Companies Act, 2013 and the rules made thereunder.

Surplus arising out of CSR Activities:

Surplus arising out of CSR activities, if any, shall not form part of the business profit of the company. Any surplus generated from CSR projects undertaken by RMFL will be tracked and channelized in to CSR Corpus if any.

Unspent amount pertaining to ongoing projects:

Any amount remaining unspent pursuant to any ongoing project shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the 'Unspent Corporate Social Responsibility Account' and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer.

Transfer of unspent CSR amount to the fund specified:

In other cases, the unspent CSR amount shall be transferred by the company to any fund included in schedule VII of the Act. Viz a. Swachh Bharat Kosh set-up by the Central Government, b. Clean Ganga Fund set-up by the Central Government, c. Prime minister's national relief fund, d. Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)

Review of the CSR Policy:

The Board of the Company shall have the powers to revise/modify/amend this CSR Policy from time to time, as the Board may think fit, based on the recommendations to be made by the CSR Committee to confirm to the revision/ amendment, if any, to be made to the Act or the rules made thereunder.

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