

## **Mahindra Rural Housing Finance Limited**

### **Corporate Social Responsibility (CSR) Policy**

We will actively implement Projects and initiatives for the betterment of society, communities, and the environment as our Corporate Social Responsibility (CSR).

#### **Scope and Applicability:**

This policy shall be applicable to all CSR initiatives and activities taken up at Head office and the Regional Offices ('ROs') for the benefit of different segments of the society.

#### **Mission:**

Driving positive impact in communities.

#### **Objectives:**

The objective of this policy is to continuously and consistently-

1. Generate goodwill in communities where MRHFL operates or is likely to operate;
2. Initiate projects that benefit communities;
3. Encourage an increased commitment from employees towards CSR activities and volunteering.

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## Resources

## Structure



The **Corporate Social Responsibility Committee ('CSR Committee' Board level)** is responsible to formulate and recommend to the Board the CSR Policy indicating the activities falling within the purview of Schedule VII to the Companies Act, 2013, to be undertaken by the Company, to recommend the amount to be spent on CSR activities presented by the CSR Council ('CSR Council') and to monitor the CSR Policy periodically. The CSR Council will be supported by the CSR Secretariat at Head Office, for implementation of the approved projects.

The CSR Committee of the Board of Directors comprises of the following Members:

Mr. Ramesh Iyer	- Chairman
Mr. Anuj Mehra	- Managing Director
Ms. Anjali Raina	- Independent Director
Mr. V. Ravi	- Director

## Funding and Allocation

For achieving the CSR objectives through implementation of meaningful and sustainable CSR Projects, the CSR Committee will allocate for its Annual CSR Budget, 2% of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with the relevant Sections of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company may spend upto 5 % of total

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CSR expenditure in one financial year on building CSR capabilities. The Company may also make contributions to Corporate Foundations/ Trusts, towards its corpus for projects approved by the Board. The CSR Committee will approve the CSR budget annually on receiving the recommendations from CSR Council. Any surplus arising out of the CSR Projects or Programs or activities shall not form part of the business profit of the Company.

### **Volunteering of employees from the organization**

The Company will encourage and recognize its employees for volunteering with the spirit of serving and sharing with the community. The Company shall endeavor to increase employee participation in volunteering.

### **CSR Thrust Areas**

The Company has identified CSR Thrust areas for undertaking CSR projects or programs or activities in India. The actual distribution of the expenditure among these thrust areas will depend upon the local needs as may be determined by the need identification studies or discussions with local government/ Grampanchayat/ NGOs. The Company shall give preference to the local area and areas around which the Company operates.

Thrust areas:

a) Education

- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

b) Health

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.

c) Environment

- 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.

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d) Others

- 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.
- 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 arts and handicrafts.
- Measures for the benefit of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the central government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women.
- (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 Organisation (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).
- Rural development projects.
- Slum area development
- disaster management, including relief, rehabilitation and reconstruction activities.

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- Any other activities within the purview of schedule VII of the Act that the CSR Committee of the Company may define from time to time.

## Implementation

1. The CSR Committee shall provide guidance on the allocation of the CSR budget among the thrust areas on an annual basis.
2. CSR Projects will be undertaken based on the recommendation of the CSR Committee to the best possible extent, within the defined Thrust Areas.
3. MRHFL's support to any project will depend on the scale of the project and feasibility of the project. The CSR Council has a formal process of evaluating and approving CSR projects. The CSR Council will evaluate the project progress and impact quarterly.
4. The Company may also collaborate with other Companies for undertaking project or programs or CSR activities in such a manner that the CSR Committee of respective companies are in a position to report separately on such project or programs in accordance with CSR rules.

## Criteria for identifying CSR Projects/Programs:

While identifying the projects all efforts must be made to the extent possible to define the following:

- a. Project objectives.
- b. Baseline survey – It would give the basis on which the outcome of the Project would be measured.
- c. Implementation schedules- Timelines for milestones of the Project will need to be prescribed.
- d. Responsibilities and authorities.
- e. Major results expected and measurable outcome.

## Criteria for identifying Non Governmental Organizations (NGOs)

While identifying Projects we will also identify the external agency (NGO) who would execute the said Project. In case of Project execution by them the following minimum criteria need to be ensured:

- a. The NGO / Agency has a permanent office in India;
- b. The NGO is a registered society under Societies' Registration Act / Public Trust Act/ not-for-profit company under section 8 of the Companies Act, 2013(erstwhile section 25 of the Companies Act, 1956);

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- c. Possesses a valid Income-tax Exemption Certificate;
- d. The NGO has submitted a detailed project proposal and budget which has been approved by the CSR Council.

## Secretariat Monitoring & Feedback

- To ensure effective implementation of the CSR activity at each location, a monitoring mechanism will be put in place by the CSR Council.
- Annual CSR Calendar activities will be cleared/ signed off by CSR Council.
- Any other donations will be cleared/ signed off by Managing Director/ Chief Financial Officer.
- Project request from Regions will be submitted to CSR Secretariat and further necessary route will be followed.
- The CSR Committee will monitor and review on a quarterly basis the progress of CSR activities undertaken/ completed.
- All the CSR initiatives of the Company will form part of the Directors' Report of the Company.
  
- In order to ensure transparency and communication with all stakeholders, the CSR Council and Secretariat will document the details of the Company's CSR initiatives and CSR expenditure and ensure that the same are available in the public domain i.e. the Directors' Report of the Company's Annual report and on the Company's website.

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