

MUTHOOT MERCANTILE LIMITED

CSR POLICY

1.PREAMBLE

With effect from 1st April, 2014, every company, private limited or public limited, which either has a net worth of Rs.500 Crores or a turnover of Rs.1,000 Crores or a net profit of Rs.5 crores, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities. The CSR activities should not be taken in the normal course of business and must be with respect to any of the activities.

Our strategic Corporate Social Responsibility (CSR) initiatives are based on social and environmental consequences and at the same time, due consideration is given to the interests of its stakeholders. The CSR policy of the company seeks to build on the social relevance of its core business area of gold loans which has promoted inclusive growth by enabling the common man to meet his credit requirements with ease.

2.PURPOSE

- Define what CSR means to us and the approach adopted to achieve our goals
- Define the kind of projects that will come under CSR
- Identify broad areas of intervention in which the company will undertake projects
- Serve as a guiding document to help execute and monitor CSR projects
- Budget the expenditure for CSR activities for the year
- Explain the manner in which the surpluses from the CSR projects will be treated

3.POLICY STATEMENT

The CSR Policy of Muthoot Mercantile Limited focuses on addressing social, environmental and economic needs of the marginalized/ underprivileged sections of the society. We adopt an approach that integrates the solutions of these problems into the strategies of the company to benefit the communities at large and create social and environmental impact.

4.SCOPE OF CSR ACTIVITIES

We classify only those projects that are over and above our normal course of business as CSR. The purpose of CSR will not only have a wide impact on the society and community at large, but will also remain committed towards sustainable development and inclusive growth. This policy applies to all our CSR projects and will be further reviewed and updated.

5.GOVERNANCE

The CSR Committee will consist of three Directors of the Company

The duties and responsibilities of CSR committee include:

- a. Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken, as specified in Schedule VII of the Companies Act, 2013.

b.Recommend the amount of budgeted expenditure to be incurred on the activities referred in clause 5(a) above.

c.Monitor the CSR policy and activities of the company a quarterly basis.

d.Approve projects/ activities of value which are outside the ambit of Schedule VII

6.KEY FOCUS AREAS

The chosen CSR Projects for the 2022-23 relating to activities specified in Schedule VII of the Companies Act, 2013:

- Promoting preventive healthcare
- Employment of persons with disability (PWD)
- Promotion of gender equality and empowering women
- Setting up providing facilities for old age homes
- Ensuring environmental sustainability
- Promoting education
- Others, as may be identified in the future

7.IDENTIFICATION OF PROJECTS

Any new projects and activities of CSR will be appraised by the Committee and screened before submission for approval to the CSR Committee.

8.CSR BUDGET

The total budget for the CSR projects will be decided by the CSR Committee. The Companies Act, 2013 stipulates that 2% of the average of net profits of the company made during the three immediate preceding financial years shall be earmarked as CSR budget

9.TREATMENT OF SURPLUSES

Any surplus generated from CSR projects will be tracked and channelized into CSR corpus. These funds will be further used in development of CSR projects and will not be added the normal business profits of the Company.