



MUTHOOTTU MINI FINANCIERS LIMITED
CORPORATE SOCIAL RESPONSIBILITY POLICY
Approved by Board on 25-03-2021

1. Objective

Muthoottu Mini Financiers Ltd., (“the Company”) since its inception has seen itself as a corporate citizen responsible to the society.

To streamline and provide more focus and direction to the activities undertaken by the company in this sphere, it is decided to formulate a policy on Corporate Social Responsibility. (“the Policy”).

2. Applicability

This policy will apply to the organization as a whole, both present and future branches and corporate office of the company.

Compliance to Section 135 of the Companies Act, 2013

Clause 135 of the Companies Act, 2013 (hereinafter described as “clause 135”) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter described as “the rules”) and amendments thereto lays down the guidelines to be followed by companies incorporated under the Act while developing their CSR programme.

3. CSR Committee.

CSR committee consist of following Directors. The committee was entrusted the following tasks.

Directors:

1. Mrs. Nizzy Mathew- Member
2. Mathew Muthoottu- Member
3. M S Rajagopal– Chairperson Member

Tasks:

- To formulate an annual action plan in consonance with the company's CSR policy and recommend the same to the board of the company
- Recommend the amount of expenditure to be budgeted for the activities referred to in clause (a) above
- Monitor the implementation of CSR projects in accordance with project timelines and to ensure that the funds are utilized for the approved purpose and report the same to Board of Directors.
- Power to recommend to the Board alterations to the projects if deemed necessary, to ensure better implementation with the prescribed time period
- Recommending to the Board engagement of external organizations, international or national for design, evaluation, capacity building and monitoring of CSR projects as well as collaboration with other companies to undertake CSR projects

4. The CSR Budget

The amount of expenditure for each financial year and the Annual Plan will be recommended by the CSR Committee of the Company and the same will be approved by the Board of Directors with or without modification.

5. Annual Action Plan

The CSR committees shall be required to formulate an annual action plan in consonance with the company's CSR policy and recommend the same to the board of the company. This annual action plan may be alerted at any time during the financial year, as per the recommendation of its CSR committee and shall include

- (a) Approved list of CSR projects;
- (b) Manner of execution of the listed projects;
- (c) Implementation schedule/timeline and method of fund utilization;
- (d) Mechanism of monitoring and reporting ongoings of the project; and
- (e) Details of need for project and impact assessment, if any

6. Territory for CSR spend

The Company shall give preference to the local area and areas around the branches and factories for spending the amount earmarked for CSR activities. The activities will be restricted to the geographical boundaries of India.

7. CSR Expenditure

(1) The administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

(2) Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or shall transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

(3) Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

(i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.

(ii) the Board of the company shall pass a resolution to that effect.

(4) The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –

(a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or

(b) Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

(c) a public authority:

(4) Unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act, attached as Annexure-1

(6) The unspent amount allocated to a project shall be transferred to a separate Account earmarked to undertake the 'ongoing project' CSR activity within 30 days from the end of the Financial year

(5) The CSR committee shall review the amount of CSR expenditure in line with the activities or programs specified in this Policy on a quarterly basis and the report shall be presented to the Board

8. Role of the CFO

Any funds disbursed for a CSR Project is required to be utilized to the satisfaction of the board in the manner approved by it and shall be certified by the Chief Financial Officer (CFO) or the 'person' in charge of financial management

9. Areas of activities to be undertaken.

The activities will be executed as detailed hereunder:

The Company by itself or through any (a) company incorporated under Section 8 of the Act; (b) registered public trust; (c) registered society under Sections 12A and 80G of the Income Tax Act, 1961; (d) any entity established under an Act of Parliament or a State legislature and which has an established track record of at least three years in undertaking similar activities

- a) activities undertaken in pursuance of normal course of business of the company shall not be included under the ambit of CSR
- b) any donation to a political party under Section 182 of the Companies Act, 2013 ("Act")³ or any activities carried out for fulfilment of any other statutory obligations under any law⁴ shall not be considered as CSR.
- C) Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 or activities supported by companies on sponsorship basis for deriving marketing benefits for its products or services shall not be considered as CSR.

10. CSR Activity Broad Guidelines

The Company shall be undertaking activities the areas prescribed under Schedule VII of the Companies Act 2013 appended hereto. The Annual plan for spend in the areas of CSR shall be clearly charted and Budgeted in the Annual Plan, recommended by the CSR Committee and approved by the Board of Directors for each Financial year

11. CSR Monitoring and Reporting mechanism

The CSR Committee shall monitor the amount of expenditure as approved by the Board of Company on a quarterly basis and make report to the Board of Directors on half yearly basis. Apart from the above, the Directors' Report of the Company shall include an annual report on CSR containing the particulars in the prescribed format.

12. Display of the CSR Policy in the website of the Company

Board approved CSR policy shall be displayed in the website of the Company

13. Validity and authority for modification/ amendments

This CSR Policy approved by the Board of the Company will be in force till such time it is modified or amended by the Board of Directors on recommendation of the CSR Committee.

Annexure-1

Schedule VII of Companies Act 2013

Activities which may be included by companies in their Corporate Social Responsibility Policies
Activities relating to:—

¹[(i) Eradicating hunger, poverty and malnutrition, ²[“promoting health care including preventive health care”] and sanitation ⁴[including contribution to the Swachh 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 ⁴[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, ⁹[Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];

(vii) training to promote rural sports, nationally recognised 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;

¹⁰[(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 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).]

(x) rural development projects]

³[(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.]

⁵[(xii) disaster management, including relief, rehabilitation and reconstruction activities.]

Note :

1. Clarification on spending of CSR funds for COVID-19.
2. COVID-19 related FAQs on CSR.

Amendments

1. Substituted by Notification Dated 27th February, 2014. - **Original Content**
2. Substituted by Notification Dated 31st March, 2014.

For the words "promoting preventive health care" read "promoting health care including preventive health care".

3. Inserted by Notification Dated 7th August, 2014.
4. Inserted by Notification Dated 24th October, 2014.
5. Inserted by Notification dated 30th may 2019.
6. Substituted by Notification Dated 11th October 2019.

in Schedule VII for the item no. ix.;

ix. contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.

the following item and entries shall be substituted namely,

(ix) 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).

7. Inserted by Notification Dated 19th November 2019.

8. Inserted by Notification Dated 26th May 2020.

9. Inserted by Notification Dated 23rd June 2020.

10. Substituted by Notification Dated 24th August 2020

in Schedule VII for the item no. ix.;

⁶~~(ix)~~ 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), ⁷[Department of Biotechnology (DBT)], 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).]

the following item and entries shall be substituted namely,

(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 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).
