

ANNEXURE - IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

For achieving the CSR objectives through the implementation of meaningful and sustainable CSR programmes, Muthoot Microfin Limited (the Company) will annually contribute up to two percent of the average profits for the last three years towards CSR activities

1. A brief outline of the Company's CSR policy:

The CSR Policy of the Company is designed to portray its commitment to be a responsible corporate citizen and presents the strategies and methods for undertaking social programs for well-being and sustainable development of the local community in which it operates. Each CSR activity of the Company is channelized through Muthoot Pappachan Foundation (MPF), a Public Charitable Trust formed in the year 2003 as the CSR arm of the Muthoot Pappachan Group to facilitate CSR activities for the entire

Group and all its business verticals. The CSR programs of MPF is bound by the theme HEEL: Health, Education, Environment, and Livelihood.

The objectives of CSR Policy of the Company are to:

- build a framework of CSR activities with a philanthropic approach in line with business unit objectives, which also benefits the organization at large;
- shape sustainability for the organization by 'Engaging the Community';
- build a corporate brand through CSR; and
- for other stakeholders, make it "an integral part of the Company's DNA, so much so that it has to be an organic part of the business".

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Thomas Muthoot	Managing Director	1	1
2	Mr. Thomas George Muthoot	Non- Executive Director	1	1
3	Mr. Thomas John Muthoot	Non- Executive Director	1	1
4	Mr. Alok Prasad	Independent Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. -

<https://muthootmicrofin.com/wp-content/uploads/2020/04/CSR-Policy.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). -

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

NIL

6. Average net profit of the company for last three financial years:

S. No	Financial Years	Net Profit as per section 198 (Rupees)
1.	Ending 31st March, 2018	1,14,23,42,382.00
2.	Ending 31st March, 2019	2,70,25,17,084.00
3.	Ending 31st March, 2020	19,69,83,107
	Average Net Profit	1,34,72,80,858

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7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 2,69,45,618
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- (c) Amount required to be set off for the financial year, if any: Not applicable
- (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 2,69,45,618 (The Company has also earmarked unspent CSR obligation of FY 19-20 amounting to Rs. 1,15,44,389 as CSR obligation of FY 20-21).
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs.)	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount Unspent		
	Amount	Date of Transfer	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
			Name of the Fund	Amount	Date of Transfer
3,84,90,007	NA**	--	--	--	--

** The Company has identified an ongoing Project for which Rs. 3,07,32,055 allocated for the said project. The entire amount was transferred to the implementing Agency Muthoot Pappachan Foundation on 30.03.2021.

- (b) Details of CSR amount spent against ongoing projects for the financial year:

SI No	Name of Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project 1. District 2. State	Project Duration	Amount allocated for the project (Rs.)	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section (Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSR registration number	
1	Sports Infrastructure Project	(vii) Training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports	Yes	Palakkad	3 years	3,07,32,055	NIL	3,07,32,055	No	Muthoot Pappachan Foundation	CSR00003932

** The Company has identified an ongoing Project for which Rs. 3,07,32,055 allocated for the said project. The entire amount was transferred to the implementing Agency Muthoot Pappachan Foundation on 30.03.2021.

Note: The project mentioned at sr. no. 1 has been approved before 22 January 2021 i.e. the date when the Companies (Corporate Social Responsibility Policy) Amendment, Rules, 2021 came into force. The amended rules restrict the duration of ongoing project to three years excluding the financial year in which it was commenced. Accordingly, the Company will review the terms of the aforesaid project including duration to ensure that the duration of the aforesaid project will be maximum up to 31 March 2024, i.e., up to three financial years excluding the financial year 2020-21 in which it is considered as ongoing project within the meaning of the amended rules.

(C) Details of CSR amount spent against other than ongoing projects for the financial year:

SI No	Name of Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project	Amount spent in the current financial Year (Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
							Name	CSR registration number
1	PM cares for Covid relief	Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)	NA	NA	35,00,000	Yes	NA	NA**
2	COVID-19 Response Activities	Promoting health care including preventive health care	Yes	Ernakulam	35,67,343	No	Muthoot Pappachan Foundation	NA**
3	Nutrition Support Program (Part of Smile Please mission)	promoting health care including preventive health care	Yes	Karnataka	2,22,276	No	Muthoot Pappachan Foundation	NA**
4	Blue Butterflies (Pediatric Cancer- treatment preparedness support)	promoting health care including preventive health care	Yes	Kerala	4,24,000	No	Muthoot Pappachan Foundation	NA**
5	Field Support Activity – Construction of House for Flood Victims	Disaster management, including relief, rehabilitation and reconstruction activities	Yes	Kozhencherry, Kerala	2,57,952	No	Muthoot Pappachan Foundation	NA**

*Not applicable for FY 2020-21

- (d) Amount spent in Administrative Overheads: Rs. 2,43,000
- (e) Amount spent on Impact Assessment, if applicable: Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 3,84,90,007
- (g) Excess amount for set off, if any: NIL

SI No.	Particulars	Amount (Rs.)
1	Two percent of average net profit of the company as per Section 135(5)	2,69,45,618 (We have also included the unspent CSR obligation of FY 19-20 amounting to Rs. 1,15,44,389 as CSR obligation of FY 20-21 and considering the same the total expenditure is 3,84,90,007)
2	Total amount spent for the Financial Year	3,84,90,007*
3	Excess amount spent for the financial year [(ii)-(i)]	NIL**
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

*we have transferred an amount of Rs. 3,07,32,055 to Muthoot Pappachan Foundation for Sports Academy Project, which is an ongoing project.

**Considering that excess CSR expenditure has been done against the unspent CSR obligation of FY 2019-20 and hence no set-off available as the same pertains to period before the set-off related amendment in CSR Rules

9. Details of Unspent CSR amount for the preceding three financial years:

Not Applicable as this table becomes relevant for the period post amendment in CSR Rules

10. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Not Applicable

11. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

– Not Applicable

(a) Date of creation or acquisition of the capital asset(s):

(b) Amount of CSR spent for creation or acquisition of capital asset:

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

12. Specify the reasons, in case, the Company has failed to spend two per cent of the average net profit as per Section 135(5):

The Company is executing multi-year Ongoing Project i.e., Sports Infrastructure Project through implementing Agency Muthoot Pappachan Foundation. Due to such Ongoing project and plan of spending funds in multi years, the Company was not able to spend two per cent of the average net profit as per Section 135(5) in the current financial year. In respect of Unspent CSR funds, the Company has parked the Budgeted amount in the corpus account maintained by Muthoot Pappachan Foundation.

Kochi
03.06.2021

For and on behalf of the Board
Thomas George Muthoot
Director
(DIN 00011552)

Thomas Muthoot
Managing Director
(DIN 00082099)