

Muthoot Exim Private LTD

CSR Policy

Date of Board Approval: 03.08.2016

TABLE OF CONTENTS

1.CONTEXTUAL FRAMEWORK.....	2
2. RESOURCES.....	3
3. PLANNING.....	3
4. IMPLEMENTATION	3
5. MONITORING AND FEEDBACK.....	5
6. GOVERNANCE	5
7.REPORTING.....	6

1. CONTEXTUAL FRAMEWORK

1.1 INTRODUCTION TO MUTHOOT EXIM PRIVATE LTD.

- 1.1.1 Muthoot Exim Private Ltd. (MEPL), the precious metal vertical of the Muthoot Pappachan Group, specialises in innovative products and offerings in the precious metal space. Customers have access to quality products that meet the highest standards, at an affordable price.

1.2. POLICY APPLICABILITY

- 1.2.1 This policy, which reflects the company's philosophy and mission is designed to portray its commitment to be a responsible, corporate citizen and presents the strategies and methods for undertaking social programs for the well-being and sustainable development of the local community in which it operates.

- 1.2.2. This policy applies to all CSR initiatives and activities taken up at the various work centers and locations of MEPL for the benefit of various segments of the society, with the emphasis on the under privileged.

Each CSR activity of the MEPL is channelized through the Muthoot Pappachan Foundation

1.3. FOUNDATION'S OBJECTIVES AND HEEL FRAMEWORK

- 1.3.1. Muthoot Pappachan Foundation (MPF) is a Public Charitable Trust formed in the year 2003 as the CSR arm of the MPG to facilitate CSR activities for the entire Group entities.

Planning and implementing various CSR activities towards the set objectives of the organization and facilitating the CSR programmes of various group companies of MPG, is the major responsibility of MPF.

- 1.3.2 The entire range of CSR activities implemented by the selected group entities for initial phase will be streamlined and facilitated through Muthoot Pappachan Foundation. The CSR programs of Muthoot Pappachan Foundation are bound by the theme HEEL: Health, Education, Environment, Livelihood. Each entity will be leading its own CSR initiative within the HEEL framework, specifically involving their staff and customers.

- 1.3.3. Aligning with vision of the company, MEPL , will continue increasing value creation in the community in which it operates, through its services and CSR initiatives planned and implemented by MPF, so as to stimulate well-being for the community, in fulfillment of its role as a responsible, corporate citizen.

- 1.3.4. The objective of the MEPL CSR Policy is 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
- 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".

1.3.5. The over-arching framework of HEEL, which will not only guarantee consistency among the selected entities but also full compliance with the CSR requirements mandated by the New Companies Act 2013.

HEEL will allow the MPF to remain focused on selected issues while adopting a systematic and professional approach to its work. Under the effigy of MPF, each entity will be leading its own CSR initiative within the HEEL framework, specifically involving their staff and customers.

2. RESOURCES

2.1. BUDGET AND FUND ALLOCATION

2.1.1. In order to achieve its CSR objectives through implementation of CSR programs by the MPF, MEPL will allocate 2% of the average Profit Before Tax (PBT) of the previous 3 years to create its Annual CSR Budget.

Consequently, doing so MEPL will also comply with the new law obliging mandatory CSR as described in section 135 of the Companies Act 2013.

3. PLANNING

3.1 IDENTIFICATION OF FOCUS AREAS AND STRATEGIC INITIATIVES

The CSR efforts of MEPL will be facilitated through MPF through continuous and effective methods. The CSR programs are majorly bound by the theme- HEEL

- Health Education Environment Livelihood
- And any other activity as permitted under Schedule VII (Section 135) of the Companies Act 2013 as decided by the CSR Committee will be taken up.

4. IMPLEMENTATION

4.1 The above described CSR activities will be implemented by MPF on behalf of MEPL either directly or in collaboration with other non-profit organisations

4.2 The duration of each program will be related to the nature of the program and its impact.

4.3 CSR activities involving substantial financial commitment, undertaken for periods for or above 3 years will be considered as “flagship programs” and will have greater significance.

- 4.4 MPF will ensure that the CSR programs, financed by MEPL will be executed in the areas where the company has business presence.
- 4.5 The programs will be implemented by MPF in collaboration with specialised organisations wherever required in consultation with MEPL.
- 4.6 The implementation phase is based on the following steps:
 - 4.6.1. **Map existing eco system:** thoroughly evaluating the existing scenario in which the company operates. This step is crucial in order to assess the existing potential and find relevant partners to collaborate with.
 - 4.6.2. **Create:** designing programs, selecting partners.
 - 4.6.3. **Enable:** commencing collaboration with the selected actors, invest the resources needed to shift from the planning to the action phase.
- 4.7 Powers for approval
 - 4.7.1. The CSR Budget for each financial year is to be approved by the board at the beginning of each financial year with due recommendations of the CSR Committee.
 - 4.7.2 For meeting the requirements arising out of immediate & urgent situations, MEPL CSR Committee is authorised to approve proposals within the overall budget limits. The approvals given by the CSR Committee as stated above shall be reported to the board for ratification.
- 4.8 Criterion for identifying executing organisations:
 - 4.8.1 MPF on behalf of MEPL will identify external, executing organisations that will implement the CSR programs. Each executing organisation (NGOs/voluntary organisations) needs to fulfil the following requirements:
 - has been in existence for a minimum of 3 years from date of registration;
 - is registered under Trust/Society/Section 8 Company;
 - possesses a valid Income Tax Exemption Certificate;
 - the antecedents of the NGO/Organisation are verifiable/subject to confirmation;
 - has sufficient infrastructure facilities including office, e-mail id, necessary resources to imply the projects etc.
 - has prior experience in the relevant field;
 - located in the area of planned activities with local knowledge;
 - has articulated shared vision/purpose beyond the registration documents;

- 4.9 After the approval of the CSR budget, for partnership programmes, MPF and the concerned NGO/Organisation will be required to enter into a formal written agreement.

5. MONITORING AND FEEDBACK

- 5.1. In order to ensure effective implementation of the CSR programs, a monitoring mechanism will be put in the place. The progress of the programs will be communicated and reported to MPF on monthly basis. Additionally, an annual CSR report is also to be submitted by MPF.
- 5.2 The Foundation will conduct impact studies on a regular basis, especially on the “flagship programs”. For conducting such Impact Studies, MPF can engage suitable consultants if required in consultation with MEPL.
- 5.3 The foundation will communicate with the beneficiaries in order to obtain feedback about the programs.

6. GOVERNANCE

The implementation of the CSR activities will be monitored by the CSR Committee of the Board.

6.1 The MEPL Board of Directors is committed to assume the following role:

- Approving the CSR policy recommended by the CSR committee;
- Disclosing the CSR policy contents in each corresponding Board Report;
- Making the CSR Policy public on company website;
- Approving the annual CSR Budget recommended by the CSR Committee.

6.2 CSR COMMITTEE

6.2.1 The MEPL CSR Committee will be responsible to

- formulate the CSR strategy and activities,
- recommend the annual budget based on MEPL’s profit before tax in the previous 3 consecutive years and
- regularly monitor the MEPL’s CSR policy.

6.3 MEPL CSR Committee consists of the following 3 Directors

Ms. Nina George DIN- 00480440 - Director – Chairman
Ms. Remmy Thomas DIN- 00480592 - Director - Member
Ms. Preethi John Muthoot DIN- 00483799 - Director - Member

7. Reporting

7.1 Contents of the Report

The MEPL Board of Directors shall incorporate in Board's report an annual report on CSR containing the following particulars:

- A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs;

- The composition of the CSR Committee;
- Average net profit of the company for last three financial years;
- Prescribed CSR Expenditure (2% of the amount of the net profit for the last 3 financial years);
- Details of CSR Spent during the financial year;
- In case the company has failed to spend the 2% of the average net profit of the last three financial year, reasons thereof.