

MAS FINANCIAL SERVICES LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY



The Power of Distribution

MA\$ Financial Services Limited

Corporate Social Responsibility Policy

1. Introduction

CSR in India has traditionally been seen as a philanthropic activity. While the corporate houses have been traditionally engaged in doing CSR activities voluntarily, the new CSR provisions put formal and greater responsibility on companies to set out clear framework and process to ensure strict compliance.

The new Companies Act, 2013 (hereinafter referred to as 'the Act'), has introduced the idea of CSR to the forefront and through its "Comply-or-Explain" mandate. It mandates qualifying companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities of the Company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as "CSR Rules") lay down the framework and modalities of carrying out CSR activities which are specified in Schedule VII of the Act.

2. Objective & Scope

The main objective of the CSR Policy is to lay down guidelines for MA\$ Financial Services Limited (hereinafter referred to as 'the Company') to make CSR as one of the key focus areas and make a positive contribution to society through high impact, sustainable programs.

This Policy covers current as well as proposed CSR activities to be undertaken by the Company and examining their alignment with Schedule VII of the Act as amended from time to time. It includes strategy that defines plans for future CSR activities.

The Company proposes to implement its CSR activities in various sectors stated hereunder:

2.1 Targeted Sectors

- Healthcare
- Sanitation, including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation
- Drinking Water
- Education
- Rural Development
- Vocational Skills
- Entrepreneurship Skills
- Employment Opportunities
- Facilities for Senior Citizens
- Medical Aid
- Old Age Homes
- Women Hostels
- Special Employment Opportunities for Women
- Environment Protection including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga

- Animal Welfare
- Conservation of Natural Resources
- Protection of National Heritage
- Promoting and development of Art and Culture
- Public Libraries
- Promotion and development of traditional arts and handicrafts
- Measures for armed forced veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows
- Promotion and development of rural sports and National Games
- Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or Contribution to funds set by the Central or State Government for development and welfare of Scheduled Castes, Scheduled Tribes and minorities
- Rural Development Projects
- Contribution to technology incubators located within academic institutions
- Go Green Initiatives
- Human Rights
- Slum area development
- Disaster management, including relief, rehabilitation and reconstruction activities.
- Any other area as may be prescribed by Schedule VII amended from time to time

The Company will review the sectors from time to time and make additions/deletions/clarifications to the above sectors.

3. Corporate Social Responsibility (CSR) Committee

3.1 Constitution

Pursuant to the provisions of Section 135 of the Act, the Board Directors has constituted the Corporate Social Responsibility (CSR) Committee in its meeting held on March 21, 2014 and reconstituted the same as and when required in compliance with the applicable laws. The Company has disclosed the constitution of CSR Committee on its website which can be assessed through <https://mas.co.in/ConstitutionofCSRCommittee.aspx>

3.2 Role of the Committee

Following are the role of the CSR Committee:

1. Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval
2. Recommend CSR activities in areas or subjects as stated under Schedule VII of the Act
3. Approve to undertake CSR activities in collaboration with Group companies/ other Companies/firms/NGOs etc. and to separately report the same in accordance with the CSR Rules
4. Recommend the CSR Budget

5. Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules
6. Create transparent monitoring mechanism for implementation of CSR Initiatives in India
7. Submit the Reports to the Board in respect of the CSR activities undertaken by the Company
8. Monitor CSR Policy from time to time
9. Monitor activities/charter of Joint Working Group (JWG) who are authorized to ensure that the CSR activities of the Company are implemented effectively
10. Authorize executives of the Company to attend the CSR Committee Meetings

3.3 Frequency of the Meetings of the CSR Committee

The CSR Committee shall meet atleast twice in a year. Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings. Quorum for the meeting should be two. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the provisions of the Companies Act, 2013 and rules made thereunder from time to time. Other Members of the Senior Management may attend the CSR Committee Meetings as may be appropriate, subject to the approval of the CSR Committee. Minutes of the CSR Committee shall be placed before the Board for noting.

4. CSR Budget

The Act mandates companies meeting the qualification criteria to allocate certain portion of its annual net profits (before tax) during the three immediately preceding financial years to be spent on CSR Activities that fall under purview of Schedule VII of the Act.

4.1 CSR Expenditure:

Net profit means profit more fully described under Rule 2(h) of the CSR Rules. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line within the areas or subjects, specified in under Schedule VII of the Act.

4.2 Failure to spend the CSR Money

In case the Company fails to spend the above targeted amount in that particular financial year, the Committee shall submit a report in writing to the Board of Directors specifying the reasons for not spending the amount which in turn shall be reported by the Board of Directors in their Directors' Report for that particular Financial Year.

Surplus arising out of the CSR initiatives shall not form part of the business profits of the Company.

5. CSR Initiatives

In line with Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee at the beginning of each year. The Committee is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

5.1 Annual CSR Plan

The Annual CSR Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company based on recommendation of its CSR Committee which outlines the following aspects of CSR initiatives of the Company:

- Tailor-made CSR projects depending upon allocated spend and geographical presence
- Partnering agencies/companies/firms
- Process Owners
- Project Proposals
- Targeted Beneficiaries & their key needs
- Alignment with Schedule VII
- Project Goals and milestones
- Activities and Timelines including expected closure dates
- CSR Budget with projections
- Monitoring mechanism
- Progress reporting and frequency of reports
- Risks and mitigation strategies
- Any other information as may be required by the CSR Committee

5.2 Collaboration

The Company may collaborate with its subsidiary or any other Company as may be approved by CSR Committee to implement CSR activities and the same shall form a part of the Annual CSR Plan.

5.3 Disqualifying Activities for CSR

The CSR Rules prohibit the CSR projects and programs that are implemented by the Company for benefit of the employees of the Company and their families. The CSR activities implemented outside India also fall outside the purview of the Rules and hence CSR expenditure on such activities will not be considered for inclusion in the CSR Report. Any amount directly or indirectly contributed towards any political party under Section 182 of the Act shall not be considered as CSR Spend. Activities that are undertaken by the Company in pursuance of its normal course of business will not be considered as CSR activities.

Further, Company may build CSR capacities of their own personnel as well as those of their Implementing agencies through Institutions with established track records of at least three financial years but such expenditure including expenditure on administrative overheads shall not exceed five percent of total CSR expenditure of the company in one financial year.

5.4 Reports

The CSR Committee to prepare reports that are required to be placed before the Board and the same shall form part of Board's Report. The format of the Report shall be the format prescribed hereunder as Annexure.

5.5 Publication of CSR Policy & Programs

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website.

5.6 Policy Review & Future Amendment

The Committee shall annually review its CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board.

Annexure

1. Brief outline on CSR Policy of the Company.
2. The Composition of the CSR Committee.

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

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.
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).
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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
	TOTAL		

6. Average net profit of the company as per section 135(5).
7. (a) Two percent of average net profit of the company as per section 135(5)
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.
(c) Amount required to be set off for the financial year,
(d) Total CSR obligation for the financial year (7a+7b-7c).
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.

(d) Amount spent in Administrative Overheads

(e) Amount spent on Impact Assessment, if applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
i)	Two percent of average net profit of the company as per section 135(5)	
ii)	Total amount spent for the Financial Year	
iii)	Excess amount spent for the financial year [(ii)-(i)]	
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

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

Sl. No.	Preceding Financial Year.	Amount Transferred to Unspent CSR Account section 135 (6) (in Rs.)	Amount Spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.

10. 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).

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Sd/- (Chief Executive Officer or Managing Director or Director).	Sd/- (Chairman CSR Committee).	Sd/- [Person specified under clause (d) of sub-section (1) of section 380 of the Act] (Wherever applicable).
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