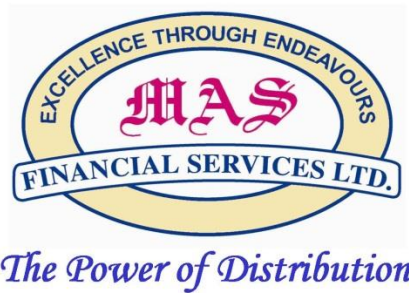


# MAS FINANCIAL SERVICES LIMITED

## CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY



# **MA&S 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&S 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 vide board meeting held on December 21, 2016.

#### **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 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(f) 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 under the CSR Rules stated hereunder:

1. 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.
2. The Composition of the CSR Committee.
3. Average net profit of the company for last three financial years
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)
5. Details of CSR spent during the financial year.
  - a) Total amount to be spent for the financial year;
  - b) Amount unspent, if any;
  - c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or Activity Identified	Sector which the project is covered	Project or Programs 1) Local Area or other 2) Specify the state and district where projects or programs was undertaken	Amount Outlay (Budget) Project or Program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative Expenditure upto the reporting period	Amount Spent Direct or through Implementing Agency

#### 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.

\*\*\*\*\*