



# Maha Rashtra Apex Corporation Limited



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## CORPORATE SOCIAL RESPONSIBILITY POLICY (“CSR POLICY”)

## **1.INTRODUCTION**

Corporate Social Responsibility (CSR) is a company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. Stakeholders include employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and non-Government organizations, local communities, environment and society at large.

Maha Rashtra Apex Corporation Limited is the Company was incorporated as a Banking Company on 26.04.1943 under the Companies Act, 1913 in the name of Maharashtra Apex Bank Ltd by late Mr Upendra Anantha Pai who was also the founder of erstwhile Syndicate Bank Ltd. Later, in 1955 as per the advice of Reserve Bank of India the branches were transferred to M/s Canara Industrial and Banking Syndicate Ltd (Now known as Syndicate Bank). After refunding major Share Capital the Company was converted into a hire purchase Company and changed its name to Maha Rashtra Apex Corporation Ltd. Pursuant to the order passed by the Hon'ble High Court of Karnataka, a Company by name M/s General Investments Trusts Ltd was amalgamated with the Maha Rashtra Apex Corporation Ltd. This is one of the oldest Hire Purchase Companies and later it started involving into other financial activities.

To streamline the assessment and screening procedure, bring clarity among executing link of CSR, to increase the level of involvement through dedicated work force for CSR activities in all levels of operation and comply with the directives of the Companies Act, 2013, the company desires to formulate comprehensive Corporate Social Responsibility policy.

This Policy deals with the basic aspects of CSR with reference to the company. The Policy will provide an institutional framework to establish an efficient and effective platform to perform CSR activities. The Policy will ascertain role and responsibility, budget provision, information disclosure at different level of operation.

## **2. SHORT TITLE:**

This Policy, which encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially relevant programs for welfare and sustainable development of the community at large, is titled as the 'Corporate Social Responsibility (CSR) Policy of the Company.

## **3. APPLICABILITY:**

This Policy shall apply to all CSR initiatives and activities taken up at the Company's areas of operations and also within the State of Karnataka and in any other parts of the country, for the benefit of the different segments of the society provided that the preference shall be given to the local areas and areas where the Company operates for Undertaking the CSR activities.

## **4. DEFINITIONS:**

4.1. "Act" means the Companies Act, 2013 as amended from time to time.

4.2. "Corporate Social Responsibility"(CSR) or "CSR activities" means Corporate Social Responsibility (CSR) or CSR activities as defined in Section 135 of the Act, Rules and Schedule(s) as amended from time to time.

4.3. “CSR Committee” means a CSR Committee constituted/reconstituted by the Board in accordance with the Act.

4.4. “Rules”: The Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, prescribed under the Act.

4.5. “Employee” means employee of Maha Rashtra Apex Corporation Limited (whether working in India or abroad).

4.6. “Ongoing Project” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

Words and expressions used and not defined in this Policy but defined in the Act and CSR Rules shall have the same meanings respectively assigned to them in the Act and the CSR Rules.

## **5. VISION:**

In alignment with vision of the Company, through its CSR initiatives, shall continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community.

## **6. OBJECTIVES:**

The Company introduces Corporate Social Responsibility (CSR) Policy with following objectives:

- To create a sensitivity between corporate and society towards social development and consider CSR as responsibility and cooperation within the wider stakeholder community.
- High standard of authenticity, responsibility and accountability towards all stakeholders including employees, community, consumers, Government etc.
- To Promote Socio-economic development through community development initiatives.
- To bring an attitudinal change in company’s employees and society about the idea/ perception of CSR.

This policy will create a frame work, procedure for assessment, implementation and monitoring of any activity under CSR.

## **7. CONSTITUTION**

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company which must consist of at least two or more Directors with one Independent Director.

However, as per provision of Section 135 (9) of the Act provides for an exemption from the requirement to constitute a CSR Committee, where the amount to be spent by the company under section 135(5) of the

Act does not exceed Rs. 50 lakh in a financial year. In such cases, the responsibility for discharging the functions of the CSR Committee, as outlined in Section 135 of the Act, can be directly undertaken by the Board of Directors.

## **8. BUDGET**

For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, every year budget for CSR activities shall be as decided by the Board as per the provisions of the Act, Rules and on recommendation of CSR Committee. The same will be distributed among CSR activities (either new or ongoing) or as per the recommendation of CSR Committee. In exceptional circumstances percentage of budget allocation may be varied with the approval of the Board.

## **9. SPENDING**

The Expenditure on CSR activities shall be incurred in accordance with the provisions of the Act/Rules/Schedules in force from time to time and within the approved budget. Any surplus arising out of CSR Projects or Programs or activities may not form part of the business profits of a Company.

## **11. SCOPE OF CSR ACTIVITIES**

The Company shall undertake any of the following Activities/Projects or such other activities/projects including new or ongoing projects/activities covered therein as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility (“CSR”):

- Eradicating hunger, poverty, malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set up by the Central Govt. for the promotion of sanitation and making available safe drinking water;
- Promoting education including special education, and employment enhancing vocational skills, especially among children, women, elderly, and differently abled and livelihood enhancement projects;
- 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;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Govt. for rejuvenation of river Ganga;
- 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 arts and handicrafts;
- Measures for benefit of armed force veterans, war widows and their dependents; Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic Sports;

- Contribution to Prime Ministers National Relief Fund or any other Fund set up by the Central Government, for socio economic development and relief and welfare of scheduled castes and scheduled tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects.
- Slum area development (Explanation: For the purposes of this item, the term “slum area” shall mean any area declared as such by the Central Govt. or any State Govt. or any other competent authority under any law for the time being in force).

Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act. (Collectively hereinafter referred to as “CSR Activities”).

The above list is illustrative and not exhaustive.

The CSR Activities shall be undertaken only in India for the benefit of the public provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR activities.

## **12. EXECUTING AGENCY**

The Company will seek to identify suitable programmes for implementation in line with the CSR objectives of the Company and also to benefit the stakeholders and the community for which those programmes are intended. These works would be done either independently or through a registered trust or a registered society or a Company established by the Company or its holding or subsidiary or associate company under section 8 of the Act or otherwise fulfilling the criteria as specified in the Act or Rules. A company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with the rules.

## **13. PROJECT IDENTIFICATION:**

While identifying the CSR initiative, the company would consider the following broad parameters while identifying /selection of schemes/Projects:

- (a) Need identification Studies by the Senior Management/ professional institutions/agencies.
- (b) Internal need assessment by cross-functional team at the local level.
- (c) Receipt of proposals/requests from Govt./ District Administration/local Govt. etc.
- (d) Suggestions from the Board of Directors/senior management level.

## **14. MONITORING MECHANISM**

CSR Committee has been constituted by the Board of Directors to oversee the implementation of CSR Policy. The CSR Committee will monitor and review the progress of activities to be undertaken. The CSR

Committee shall be responsible for implementation of CSR activities. The progress of CSR programmes under implementation and status of the work done shall be reported to Board of the Company.

### **15. DOCUMENTATION:**

Appropriate documentation of CSR Policy, annual CSR activities, executing partners' details, and expenditure incurred/earmarked shall be undertaken on a periodical basis and the Company's CSR policy as well as its activities shall be suitably placed on its website.

Suitable reporting on CSR initiatives of the Company shall be made in the Annual Report of the Company as required under the Companies Act, 2013 and the Rules made there under.

### **16. PROCEDURE FOR CSR ACTIVITIES**

i. The CSR Committee shall approve suitable CSR Activities/projects to be undertaken during the financial year along with the detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities within the limits of budget approved by the Board;

ii. The Committee, after approval, shall submit its yearly report giving status of the CSR Activities undertaken, Expenditure incurred and such other details as may be required by the Board.

For meeting the requirements arising out of immediate and urgent situations, Managing Director is authorized to approve proposals within the overall budget and shall place the same before the CSR Committee for post facto approval.

To afford a further degree of flexibility in approval of CSR programmes, the following empowerment is accorded as under:

| <b>Sr. No.</b> | <b>Powers</b>   | <b>Board of Directors</b> | <b>CSR Committee</b>                  |
|----------------|---|---------------------------|---------------------------------------|
| 1              | Approval and expenditure sanction for programmes and CSR re-appropriation, if any, of approved programmes on its merit. | Full powers               | To spend the budget approved by Board |

### **17. RESPONSIBILITY**

Responsibility of Board will be:

1. To approve the CSR Policy recommended by the CSR Committee and disclose the contents of such Policy in its Report and incorporate in its Report and place the same on Company's Website.
2. To ensure that there is a spending on CSR activities to the extent of mandatory percentage of its profit as stipulated in the Act as amended from time to time.
3. To report CSR activities in Board's report and disclose with reasons for non-spending / shortspending of CSR Fund.

Responsibility of CSR Committee will be :

1. To formulate and recommend a CSR policy to the Board
2. To recommend amount of expenditure to be incurred on CSR activities
3. To approve CSR activities/projects within the policy framework
4. To monitor the CSR Policy of the Company from time to time.
5. To identify and implement CSR Projects with due approvals.
6. To report progress of CSR programmes under implementation and status of the work done to CSR Committee.
7. To conduct impact studies on a periodic basis, through independent professional third parties / professional institutions, especially on the strategic and high value programs.

### **18. EXCLUSIONS**

The following activities shall not be considered as CSR activities in accordance with section 135 of the Act:

- i) Activities in pursuance of normal course of business of the Company
- ii) Subject to provisions of sub section (5) of section 135 of the Act, the CSR projects of programs or activities undertaken in India only shall amount to CSR Expenditure
- iii) Contribution of any amount directly or indirectly to any Political Party (ies) under section 182 of the Act
- iv) The CSR projects or programs or activities that benefit only the employees of the company and their families
- v) Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company but should be added in the CSR Fund.
- vi)

### **19. FAILURE TO SPEND THE CSR MONEY**

If the Company fails to spend the required amount in a particular financial year, it is the duty of the Committee to 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 Annual Report pertaining to that particular Financial Year and, unless the unspent amount relates to any ongoing project referred to in sub-section (6) of Section 135, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company. Further if the company spends an amount in excess of the requirements provided under sub-section 5 Section 135, it may set off such excess amount against the requirement to spend for such number of succeeding financial years and in such manner, as may be prescribed.

## **20. SPECIAL UNSPENT CSR ACCOUNT**

A special bank account, called an Unspent CSR Account for each financial year to be opened by the Company in any scheduled bank. The account shall be credited with following

- a. Any amount remaining unspent pursuant to any ongoing project, undertaken by a Company in pursuance of its CSR Policy shall be transferred by the Company to the unspent CSR Account within a period of thirty days from the end of the financial year.
- b. The amount transferred to the unspent CSR account shall be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer.
- c. Any surplus amount from CSR Project which is discontinued or completed.

For ongoing projects if the Company fails to spend the amount within a period of three financial years, the amount shall be transferred to a Fund specified in the Act and rules made there under, within a period of thirty days from the date of completion of the third financial year.

## **21. 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 inter alia the following aspects of CSR initiatives of the Company:

- a. Project Proposals
- b. Targeted Beneficiaries and their key needs
- c. Alignment with Schedule VII
- d. Project Goals and milestones
- e. Activities and Timelines including expected closure dates
- f. CSR Budget with projections
- g. Monitoring mechanism
- h. Progress reporting and frequency of reports
- i. Risks and mitigation strategies
- j. Any other information as may be required by the CSR Committee.

## **22. FREQUENCY OF THE MEETINGS OF THE CSR COMMITTEE**

The CSR Committee shall meet at least 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. Minutes of the CSR Committee shall be placed before the Board for noting.

### **23. GENERAL**

In case of any doubt with regard to any of the provisions of this Policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation and decision of the CSR Committee shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment based on changing needs and aspirations of the target beneficiaries or in accordance with the requirements of the law for the time being in force.

The CSR Committee reserves the right to modify, add, delete or amend any of provisions of this Policy to approval of the Board. CSR Committee shall meet at such intervals as may be required.

**The above policy approved by the Board of Directors in their Meeting held on 10<sup>th</sup> February, 2025**