



## MAX ESTATES LIMITED

(CIN: L70200DL2016PLC438718)

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### I. PREAMBLE

- 1.1 Corporate Social Responsibility has been an area of focus for the Max Group and Max Estates Limited (“**MEL**” or the “**Company**”) since inception. Max Group being in the “*Business of Life*”, there has been a conscious effort to make a difference in the lives of the less privileged through its CSR initiatives. MEL by giving due priority to CSR has and will attempt to effect positive change in the quality of life of the underserved in line with the Group philosophy.
- 1.2 The Companies Act, 2013 brings an even greater emphasis on CSR with Rules that provide guidance on minimum CSR spend, reporting mechanism, review structure and reporting to the shareholders of the Company. A CSR Committee has been formed at the Board level to oversee CSR activities of the Company.
- 1.3 Further to the above stated, the Board shall approve the CSR Policy as formulated and proposed by the CSR Committee with an objective to outline its CSR focus areas, recommending the amount of CSR Expenditure, execution process, review & monitoring mechanism, and, reporting process to the Management and the Board of Directors of the Company.

### II. PHILOSOPHY & OBJECTIVES

MEL has the vision to address the wider world of business opportunities in India and abroad. Care for the environment and community is MEL’s Core Value to bring about strong social relevance. Our objective is to make a meaningful and sustained impact on the lives of the beneficiaries of our programs.

### III. DEFINITIONS AND INTERPRETATIONS

“**Act**” shall mean the Indian Companies Act, 2013, along with amendments thereto.

“**Board**” means the Board of Directors of the Company.

“**CSR**” means corporate social responsibility.

“**CSR Activities**” shall mean the permissible CSR activities as per Schedule VII of the Act including but not limited to the following –

- (i) Health & Hygiene;
- (ii) Sanitation;
- (iii) Education;
- (iv) Rural Development;
- (v) Social and Economic Development;

- (vi) Environment;
- (vii) Protection of National Heritage, Art and Culture;
- (viii) Armed Forces, War Widows and their dependents;
- (ix) Sports;
- (x) Technology Incubators; and,
- (xi) Slum area development.

“**CSR Committee**” shall mean the CSR Committee of the Board instituted by the Company.

“**CSR Rules**” shall mean the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

“**MEL CSR Policy**” or “**CSR Policy**” shall mean this CSR Policy of MEL.

“**Max Group**” shall mean (i) Max Eatates Limited, (ii) Max India Limited, (iii) Max Financial Services Limited and their subsidiaries/ associates.

“**Max India Foundation**” means the registered not-for-profit Trust, founded by Max India Limited as its Founder/Settlor on January 31, 2002.

“**Implementation Plan**” shall mean the annual implementation plan in respect of the CSR Activities as may be approved by the CSR Committee of MEL.

“**Rules**” shall mean the rules prescribed under the Companies Act, as amended from time to time.

“**Schedule VII**” shall mean the Schedule VII under the Companies Act.

#### **IV. MODALITIES OF EXECUTION AND IMPLEMENTATION SCHEDULES**

- 4.1 **Implementation approach:** The CSR activities shall be executed by the Company through following modes:
  - (a) either directly by the Company; and/or
  - (b) through Max India Foundation which will in turn work with relevant credible NGOs and organisations to execute work on the ground.
- 4.2 **NGO Support:** Max India Foundation will execute projects with the help of NGOs and employee engagement. Max India Foundation may seek the support of NGOs who are working on ground on issues decided upon. Max India Foundation will also provide requisite training support to volunteers to carry out / support in CSR activities.
- 4.3 **Volunteering:** MEL and Max India Foundation should work together to create a comprehensive Employee Volunteering programme to ensure greater participation of employees in CSR activities. This programme should also include the recognition programme for CSR volunteers. MEL Management will encourage volunteer programmes / participation of the MEL employees.
- 4.4 **Modality of Execution of CSR Activities:** The Company shall execute and undertake the CSR activities in compliance with the provisions of Section 135 of the Act and in line with Implementation Plan.

4.5 While formulating the implementation plan, following points must be taken careof:

- (i) Programme Objective
- (ii) Duration of the programme
- (iii) Funds allocated to the programme
- (iv) Implementation schedule
- (v) Responsibilities and authorities
- (vi) Major results expected and measurable outcome
- (vii) Effective monitoring and evaluation

#### 4.6 Geographical Areas for CSR Activities:

MEL shall undertake the CSR activities in and around the areas where the Company and its subsidiaries operate or as may be identified in consultation with Max India Foundation.

### V. CSR FUNDING AND CSR EXPENDITURE

5.1 **CSR Budget:** In order to ensure funding for the CSR Activities, MEL shall strive to allocate 2% (two per cent) of the average net profits made by the Company (Shareholders' Profit) in its immediately preceding three financial years.

5.2 **CSR Expenditure:** The Implementation Plan of the Company shall include the CSR expenditure in line with the CSR budget. The implementation plan shall be presented before the CSR Committee / Board on an annual basis or as and when required by the CSR Committee/ Board.

5.3 **Declaration:** The Company hereby declares that any surplus arising and/or additional revenue generated out of CSR Activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR Activities only.

### VI. MONITORING PROCESS OF CSR ACTIVITIES

6.1 **Approval of Implementation Plan.** – CSR Committee shall formulate and recommend to the Board, an annual action plan, which shall include the following, namely:

- i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- ii. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of the CSR Rules;
- iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- iv. monitoring and reporting mechanism for the projects or programmes; and
- v. details of need and impact assessment, if any, for the projects undertaken by the company.

The Board may alter such plan at any time during the Financial Year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect. Human Resource Department / Implementation Team shall be responsible to present the progress updates before the CSR Committee/ Board as may be required from time to time.

- 6.2 **Impact assessment of CSR Projects** – As and when the average CSR obligation becomes ten crore rupees or more in pursuance of Section 135 of the Act, the Company shall undertake impact assessment of its CSR projects and report to Board, in the manner stipulated under CSR Rules.
- 6.3 **Reporting to CSR Committee.** Human Resource Department / Implementation Team of MEL in consultation with Max India Foundation shall provide a detailed progress report on the identified CSR activities to the CSR Committee annually or, at such intervals and at such times as the CSR Committee shall require to do so. The progress on CSR activities selected by the Company will be reported in the Annual Report in the format prescribed by the CSR Rules.
- 6.4 **Reporting to the Board:** The CSR Committee shall submit its report giving status of the CSR Activities undertaken, CSR Expenditure incurred and such other details as may be required by the Board, in accordance with applicable laws.
- 6.5 **Board Report and Annual Report:** The Board shall publish this Policy on the website of the Company and an annual report on CSR Activities in the Annual Report as per the applicable laws.

## VII. POWERS OF THE BOARD

In case the Board determines that the amount to be spent by the Company as per Section 135 of the Act is not expected to exceed fifty lakh rupees in a financial year subsequently, the Board may dissolve the CSR Committee and accordingly, the functions of CSR Committee provided under this Policy shall, in such cases, be discharged by the Board.

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