

CSR POLICY OF MAX SPECIALITY FILMS LIMITED

I. PREAMBLE

- 1.1 Corporate Social Responsibility has been an area of focus for the Max Group and Max Speciality Films Limited, ("**MSFL**" 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. MSFL 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 will 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

MSFL has the vision to be India's most admired and preferred global supplier of speciality polymer films. Care for the environment and community is MSFL'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

"**Board**" means the Board of Directors of the Company.

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

"**CSR**" means corporate social responsibility.

"**CSR Activities**" shall mean the permissible CSR activities as per Schedule VII of the Companies Act.

"**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.

"**CSR Expenditure**" shall mean the CSR expenditure proposed under this Policy and providing the corpus amount in furtherance of this Policy.

“Estimated CSR Expenditure” shall mean the actual estimate of the CSR Expenditure for each year as has been approved for each year. V

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

“MSFL CSR Activities” shall mean the services rendered in the MSFL CSR Identified Sectors.

“MSFL CSR Identified Sectors” mean the following sectors, as have been identified under this CSR Policy, (i) Health & Hygiene, (ii) Sanitation, (iii) Education and (iv) Rural Development.

“Max Group” shall mean (i) Max Ventures and Industries 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.

“Primary and Secondary Education” shall mean the primary and secondary education system, as is recognised in India.

“Proposed Implementation Plan” shall mean the annual proposed implementation plan in respect of the MSFL CSR Activities to be provided each year

“Quarter” shall mean an annual quarter for each Financial Year.

“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.

“Village” shall mean rural villages, urban villages, slum clusters, cluster of villages and geographies covered by Gram Panchayats.

IV. CSR IDENTIFIED SECTORS AND CSR ACTIVITIES

MSFL shall undertake CSR activities in all or any of the CSR activities as per the Companies Act, 2013. However, it shall give primary importance to the MSFL CSR Identified Sectors, as follows.

4.1 Health, Hygiene & Sanitation

- a. Preventive healthcare to underprivileged in identified geographies
- b. Supporting and facilitating medical care by providing consultation and medicines in Max Health Centre
- c. Supporting and facilitating surgeries and other treatment.
- d. Personal hygiene training and support in the village which has been adopted by the Company and in those locations where Health camps are organized by the Company

- e. To organize health education lectures
- f. Waste management awareness and proper waste disposal support
- g. Cancer awareness
- h. Providing pure drinking water
- i. Environmental awareness and care in and around the selected areas of operations of the Company. Propagation of a clean healthy environment to ensure good health
- j. Anti littering campaigns
- k. Vocational Training
- l. Sports facilities

4.2 Education

Providing support to schools in the nearby areas of MSFL operations by providing teachers, computers, pure & hygienic drinking water, hygiene training cum awareness, woollens and sports equipment to facilitate improvement in academic results and overall development of students.

4.3 Livelihood

Vocational training and creating & supporting Self Help Groups for women, adolescent girls and youth in village adopted by the Company. The vocations for which training will be provided will be identified basis the inherent skill sets and commercial opportunities for those vocations in and around the village.

V. MODALITIES OF EXECUTION AND IMPLEMENTATION SCHEDULES

5.1 Independent Implementing Agency: The Company shall work with Max India Foundation which will in turn work with relevant credible NGOs and organisations to execute work on the ground.

5.2 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.

5.3 Volunteering: MSFL 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. MSFL Management will encourage volunteer programmes / participation of the MSFL employees.

5.4 Modality of Execution of MSFL CSR Activities: The Company shall execute and undertake the MSFL CSR activities as follows:

- 5.4.1. Healthcare which will cover health camps, medicinal support, health awareness, cancer awareness, surgeries and treatments, environmental awareness and protection, support for artificial limbs & polio callipers and other disability.

5.4.2. Village Adoption in which the Company will focus on:

- (i) Health, Hygiene and sanitation in the village
- (ii) Supporting school children to improve academics and overall development of the students
- (iii) Pure drinking water
- (iv) Spreading awareness about a healthy environment and activities to protect environment and waste management
- (v) Children & Women related issues in the areas of health, health-education and nutrition
- (vi) Community Development and introduction of sports & vocational training to encourage youth to stay away from drugs

5.5 Geographical Areas for MSFL CSR Activities:

Health, Hygiene & Sanitation: In the nearby areas or as may be identified in consultation with Max India Foundation.

Environment: In and around the areas of operations of Max Speciality Films Limited.

5.6 Beneficiaries for the MSFL CSR Activities:

1. Children (0-18 years)
2. Women
3. Youth (18-25 years)
4. Senior citizens
5. Others – society at large

VI. CSR FUNDING AND CSR EXPENDITURE

6.1 **CSR Budget:** In order to ensure funding for the CSR Activities, MSFL 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.

6.2 **CSR Expenditure Funds:** The CSR Committee will present the Proposed Implementation Plan to the Board, 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 shall approve the Final Implementation Plan and the CSR Expenditure Funds shall be allocated for implementation in partnership with Max India Foundation. 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.

6.3 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.

VII. Monitoring Process of CSR Activities

7.1 Approval of CSR Plan. MSFL Management shall present and get approval on a quarterly activity plan from competent authority at MSFL. The plan should be in line with MSFL CSR Policy approved by the CSR Committee. This plan will form the basis for progress report to CSR Committee.

7.2 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.

7.3 Reporting to CSR Committee. MSFL Management in consultation with Max India Foundation shall provide a detailed progress report on the Key Performance Indicators to the CSR Committee every Quarter, or, at such intervals and at such times as the CSR Committee shall require to do so. The progress on CSR issues selected by the Company will be reported in the Annual Report in the format prescribed by the CSR Rules.

7.4 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.

7.5 Key Performance Indicators: MSFL will attempt to make a sustainable impact through our CSR Programs and the key performance indicators for assessment would be:-

Issues	Key Performance Indicators
Water & Sanitation Infrastructure	
Water	Improvement in the quality of Drinking water
Sanitation	Introduction of waste management program Improvement in sanitation observed
Academic Infrastructure	
Education	Improvement in the Annual result of Class-X. Improvement in school infrastructure
Community Infrastructure	
Skill development	Vocational training especially for Women

Issues	Key Performance Indicators
Youth engagement	Introduction of sports facilities
Healthcare	
Medical Centre	Improvement in Health with focus on Women and Senior Citizens No. of people provided immediate solutions / referred for further treatment
Enhanced Medical Facilities and Services	Services of need based Medical Specialists
Medical camps	Improvement in health No. of locations covered / Health Camps organized No. of people treated by sponsoring eye surgeries / correction in low vision by providing specs
Miscellaneous	
Any other parameters as the CSR Committee may require	

7.6 Board Report and Annual Report. The Board shall publish this Policy and an annual report on CSR Activities as per applicable laws.

VIII. 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.