



## MAXWELL INDUSTRIES LIMITED

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

#### 1. PREAMBLE:

The concept of Corporate Social Responsibility has gained prominence from all avenues. Organizations have realized that Government alone will not be able to get success in its endeavor to uplift the downtrodden of society. With the rapidly changing corporate environment, more functional autonomy, operational freedom etc., Maxwell Industries Limited (the “**Company**”) has adopted CSR as a strategic tool for sustainable growth. For Maxwell Industries in the present context, CSR means not only investment of funds for social activities but also integration of Business Processes with Social Processes.

#### 2. OBJECTIVE:

The main objective of CSR policy is to lay down guidelines to make CSR a key business process for sustainable development of the Society. It aims at supplementing the role of the Government in enhancing welfare measures of the society based on the immediate and long term social & environmental consequences of their activities.

#### 3. APPLICABILITY:

- i. CSR Policy has been developed in consonance to Section 135 of Companies Act, 2013 (“**Act**”) on CSR and in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“**CSR Rules**”) notified by the Ministry of Corporate Affairs.
- ii. The policy shall apply to all CSR projects / programmes undertaken by the Company as per schedule VII of the Act.

#### 4. CSR COMMITTEE:

**Composition of the CSR committee:** will consist of three or more directors of which, at least one will be an independent director.

#### 5. ROLE OF THE COMMITTEE:

The Committee shall carry out the following functions:

- i. recommend the CSR Policy to the Board of Directors of the Company (“Board”);
- ii. identify the projects/activities to be undertaken by the Company for CSR;
- iii. recommend to the Board CSR Activities to be undertaken along with detailed plan;
- iv. modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
- v. monitor the CSR Policy of the Company from time to time;
- vi. ensure compliance of CSR Policy and the CSR Rules;
- vii. such other functions as may be delegated and/or assigned by the Board from time to time.

**6. LIST OF ACTIVITIES/PROJECTS:**

- i. To direct CSR Programmes, inter alia, towards achieving one or more of the following:
  - a. eradicating extreme hunger and poverty;
  - b. promoting gender equality and empowering women;
  - c. promoting education;
  - d. reducing child mortality and improving maternal health;
  - e. combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
  - f. ensuring environmental sustainability;
  - g. employment enhancing vocational skills;
  - h. social business projects
- ii. To develop the required capability and self-reliance of beneficiaries at the grass roots, especially of women, in the belief that these are prerequisites for social and economic development;
- iii. To engage in affirmative action interventions such as skill building and vocational training, to enhance employability and generate livelihoods for persons from disadvantaged sections of the society;
- iv. To pursue CSR Programmes primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact;
- v. To carry out CSR Programmes in relevant local areas to fulfill commitments arising from requests by Government / regulatory authorities and to spend monies through such administrative bodies of the Government and/or directly by way of developmental works in the local areas around which the Company operates;

- vi. To provide equal opportunities to beneficiaries of the Company's CSR Programmes as vendors or employees on merit;

## **7. GOVERNANCE:**

- i. Every year, the CSR Committee will place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.
- ii. The CSR Committee will assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or bodies as it may deem fit.
- iii. The persons/bodies to which the implementation is assigned will carry out such CSR Programmes as determined by the CSR Committee within the specified budgets and timeframes and report back on the progress thereon at such frequency as the CSR Committee may direct.
- iv. The CSR Committee shall review the implementation of the CSR Programmes once a quarter and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.
- v. Once every six months the CSR Committee will provide a status update to the Board on the progress of implementation of the approved CSR Programmes carried out during the six month period. It shall be the responsibility of the CSR Committee to keep the Board apprised of the status of implementation of the same.
- vi. At the end of every financial year, the CSR Committee will submit its report to the Board.

## **8. CSR Reporting:**

- i. The Board's Report shall include an annual report on CSR containing particulars as prescribed in CSR Rules.
- ii. In case of any default in respect of CSR spending, Board is required to disclose reasons in its report.

**9. CSR EXPENDITURE:**

Company shall spend, in every financial year, at least 2% of the average net profits made during the 3 immediately preceding financial years. CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan. Moreover, any surplus arising from any CSR Programmes shall be used for CSR. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

**10. DISCLAIMER:**

- i. The activities undertaken by the Company in pursuance of its normal course of business shall not be considered as CSR activities.
- ii. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company.