



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Concept

The concept of CSR is governed by Section 135 of the Companies Act, 2013 and Schedule VII of the Companies Act, 2013 as well as Companies (Corporate Social Responsibility Policy) Rules, 2014.

“Corporate Social Responsibility” means:

- i) Projects or Programs relating to activities specified in Schedule VII of the Companies Act, 2013: or
- ii) Projects or Programs relating to activities undertaken by the Board of Directors from time to time in pursuance of recommendations of the CSR Committee of the Board.
- iii) CSR Policy will relate to the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the expenditure thereon excluding the activities undertaken in pursuance of the normal course of business of a company.

Activities described in the Act

In pursuance of Section 135 the Companies Act, 2013 read with Schedule VII of the Companies Act, 2013 as well as Companies (Corporate Social Responsibility Policy) Rules, 2014 and the amendments thereof, the activities of the Company under CSR may cover:

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to Swachh Bharat Kosh set up by the Central Govt. for the promotion of sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

(iii) 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;

(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, 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;

(v) 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;

(vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(vii) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;

(viii) 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 any other-fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);

(x) Rural development projects.



(xi) Slum area development.

(xii) disaster management, including relief, rehabilitation and reconstruction activities

Vision

In pursuance of the Companies Act, 2013 and in alignment with its vision, the Company through its CSR initiatives will 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.

Vision Statement

“To actively contribute to the social and economic development of the communities of the area in which we operate. In doing so, build a better, sustainable way of life for the underprivileged, and raise their overall standard of living. In addition, we are committed to conserving and preserving the environment.”

Strategy

Though mandated, Kuantum Papers Ltd takes its social responsibility seriously and proactively. Our emphasis has been on environment conservation, reforestation, pollution control, optimum utilization of treated water with recycling with in campus and also by farmers for irrigation purpose.

We have been spearheading a focused CSR drive targeted at community upliftment and development separately for some years now. Kuantum will now carry these initiatives forward as part of the CSR program.

The CSR Committee, in consultation with the Board, will provide the strategic direction for the company’s external CSR drive, and the thrust areas for the CSR work, along with ensuring effective monitoring as well.

Government Bodies, District Authorities, Self Help Groups, Village Panchayats and Local Community and The Villagers will be our Development Partners and will help in delivering the CSR Plans. We will network and collaborate with our Development Partners to share ideas, each other's experiences and ensure that our efforts yield desired results.

The company’s CSR Program will be undertaken directly by the Company, as also through a CSR Implementation Partner. The CSR Implementation Partner



will be selected after a detailed due diligence exercise, which will include evaluation on the basis of its competence, experience, specialization and transparency.

A Memorandum of Understanding (MOU) will be signed with the Implementation Partner formalizing the agreed upon terms.

CSR Program

Focus Area

In India, many villages still lack the basic infrastructure. Majority of population in villages still deprived of basic civic amenities. The story is not very different in Hoshiarpur district, specifically the area in which we operate.

Preparation and implementation of CSR Plans will focus in the surrounding rural areas on:

- a. Education to underprivileged specifically to females.
- b. Income Generation Activities utilizing local resources for value addition
- c. Depending upon local requirements, technical and skill development programs under Train the Trainer Scheme.
- d. Nutrition, Health care and Hygiene Improvement with Construction of Toilets (Preferably Waterless Environment Friendly Toilets).
- e. Installation of Solar Lamps in Village Panchayats
- f. Installation of Solar Pumps wherever electricity is not available.

Project Selection

Projects have been identified and planned in a participatory manner, in consultation with the community and our Development Partners, the belief being that participatory development is core to adoption of the initiative by the beneficiary as well as to the success of it.

Herein, the Company's focus is on the all-round development of communities in villages around our plant located at SailaKhurd.

Funding and Allocation

In line with our CSR Vision, through implementation of our CSR Program, the Board of the company shall ensure that the company utilize allocated funds in each financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years and that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134 of the Companies Act, 2013, specify the reasons for not spending the amount.



The surplus arising out of the CSR activities will not be considered as a part of the business profits of the Company and shall be ploughed back into the same project, or shall be transferred to the Unspent CSR Account and it should be spent in pursuance of this CSR policy and annual action plan of the Company, or the Company may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the company in any scheduled bank called the "Unspent Corporate Social Responsibility Account". Such amount shall be spent by the company towards CSR within a period of 3 financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of the third financial year.

Organization & Management

The Corporate Social Responsibility Committee (CSR Committee), appointed by the Board, comprising of 3 directors, including at least one independent director of the Company shall be responsible for formulating and recommending to the Board the CSR policy and a CSR annual action plan, provided that the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect. The CSR Committee reports to the Company's Board of Directors.

The CSR Annual Action Plan shall include the following :-

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act,
- (b) the manner of execution of such projects or programmes,
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes,
- (d) monitoring and reporting mechanism for the projects or programmes and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company.

Role of CSR Committee

- Formulation, review and updating of policy including activities to be undertaken.
 - Recommendation of the CSR Annual Action Plan for CSR activities.
 - Formulation of a 'Transparent Monitoring Mechanism' for implementation and review of CSR program.
 - Submission of Periodical Progress Report to the Board on status of activities, contributions and benefits derived.
- Any other requirement as mandated/introduced under the Act and Rules thereto.



The CSR Committee will also ensure that:

- i) The Board's Report shall include an annual report on CSR containing particulars specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014 including the amendments if any.
- ii) The Policy is displayed on the company's website, www.kuantumpapers.com in such manner as be prescribed;
- iii) Report on CSR Program through Quarterly operational/progress reports, within 45 days from the end of each quarter, alongwith a consolidated statement of expenses.

Monitoring Mechanism

In order to ensure steady progress and proper utilization of the funds under the CSR Program, the following monitoring mechanism will be adopted.

- Periodic field visits by the authorized officials deputed by the Company
- Periodic review of the projects/activities through monthly reports to the CSR Committee Chairman
- Certification by the person responsible for financial management w.r.t. utilization of the funds for the purposes and in the manner as approved by the Board.

Reporting

The CSR Committee shall report to the Board once in half year, the status of CSR Program undertaken by the Company, alongwith the reports on the impact created by such projects/activities.
