

ANNEXURE-1

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to Section 134 (3) (o) of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

(i) Vision

In pursuance of the Companies Act, 2013 and in alignment with its vision, the Company through its CSR initiatives continues 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. The Company's Vision Statements 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.

(ii) Strategy

Though mandated, Kquantum Papers Ltd. takes its social responsibility conscientiously 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. Kquantum is now carrying these initiatives forward as part of the CSR program.

The CSR Committee, in consultation with the Board, provides 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.

Objectives and overview of projects or programs proposed to be undertaken.

(a) The objective of the Company is to contribute to the promoting education, including special education and employment enhancing vocation skills, skill development and technical education, rural development, environment protection, health care, social welfare, so as to promote sustained growth for the society and community and in particulars take up the activities as included in Schedule VII of the Companies Act, 2013.

(b) The CSR Committee facilitates the Annual CSR action plan containing the clear terms of reference outlining the key tasks, duration of assignment, allocation of budget for different projects, method of implementation and review. The CSR budget shall be according to Companies Act, 2013.

(c) Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company. Any unspent amounts shall be dealt with in accordance with the provisions of Companies Act, 2013 as amended from time to time. 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.

(d) Project activities identified under CSR are to be directly handled by the Company or implemented by agencies, which would include Educational Institutes, Universities, Societies, Voluntary Organisations (VOs) formal or informal Elected local bodies such as Panchayats etc., Institutes/ Academics Institutions, Trusts, Hospitals, Self Help Groups, Govt./ Semi Govt./ Autonomous Organisations or institutes, Mahila Mandals, Professional Consultancy Organisations etc.

(e) The Corporate Social Responsibility activities undertaken by the Company will be monitored by the Corporate Social Responsibility Committee duly constituted by the Board. The committee will be responsible to institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

During the year 2023-24, the Company had identified certain projects/activities on which the CSR expenditure for the financial year was made. The activities included promoting education, rural development, environment protection, health care, social welfare etc.

The CSR Committee, in consultation with the Board, provides 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.

2. The Composition of the CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Pavan Khaitan, Chairman	Promoter, Executive	2	2
2	Mr. D.S. Sandhawalia, Member	Non-Independent, Non-Executive	2	2
3	Ms. Shireen Sethi, Member	Independent, Non-Executive	2	2

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company:

- CSR Committee - <https://www.kuantumpapers.com/Committees-of-the-board>
- CSR Policy - <https://www.kuantumpapers.com/pdf/CSR-Policy.pdf>
- CSR Projects - <https://www.kuantumpapers.com/Compliance-reports>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Not Applicable

- (a) Average net profit of the company as per sub-section (5) of section 135: **Rs. 8370.36 Lakhs.**

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: **Rs. 167.41 Lakhs**

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: **NIL**

(d) Amount required to be set-off for the financial year, if any: **INR 0.23 Lakhs.**

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **INR 167.18 Lakhs.**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **INR 170.19 Lakhs.**

(b) Amount spent in Administrative Overheads: **NIL**

(c) Amount spent on Impact Assessment, if applicable: **Not Applicable**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **INR 170.19 Lakhs.**

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) Section 135(5)		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
INR 170.19 Lakhs	Not Applicable				

- (f) Excess amount for set-off, if any: Rs. 3.01 Lakhs (As detailed below)

Sl. No.	Particulars	Amount (INR in Lakhs)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	167.41
(ii)	Total amount spent for the Financial Year (Rs. 170.19 Lakhs spent +Rs. 0.23 Lakhs carried forward)	170.42
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.01
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any (Previous year's available set off)	0.00
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)] Rs. 170.19 Lakhs (Year 2023-24 expenditure made on CSR) + Rs. 0.23 Lakhs (Excess spent of previous year 2022-23, set off) - Rs. 167.41 Lakhs (CSR Obligation for year 2023-24) = Rs. 3.01 Lakhs (excess spent carried forward to succeeding financial years)	3.01

7. Details of Unspent CSR amount for the preceding three Financial Years: (Rs. In Lakhs)

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Name of the Fund	Amount (in ₹)	Date of transfer.		
1	2020-21	134.39*	134.39	0	0	0	0	134.39	-
2	2021-22	0	134.39	2.00	0	0	0	132.39	-
3	2022-23	0	132.39	132.39	0	0	0	0	-

*(Out of the total Unspent CSR Amount INR 134.39 Lakhs for the Financial Year 2020-21 which was transferred to Unspent CSR Account, a sum of INR 2.00 Lakh was spent in the Financial Year 2021-2022 and the remaining Unspent CSR amount of INR 132.39 Lakhs was completely spent during the Financial Year i.e. 2022-23). There are no CSR amounts pending to be spent in the reporting financial year.

8. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year: No

If yes, enter the number of Capital Assets created/acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable.

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of Section 135: Not Applicable

For and on behalf of Board of Directors of Kquantum Papers Limited
(CIN: L21012PB1997PLCO35243)

Pavan Khaitan

Chairman- CSR Committee,
Vice Chairman & Managing Director
DIN: 00026256

Jagesh Kumar Khaitan

Chairman

DIN: 00026264

Place: Chandigarh
Dated: 29th May, 2024