

**SIDDHO MAL PAPER CONVERSION COMPANY PRIVATE LIMITED**

**Corporate Social Responsibility Policy**

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## 1. SHORT TITLE AND APPLICABILITY

- 1.1 This policy, which encompasses the philosophy of **Siddho Mal Paper Conversion Private Limited (“Company”)** for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large, is titled as the ‘**CSR Policy**’.
- 1.2 This policy shall apply to all Corporate Social Responsibility (“**CSR**”) initiatives and activities to be undertaken by the Company.
- 1.3 This CSR Policy shall operate as the Corporate Social Responsibility policy of the Company for the purposes of Section 135 of the Companies Act, 2013 and the rules made thereunder.

## 2. CSR VISION AND OBJECTIVE

- 2.1 In alignment with vision of the Company, the Company, through its CSR initiatives, will continue to strive for economic development that positively impacts the society at large with minimal resources.
- 2.2 The objective of the CSR Policy is to:
  - 2.2.1 establish a guideline for compliance with the provisions of the Regulations to dedicate a percentage of Company's profits for CSR activities;
  - 2.2.2 ensure the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting;
  - 2.2.3 directly or indirectly take up programmes that benefit the communities in and around its work centers and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace;
  - 2.2.4 generate through its CSR initiatives, a community goodwill for the Company and help reinforce a positive and socially responsible image of the Company as a corporate entity;
  - 2.2.5 consult with local communities to identify effective and culturally appropriate development goals;
  - 2.2.6 partner with credible organisations like trusts, foundations etc. including non government organisations
- 2.3 In this Policy unless the context otherwise requires:-

- a) 'Act' means The Companies Act, 2013;
- b) 'Corporate Social Responsibility' means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014 as amended from time to time ;
- c) 'Ministry' means the Ministry of Corporate Affairs
- d) 'Net Profit' means net profit as defined in Section 135 of the Companies Act 2013 read with Companies Corporate Social Responsibility Policy) Rules 2014 as set out below:

Net Profit as per the financial statements prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:

- i. any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
  - ii. any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act
- e) Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

### **3. CSR PROJECTS/PROGRAMMES**

3.1 The Company proposes to serve the society and recognises that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that improves the lives of underprivileged by adopting one or more of the following CSR projects/programmes/activities as notified under Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014:

3.1.1 eradicating hunger, poverty and malnutrition, promoting health care (including preventive health care) and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation" and making available safe drinking water;

- 3.1.2 promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 3.1.3 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;
- 3.1.4 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 setup by the Central Government for rejuvenation of river Ganga;
- 3.1.5 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;
- 3.1.6 measures for the benefit of armed forces veterans, war widows and their dependents;
- 3.1.7 training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- 3.1.8 contribution to the Prime Minister's National Relief 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;
- 3.1.9 contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government; and
- 3.1.10 rural development projects.
- 3.1.11 slum area development
- 3.2 The CSR activities shall be undertaken within the territory of the Republic of India.
- 3.3 CSR activities shall be undertaken as projects, programs or activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company.

3.4 The Act provides that the Company shall give preference to the local area and areas around where it operates, for spending the amount earmarked for Corporate Social Responsibility. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

#### **4. CSR COMMITTEE**

4.1 Keeping in line with Section 135 of Companies Act, 2013, the Board of Directors of the Company shall form a Corporate Social Responsibility Committee (hereinafter referred to as "CSR Committee").

4.2 The CSR Policy and programs shall be implemented, managed and supervised by the CSR Committee which shall comprise of at least such number of directors as is mandatorily required by applicable laws.

4.3 The CSR Committee of the Company consist 2 directors. The Composition of CSR Committee, as appointed by Board of Directors of the Company, is as under :

a. Mr. Kapoor Chand Jain

b. Mrs. Hem Kumari Jain

#### **5. RESPOSIBILITIES OF THE CSR COMMITTEE**

The CSR Committee shall:

5.1 Decide the CSR Projects or Programmes to be taken up by the Company either directly or through registered trust or registered society or a Company established under section 8 of the Act by the company, either singly or alongwith its holding or subsidiary or associate company, or alongwith any other company or holding or subsidiary or associate company of such other company' or otherwise.

5.2 Place before the Board for approval, the CSR projects or programmes proposed to be taken up by the Company from time to time.

5.3 Oversee the progress of the CSR Projects or Programmes rolled out under this Policy on a quarterly basis.

5.4 Define and monitor the Budgets for the carrying out the CSR Projects or Programmes.

- 5.5 Submit a Report to the Board of Directors on all CSR Activities undertaken during the Financial Year on quarterly basis and the CSR Policy of the Company shall be displayed on the Company's website.
- 5.6 Monitor and Review the implementation of the CSR Policy.

## **6. ROLE AND RESPOSIBILITIES OF THE BOARD**

- 6.1 The Board shall take into account the recommendations of the CSR Committee and provide appropriate instructions / directions to the CSR Committee as and when required.
- 6.2 The Board shall consider the CSR Policy formulated by the CSR Committee and approve the same with or without modifications, if required.
- 6.3 The Board shall ensure that activities included by the Company in the CSR Policy are in accordance with Schedule VII of the Act.
- 6.4 The Board shall consider the budgetary allocation proposed by the CSR Committee and approve the same with or without modifications, if required.
- 6.5 The Board shall ensure that the CSR activities undertaken by the Company are in accordance with the CSR Policy of the Company.
- 6.6 The Board shall monitor the CSR activities of the Company in accordance with its CSR Policy and the law.

## **7. FINANCIAL OUTLAY FOR CSR ACTIVITIES**

- 7.1 As per the provisions of the law the Company will make available as and when requested, for annual CSR activities, an amount equal to 2% of the average Net Profits of the Company made during the three immediately preceding financial years.
- 7.1 Every year, the Company shall with the approval of its Board of Directors make a budgetary allocation for CSR activities/ projects for the year. The budgetary allocation will be based on the profitability of the Company and the requirements of applicable laws.
- 7.2 The Company expects to spend the budgeted amount allocated for CSR activities/ projects planned for each financial year, within that year. If for any reason, the budget of a year remains unutilised, the same may be carried

forward to the next year for expenditure on CSR activities, which were planned for implementation in the previous year, but could not be completed due to some reason. The CSR Committee and the Board of Directors will disclose the reasons for not being able to spend the entire budgeted amount on the CSR activities as planned for that year in the Board Report of the Company.

- 7.3 Any surplus arising out of the CSR activities, projects or programs shall not form part of the business profits of the Company.

## 8 UNDERTAKING CSR ACTIVITIES

8.1 The Board of Directors of the Company may decide to undertake CSR activities approved by the CSR committee, through a registered trust or a registered society or a company established by the Company, either singly or along with its Holding or Subsidiary or Associate Company, or along with any other company or Holding or Subsidiary or Associate company of such other company subject to the following conditions-

- *If the trust, society or Company is not established by the Company then it shall have an established track record of 3 years in undertaking similar projects or programs; and*
- *The Company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects programs and the monitoring and reporting mechanism.*

8.2 If the Company decides to set up a Trust or Section 8 Company, or Society or Foundation or any other form of entity operating within India to facilitate implementation of its CSR activities in accordance with its stated CSR Policy, the following shall apply:

- 1) The Company would need to specify the projects/programmes to be undertaken by such an organization, for utilizing funds provided by it;
- 2) The Company shall establish a monitoring mechanism to ensure that the allocation is spent for the intended purpose only;

8.3 The Company may also conduct/implement its CSR programmes through Trusts, Societies, or Section 8 companies operating in India, which are not set up by the

Company itself, herein collectively referred to as 'CSR Partner' or 'CSR Partner(s)'.

8.4 Company may collaborate or pool resources with other companies to undertake

CSR activities within India. Only activities which are not exclusively for the benefit of employees of the company or their family members shall be considered as CSR activity.

8.5 The investment in CSR shall be project based and for every project time framed periodic mile stones shall be finalized at the outset.

## 9. EXECUTING AGENCY

9.1 If in the opinion of the CSR Committee, the implementation of CSR projects requires specialised knowledge and skills, and if the Company does not have such expertise in-house, the wherewithal, and dedicated staff to carry out such activities, the CSR Committee may decide to avail the services of external specialised agencies for the implementation of such CSR projects.

9.2 In the event an external agency is engaged for the purposes of the CSR initiatives of the Company, the Company will need to enter into an agreement with the relevant executing/implementing external agency, setting out the terms and conditions of the engagement of the external agency.

## 10. MONITORING

10.1 The Company recognises that monitoring is critical for assessment of the progress as regards timelines, budgetary expenditure and achievement of targets. Monitoring may be done periodically with the help of identified key performance indicators, the periodicity being determined primarily by the nature of key performance indicators.

10.2 Monitoring will be done in project mode with continuous feedback mechanism, and recourse always available for mid-course correction in implementation, whenever required.

10.3 The performance of the Company's CSR activities would be monitored on the basis of their achievement of annual targets and the utilization of their annual budgets for the activities planned and the targets set for each year.

10.4 Implementation and monitoring of the CSR activities will be overseen by the CSR Committee. The monitoring and evaluation may be assigned by the



CSR Committee to an independent external agency for the sake of objectivity and transparency.

- 10.5 If the projects are being implemented by external agencies, the Company may in consultation with CSR Committee designate special executives for this purpose.

## **11 GENERAL**

- 11.1 A copy of this CSR Policy will be handed over to the Directors within one month of the date of the approval of this Policy by the Board of Directors. The Policy shall also be posted on the web-site of the Company i.e. [www.siddhomal.com](http://www.siddhomal.com) and appropriate disclosures shall be made in the Annual Report of the Company as per law.

- 11.2 In case of any doubt with regard to any provision of this CSR Policy and also in respect of matters not covered herein, a reference should be made to the CSR Committee. In all such matters, the interpretation and decision of the CSR Committee shall be final.

- 11.3 All provisions of the CSR Policy would be subject to revision/amendment in accordance with the applicable laws. The Board of Directors on its own and/or as per the recommendations of CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time.

- 11.4 In case of any clarification on any matter, including interpretation of this Policy, the Company Secretary or any member director of the CSR Committee of the Company shall be contacted. The decision of the Board of Directors on all matters, relating to this Policy, shall be final and binding upon all concerned.

- 11.5 This Policy is subject to continuous review and updates as may be required from time to time.

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