

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

### **Introduction:**

Shree Ajit Pulp and Paper Limited have always been committed to the cause of social service and have repeatedly channelized a part of its resources and activities, such that it positively affects the society socially, ethically and also environmentally.

With the advent of the Companies Act, 2013 constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy became a mandatory requirement. Therefore, the Company seeks to formulate a robust CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

### **CSR Object:**

The Company firmly believes that CSR is primarily, the responsibility of the Company in relation to the impact of its decisions and activities on the society and also the environment, through a transparent and ethical behaviour which is:

- (a) Consistent with sustainable development and welfare of society,
- (b) Takes into account the expectations of stakeholders,
- (c) is in compliance with applicable law, and
- (d) is uniformly integrated and practiced throughout the Company.

### **Scope**

In furtherance of its CSR objects, the following are covered under this Policy:

- I. CSR activities implemented by the Company on its own,
- II. CSR activities implemented by the Company through own trust/society or group company trust/society,
- III. CSR activities of the Company through an external trust/society.

### **Thrust Areas:**

While the Company is eligible to undertake any suitable/rightful activity as specified in Schedule VII of the Act, however, at present, it proposes to undertake the relevant activities in the following Thrust Areas:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government 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 art and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- (viii) Rural development projects.
- (ix) Slum area development

**Identification of CSR Projects:**

1. CSR Projects need to be identified and planned for approval of the Board, in particular in Thrust Areas, with estimated expenditure and phase wise implementation schedules.
2. The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company (including its Units) operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.
3. As a cardinal principle, the CSR Projects in Thrust Areas shall be identified on the basis of a detailed assessment survey.
4. The CSR Officer may engage external professionals/firms/agencies if required, for the purpose of identification of CSR Projects.

**Implementation of CSR Projects**

The Company shall implement the identified CSR Projects by the following means:

**I. Direct Method**

1. The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Thrust Areas as defined in the Policy;
2. The Company may also implement the identified Projects through its Trust or Society which is involved in CSR activities, within the scope and ambit of the Thrust Areas as defined in the Policy.
3. The CSR Officer may engage external professionals/firms/agencies if required, for the purpose of implementation of its CSR Projects.
4. The Company may collaborate with other companies, including its Group Companies if required, for fulfilling its CSR objects through the direct method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

## II. **Indirect Method**

The Company may implement the identified CSR Projects through Agencies, subject to the condition that:

1. The activities pursued by the Agency are covered within the scope and ambit of Schedule VII of the Act provided-
  - The Agency has an established track record of at least three years in undertaking similar programs or projects, and
  - The Company has specified the Project to be undertaken through the Agency which shall preferably be in Thrust Areas, the modalities of utilization of funds on such Projects and the monitoring and reporting mechanism.
2. The Company may collaborate with other companies, including its holding and subsidiary Companies and Group Companies if required, for fulfilling its CSR objects through the Indirect method provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.

### **Monitoring:**

SAPPL's CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the activities of trust. The Committee will in turn recommend this to the SAPPL Board for its final approval. In compliance with the Act and to ensure funds spent on CSR programmes are creating the desired impact on the ground, a comprehensive Monitoring and Reporting framework will be put in place.

### **Allocation of Fund:**

The Board of Directors of the Company shall take decision towards allocation of appropriate fund under direct method and indirect method of CSR programme / project.

### **Composition of CSR Committee of the Board:**

The Committee of the Board of Directors has been formed in pursuance of Section 135 of the Companies Act, 2013. The SAPPL CSR Committee comprises 3 of Directors of the Board.

### **The Board**

The Board of Shree Ajit Pulp and Paper Limited will be responsible for:

- Approving the CSR policy as formulated by the CSR Committee.
- Ensuring that in each financial year the Company spends at least 2% of the average net profit before tax excluding profits arising from overseas branches made during the three immediate preceding financial years.
- Ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively and regularly monitoring implementation.
- Disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company website.

As per Section 135 the reasons for under spending of the allocated CSR budget shall be specified in the Board's Report. The surplus arising out of the CSR activities, if any, will not be considered as a part of the business profits of the company.

### **Review and amendment:**

CSR Plan may be revised / modified / amended by the CSR Committee at such intervals as it may deem fit.