



# **SANGAL PAPERS LIMITED**

CIN- L21015UP1980PLC005138

Reg. Office: 22 Km, Meerut-Mawana Road, Mawana, Meerut,  
UP-250401.

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

## **I. CORPORATE SOCIAL RESPONSIBILITY POLICY (“CSR Policy”):**

Pursuant to the Provisions of section 135 of The Companies Act, 2013 (herein after called “Act”), Companies (Corporate Social Responsibility) Rules, 2014 (herein after called “Rules”) and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (herein after called “Listing Regulation”). This CSR Policy encompasses Sangal Papers Limited’s (herein after called “The Company”) philosophy for social responsibilities and lays down the guidelines and mechanism for undertaking projects, programs and activities towards such responsibilities.

## **II. VISION STATEMENT AND OBJECTIVE:**

It is recognized that integrating social, environmental and ethical responsibilities into the governance of the company ensures the long term success, competitiveness and sustainability.

Further, CSR makes a business sense as companies with effective CSR, have image of socially responsible companies, achieve sustainable growth in their operations in the long run and their products and services are preferred by the customers.

The CSR Policy sets out by the company’s commitment towards ensuring that our activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The CSR Policy lays down guidelines for undertaking programmes geared towards social welfare activities or initiatives. Through this CSR Policy, we propose to adopt the CSR Activities mentioned below.

In alignment with the above vision, The Company, through the CSR Activities, will endeavor to enhance value creation in the society and in the community, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a socially responsible corporate.

1. This CSR Policy has been framed in accordance with the applicable provisions of the Companies Act 2013 and the rules issued thereunder.
2. The objective of this CSR Policy is to:
  - (i) Outline projects, programs and activities to be undertaken by The Company;
  - (ii) Specify the modalities of execution of such projects, programs and activities;
  - (iii) Monitor the process to be followed for such projects, programs and activities;
  - (iv) Directly or indirectly take up programs 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; and
  - (v) Generate community goodwill for the company and help reinforce a positive and socially responsible image, through our CSR Activities.

## **III. CSR COMMITTEE:**

1. The CSR Committee has been constituted in accordance with the provisions of the Act comprising of the 3 (three) Directors. The Company Secretary shall be the secretary to the Committee. The CSR Committee may invite other experts/ invitees as per its requirements.  
The CSR Committee of our company was constituted in the first meeting and will comprise of the following members:
  1. Mr. Prem Sethi, (Independent Director) Chairman,
  2. Mr. Himanshu Sangal, (Managing Director) Member,
  3. Mr. Vinayak Sangal, (Director) Member,
2. The CSR Committee shall be responsible for:
  - (i) Formulating the CSR Policy including the CSR Activities to be undertaken by the company as per schedule VII of The Act and their budgets as well as recommendation of any subsequent change/modification to the CSR Policy;
  - (ii) Institute an implementation and monitoring mechanism for CSR Activities;
  - (iii) Periodically updating the Board on the progress being made in the planned CSR Activities;
  - (iv) Providing a responsibility statement in the Board's report.
  - (v) Determining the modalities of execution including targets and timelines in consultation with the Board;
  - (vi) Any other assistance as may be required by the Board in relation to implementation of the CSR Activities.

#### **IV. PROJECTS, PROGRAMS AND ACTIVITIES**

1. The Company has identified the following focus areas like education, healthcare and medicare, sports.
2. Basic infrastructure and technology backed/enabled environment at such number of schools, hospital and sport centres, in rural/semi-urban areas in India as may be identified by us and also our sites and work stations.
3. Prior to the commencement of CSR activities/projects, we carry out a baseline study of the nearby area/villages of the Company's factory location (i.e. Meerut).
4. The study encompasses various parameters such as - health indicators, literacy levels, sustainable livelihood processes, and population data-below the poverty line and above the poverty line, state of infrastructure, among others.
5. All activities/projects of CSR are assessed under the agreed strategy, and are monitored every quarter/year, measured against targets and budgets. Wherever necessary, midcourse corrections are made.

6. Solar power based system catering to the following viz. solar set up, battery back-up, sitting arrangement, lighting in the classrooms and in school/local areas, Computer setup, RO Water purifier, Power supply to learning station where elementary education in technology and technology-aided group learning in an outdoor shall be provided.
7. improving Elementary/Rural Education with the support of Information Technology, including providing computer literacy; and
8. Building washroom/ toilet for boys and girls in schools/hospitals/village/sport centres.
9. The Board shall ensure that appropriate designated staff or personnel provides adequate assistance (viz. data collection, survey, quotations and costs involved etc.) to the CSR Committee to enable it to make necessary recommendations to the Board. For this purpose, the CSR Committee may also approach external consultants for necessary assistance as it may deem fit at such costs as may be approved by the Board.
10. The CSR Committee shall undertake sufficient due diligence of each of the CSR Activity before it is implemented.
11. Based on the recommendations of the CSR Committee, the Board shall approve the following:
  - (i) The specific CSR Activities that should be undertaken from time to time;
  - (ii) The amount of the CSR Expenditure on each of the CSR Activity; and
  - (iii) Whether the CSR Activities will be undertaken directly or through an implementing agency or in collaboration with any other companies, including by availing services of any NGOs and record reasons for the same.
12. Activities undertaken in pursuance of the normal course of The Company business shall not be considered towards CSR Expenditure.

## **V. CSR EXPENDITURE AND ALLOCATION**

The Board and CSR committee shall ensure that in each financial year, the company spends at least 2% (Two percent) of the average of Net profit made during the three immediately preceding financial years. The computation of average of net profit will be carried out in accordance with the provisions of section 198 of The Companies Act, 2013. The utilization of CSR budget from the 2% (Two percent) of the average net profit will be put back into CSR activities of the succeeding year. The surplus arising, if any out the CSR projects or programs or activities shall not form part of the business profit of a company. The Board shall approve the allocation of the CSR Expenditure on the CSR Activities and, to the extent possible, shall give priority to the local areas wherever the company is situated.

## **VI IMPLEMENTATION**

1. Baseline survey would be conducted by the committee or implementing agency and annual reviews shall be undertaken to ascertain the progress.
2. The Board along with the CSR Committee and the CSR Cell shall be responsible for implementation of this CSR Policy.

3. By implementing the CSR Activities, we expect to make available the sustainable energy by the provision of solar power stations, elementary education through providing technology-aided group learning in an outdoor, computer literacy by the provision of learning stations and general literacy amongst the children, and the availability of the sanitation by the provision of functional toilets.
4. Vehicle for implementation

We may undertake the CSR Activities either ourselves or through other qualifying Non-government organizations (“NGOs”) or agencies. The projects, programs or activities identified by the CSR Committee and approved by the Board shall be implemented in a project mode through the CSR Cell which will entail charting the stages of execution through planned processes, measurable targets, mobilization and allocation of budgets and prescribed timelines. It also involves assigning of responsibility and accountability. Suitable documents / agreements shall be entered into with NGOs and the other agencies for the purposes of implementation of the CSR Activity, in case the CSR Activity is proposed to be implemented through the third party agencies. The conditions of grant of amounts for all CSR Activities and the break-up of the allocations shall be set out and evaluated from time to time.

3. To the extent feasible, a project based accountability approach to stress on the long term sustainability of CSR Activities shall be adopted, and the indicative action plan and implementation schedule (timelines) for the projects, programs and activities shall be adopted.

#### **VIII MONITORING MECHANISM**

1. To ensure effective implementation of the CSR projects, programmes and activities undertaken in terms of this CSR Policy, the progress of each such project, programme and activity will be reported to the CSR Committee on a monthly/quarterly basis, with all requisite documentation.
2. A quarterly report on implementation shall be submitted to the Board by the CSR Committee, in case board demand any report from committee on the programme.
3. The CSR Committee will conduct impact studies on a periodic basis, through independent professional third parties/professional institutions, if committee deem fit.
4. The CSR Committee may also try to obtain feedback from the beneficiaries of the CSR projects, programmes and activities. If considered necessary, the effectiveness of the various programs/activities undertaken under the CSR Policy may be got evaluated through external agencies for providing the required feedback and inputs to formulate and improve the programs in future.

#### **IX. IMPACT ASSESSMENT**

1. Regular and interactive feedback sessions shall be conducted at all levels including with other NGOs through which CSR Activities are being undertaken as well as the respective beneficiaries of all the CSR Activities undertaken by us..
2. Field visits shall be conducted at regular intervals to ensure effective implementation.

3. Proper documentation shall be done in an MIS format to record key observations of such feedback sessions and field-visits.
4. If deemed necessary by the CSR Committee, the effectiveness of the various programs/ activities undertaken under the CSR Policy may be evaluated through external agencies and reports shall be prepared pursuant to such evaluation.

## **X. REPORTING**

1. The CSR Committee shall maintain proper minutes of all its meetings.
2. The CSR Committee shall prepare an annual report on CSR with such information and particulars as may be required by the Act and such report shall be included in the Board's report annexed to the financial statements.
3. The Board's report shall include an annual report on CSR containing such details as may be prescribed from time to time under the Act and the CSR Rules.
4. The Board will be responsible to ensure that the statutory requirements as may be prescribed from time to time under the Act and the CSR Rules are complied with.
5. To establish a monitoring mechanism so as to monitor the progress of the CSR activities. It will include recording the various details of the CSR activities and preparation of a report on the same. The details to be incorporated in the Report on CSR activities, which shall subsequently to be disclosed in the Board Report, shall be as per the format prescribed in Annexure 1 hereto.

## **XI. GENERAL**

1. Any surplus arising out of the CSR projects/programs or activities shall not form part of the business profits of the qualifying the Company.
2. All administrative expenses, including expenditure on wages and salaries, tours and travels, and training and development of personnel deputed on CSR Activities would be borne from CSR funds. However, the expenditure in a financial year for building CSR capacities of the personnel as well as the implementing agencies shall not exceed 5% (five per cent.) of total CSR Expenditure in such financial year.
3. If it is observed that any CSR Activity taken up for implementation is found not properly implemented, the CSR Committee may, with approval of the Board, may discontinue funding the project at any time during the course of implementation and use such funds for any other project.
4. The CSR Committee shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this CSR Policy.

## **XII AMENDMENTS**

The CSR Committee is empowered to amend or modify the CSR Policy and such changes shall be placed before the Board for its approval. The Board may subject to compliance with applicable law, at any time approve or alter, amend or modify the CSR Policy, as it deems fit to comply with the statutory obligation to undertake the CSR Activities.

You can find CSR policy on company's website [www.sangalpapers.com](http://www.sangalpapers.com)

## Annexure 1

### **Format for the Annual Report on CSR Initiatives to be included in the Board Report by qualifying companies:**

- (1) Provide a brief outline of the Company's CSR policy including the statement of intent reflecting the ethos of the company, broad areas of CSR interest and an overview of activities proposed to be undertaken.
- (2) Indicate the web-link to the CSR Policy. The Policy should include the full list of projects/ activities/ programmes proposed to be undertaken by the Company.
- (3) The composition of the CSR Committee.
- (4) Average Net Profit of the Company for last 3 financial years.
- (5) Threshold Limit - (2% of this amount as in 4 above).
- (6) Details of CSR activities/projects undertaken during the year:
  - (a) Total amount to be spent for the year:
  - (b) Amount carried forward from earlier years:
  - (c) Amount spent during the year as per format given below:
  - (d) Amount carried forward for the year

Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes 1. Local area/ others 2. Specify the state/ district (Name of the District/s State/s where the project / programme was undertaken)	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme Subheads: 1. Direct expenditure on project 2. Overheads	Cumulative spend upto the reporting period	Amount spent: Direct/ through implementing agency*
1.							
2.							
3.							
	Total						

#Give details of implementing agency

- (7) In case the company has failed to spend 2% of its Average Net Profit (INR) of the last 3 financial years, the Company is required to provide reasons for not spending the amount.
- (8) A Responsibility statement, of the CSR Committee, that the CSR policy implementation and monitoring thereof is, in letter and spirit, in compliance with CSR objectives.

Managing Director/Whole Time Director cum CFO/Director