

MOHIT PAPER MILLS LIMITED

Reg. Office: 15A/13, Upper Ground Floor, East Patel Nagar, New Delhi- 110008

Works: 9km stone, Nagina Road, Bijnor, UP- 246701

E-mail: investorsmohitpaper@gmail.com website: www.mohitpaper.in

Ph: 011-25886798

Policy:

CORPORATE SOCIAL RESONSIBILITY POLICY

Introduction:

We, Mohit Paper Mills Limited (“the Company”) incorporated in the year 1992 and having registered office at 15A/13, Upper Ground Floor, East Patel Nagar, New Delhi- 110008 and works (factory) on 9km stone, Nagina Road, Bijnor, UP- 246701. Pursuant to the section 135 of the Companies Act, 2013 (“Act”) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. (“CSR Rules”) and Schedule VII (“Schedule”) of the Act or notification or circular issued by Ministry of Corporate Affairs (“MCA”) define and includes activities but these are not limited to:

- (i) Projects and program relating to activities specified in schedule VII to the Act or
- (ii) Projects and programs relating to activities under taken by Board of Directors (“Board”) of the Company in pursuance of recommendations of the Corporate Social Responsibilities Committee (“CSR committee”) as per the declared Corporate Social Responsibilities Policy (“CSR policy”) of the Company subject to the condition that such policy will cover subjects enumerated in schedule VII of the Act”.

The Company is committed to ensure the social upliftment of the communities in which it operates through Corporate Social Responsibility initiatives. This CSR Policy lays down the guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of community at large.

DEFINITIONS For the purpose of the Policy the following terms shall have the meanings assigned to them hereunder:

“**Act**” means the Companies Act, 2013 together with the rules and regulations formulated thereunder, as amended from time to time;

“**Board**” means the Board of Directors of the Company;

“**CSR Activity**” means the activity conducted by the Company under the CSR policy as referred under Schedule VII and/or section 135(4) of the Act and/or CSR rules and/or any amendments/notification/circulars issued by MCA as amended from time to time, if any;

“**CSR Committee**” means the committee constituted under the section 135 (1) of the Act and read with rules the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, if any;

“**CSR Policy**” means the policy drafted or formulated or recommended to the Board under the provisions of the section 135 (3) of the Act and rules the Companies (Corporate Social Responsibility Policy) Rules, 2014, and as amended from time to time, if any;

“**CSR Rules**” means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time;

Applicability CSR rules:

The CSR rules are applicable to Indian Companies or subsidiaries of Indian Companies and Foreign Companies operating in India and having in the preceding financial year net worth of

Rs.500 Cr or more OR turnover of Rs.1000 Cr or more OR net profit of Rs.5 Cr or more during the financial year.

The responsibility of the Board in implementation of CSR rules:

The Board shall constitute a Corporate Social Responsibility Committee of the Board for the purpose of preparing a detailed plan of the CSR activities including decisions regarding the expenditure, types of the activities to be under taken, agencies like Trust/s, Societies, individuals etc. to implement such CSR activities, roles and responsibilities of such Trusts, Societies, individuals etc., monitoring and reporting mechanism.

The Board of the Company shall after taking in to account the recommendations made by the CSR Committee, approve the CSR policy for the Company and disclose contents of such policy in its report and also place it on the Company's website. The Board shall ensure that the activities as are included in CSR policy of the Company are undertaken by the Company, further the Board also ensure that the Company spends in financial year, at least 2% of the average net profits (before tax) made during the preceding 3 financial years. If the Company fails to spend such amount, the Board shall in its report specify the reasons for not spending the amount.

The Company shall give the preference to the local areas. The Board is responsible for Disclosure of information in the Directors' report under Section 134(3)(o) of the Act, specifying reasons for not spending the required amount for CSR activities and other required details as required under the CSR rule. If the Board failure to disclose such information on CSR policy in the Directors' Report as required under Section 134(3)(o), the Company is liable to pay a fine of Rs.3,00,000/- and every officer of the Company who is in default shall be liable to a penalty of Rs. Rs.50,000/-.

Objective:

The objectives of the CSR policy is to promote socio economic development in rural areas, improve education, eradicate extreme hunger and poverty, promote gender equality and empowering women, reducing child mortality and improving maternal health, health care and sanitization, ensuring environmental sustainability, employment enhancing vocational skills, social business projects, promoting and protecting natural heritage and culture and such other matters of common good.

The CSR Policy has been made in line with the Section 135 of the Act and its amendments from time to time and would include the activities as covered under Schedule of the Act and the CSR Rules and as amended from time to time.

As per section 135(1) of the Act, the Company constitution of CSR Committee

In line with the provisions of the Act, Board of Directors of the Company has been formed CSR Committee. The Company's CSR Committee comprises of Directors which include Independent Director(s), the details of committee:

1. Mr. Sandeep Jain
2. Mrs. Anju Jain
3. Mr. Sourabh Mathur

Functions of the CSR Committee

The CSR Committee shall —

- (a) Formulate and recommend to the Board, a CSR Policy which shall indicate the CSR activities to be undertaken by the company as specified in Schedule of the Act. The same is being presented through this Policy.
- (b) Recommend the amount of expenditure to be incurred on the CSR activities referred to in clause (a); and
- (c) Monitor the CSR Policy of the company from time to time.

CSR projects, programs and activities

To attain its CSR objectives in a professional and integrated manner, the Company shall undertake the CSR activities as specified under the Act. The CSR activities of the Company will have the following thrust areas:

- I. Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Govt. for promotion of Sanitation and making available safe drinking water;
- II. Promotion of education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- III. Promoting gender equality, empowering women, reducing child mortality and improving maternal health, setting up homes and hostels for women and orphans, setting up old age homes, day care centers 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 Government for rejuvenation of river Ganga;
- V. Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- VI. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Schedule Tribes, other backward classes, minorities and women;
- VII. Slum Area Development;
- VIII. Social business projects;
- IX. 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;
- X. Measure for the benefit of armed force veterans, war widows and their dependents;

XI. Training to promote rural sports, nationally recognized sports, Paraolympics sports and Olympics sports;

XII. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

XIII. Rural Development projects.

Implementation Process:

The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme but not beyond three years. The administration of the CSR Policy and the execution of identified CSR project(s), program(s) and activities under it shall be monitored by CSR committee, details are:

1. Mr. Sandeep Jain
2. Mrs. Anju Jain
3. Mr. Sourabh Mathur

Activities shall be performed by following implementation modalities by the following:

- i. The CSR activities shall be undertaken by the Company, as per this CSR Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.
- ii. The Company's Board 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 or its holding or subsidiary or associate company, if any under section 8 of the Act or otherwise:

Provided that if such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects.

- iii. Collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the Company's CSR committee is in a position to report separately on such projects or programs.
- iv. Through Internal Implementation Agencies such as Employee Volunteers, Employee Families, and / or.
- v. Through External Implementation Agencies such as Government Agencies, NGOs and others.
- vi. Local areas shall be given priority for CSR activities, however a distant geographical area may also be selected for some activities on need basis.
- vii. The Implementing Agency (ies) should have a track record of at least 3 years in undertaking the similar program / project / activities.

Revision/Review Mechanism

All proposal for CSR activities shall be first examined by the internal CSR Group and only after found suitable proposals shall be put up to CSR committee of Directors for their consideration following due process in the company. The proposal shall be put up for approval of the Board after

the recommendation / approval from CSR Committee of Directors.

Budget:

The Company will allocate at least 2% of the average net profits of the company made during the three immediately preceding financial years' as its Annual CSR Budget.

Surplus of CSR Budget/Carry forward of unspent CSR amount

i. Surplus Arising out of approved CSR Projects

The surplus, if any, arising out of the CSR projects or programmes or activities shall not form a part of the business profit of THE COMPANY and will be ploughed back into the CSR activities.

ii. Unspent CSR Amount

Unspent amount of CSR budget, if any, in any financial year will be utilized in accordance with the regulatory requirements, as stated in the Companies Act, amended from time to time”.

Monitoring & feedback

To ensure effective implementation of the CSR programmes undertaken, the CSR committee will conduct impact studies on a periodic basis, through independent professional third parties/ professional institutions, especially on the strategic and high value programmes. CSR Group will also obtain feedback from beneficiaries about the programmes. In case of any doubt with regard to any provision of the Policy and also in respect of matters not covered herein, a reference shall be made to the CSR Committee. In all such matters, the interpretation and decision of the Chairman of CSR Committee shall be final. The Company reserves the right to modify, cancel, add or amend any of the provisions of this Policy.

General

This policy shall stand modified by the provisions of the Companies Act/ Companies (Corporate Social Responsibility Policy) Rules, 2014 and as amended from time to time. This policy would serve as the referral document for planning and selection of CSR activities, though, whenever in doubt, cross reference to Companies Act & Companies (Corporate Social Responsibility Policy) Rules, 2014 shall be followed to avoid any inconsistency with the latter.

The power to modify/ amend the CSR Policy will rest the Board of Directors of the Company. The CSR Committee will be responsible for framing the rule(s) in accordance with and in furtherance of the CSR Policy, as approved and as amended by the Board from time to time to time and also for the overall implementation of the CSR Policy.

In any circumstance where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time as this policy is changed to conform to the law, rule, regulation or standard.
