

BUSINESS RESPONSIBILITY REPORT

The Securities and Exchange Board of India (SEBI) as per the (Listing Obligations and Disclosure Requirements) Regulations, 2015 has mandated the inclusion of a “Business Responsibility Report” (BRR) as part of Company’s Annual Report for top 1000 listed entities based on market capitalization (As on March 31 of every financial year) by the stock exchanges.

Growing expectations from internal as well as external stakeholders along with stringent norms is driving organizations to disclose their performance on economic, environmental and social aspects to understand their impact on the Company’s day to day activities.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L21012PB1997PLC035243
2	Name of the Company	Kvantum Papers Limited
3	Registered address	Paper Mill, Saila Khurd, Punjab, 144529
4	Website	www.kvantumpapers.com
5	E-mail id	kvantumcorp@kvantumpapers.com
6	Financial Year reported	1 st April, 2019 to 31 st March, 2020
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Pulp, Paper & Paper Board - 4802
8	List three key products/services that the company manufactures/provides (as in balance sheet)	Writing, printing and specialty paper
9	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major5) (b) Number of National Locations	None 1 Location
10	Markets served by the Company – Local/State/National/International	We serve the Local/State/National /International markets

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (Equity)	Rs. 872.64 lakhs										
2	Total Turnover	Rs. 74273.10 lakhs										
3	Total profit after taxes	Rs. 7167.61 lakhs										
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%)	1.35% (Continuing part of ongoing projects)										
5	List of activities in which expenditure in 4 above has been incurred:-	<p>We have been working in the following areas for the benefit of communities</p> <table border="1"> <thead> <tr> <th>S. No.</th> <th>Activities</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Education</td> </tr> <tr> <td>2</td> <td>Health facility</td> </tr> <tr> <td>3</td> <td>Rural development</td> </tr> <tr> <td>4</td> <td>Infrastructure development</td> </tr> </tbody> </table>	S. No.	Activities	1	Education	2	Health facility	3	Rural development	4	Infrastructure development
S. No.	Activities											
1	Education											
2	Health facility											
3	Rural development											
4	Infrastructure development											

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?

The Company does not have any Subsidiary.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

As the Company does not have any Subsidiary, this is not applicable.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No other entity that our Company does business with, participates in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

Name	DIN Number	Designation
Pavan Khaitan	00026256	Managing Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00026256
2	Name	Pavan Khaitan
3	Designation	Managing Director
4	Telephone number	0172-5172737
5	e-mail id	kuantumcorp@kuantumpapers.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y The policies have been developed as per The Companies Act, 2013 and SEBI Listing Regulations. These are also on the lines of the 'National Voluntary Guidelines on Social, Environment, and Economic responsibilities of businesses' (NVG - SEE) established by the Ministry of Corporate Affairs, Government of India in 2011.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y

No.	Questions	P	P	P	P	P	P	P	P	
		1	2	3	4	5	6	7	8	9
6	Indicate the link for the policy to be viewed online?	Link for policies on our website provided below*								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Principle no.	Policy
Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability (Ethics, transparency, accountability)	<ul style="list-style-type: none"> Code of Business Conduct & Ethics Code of Conduct for Prevention of Insider Trading & Fair Disclosure Whistle Blower Policy
Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle (Safe and sustainable goods and services)	<ul style="list-style-type: none"> Sustainability Policy Environment, Health & Safety Policy Quality Policy
Principle 3 Businesses should promote the wellbeing of all employees (Wellbeing of employees)	<ul style="list-style-type: none"> Sustainability Policy Human Rights Policy Prevention of Sexual Harassment Policy
Principle 4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised (Responsiveness to all Stakeholders)	<ul style="list-style-type: none"> CSR Policy Sustainability Policy
Principle 5: Businesses should respect and promote human rights (Promoting Human Rights)	<ul style="list-style-type: none"> Prevention of Sexual Harassment Policy Whistleblowers Policy Human Rights Policy
Principle 6 Business should respect, protect, and make efforts to restore the environment (Protecting the Environment)	<ul style="list-style-type: none"> Environment, Health & Safety Policy Risk Management Policy
Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner (Responsible Policy Advocacy)	<ul style="list-style-type: none"> Code of Business Conduct & Ethics Whistle Blower Policy

Principle no.	Policy
Principle 8 Businesses should support inclusive growth and equitable development (Supportive Inclusive development)	<ul style="list-style-type: none"> • CSR Policy
Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner (Providing Value to customers)	<ul style="list-style-type: none"> • Quality Policy

*Policies of the Company, mentioned above, can be accessed online at:
<http://www.kuantumpapers.com/Policies>
<http://www.kuantumpapers.com/Corporate Governance>

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why : (not applicable)

No.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 Months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

The BR performance of the Company is now assessed annually at the end of financial year.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Business Responsibility Report would now be published annually. This report can be accessed at company's website: www.kuantumpapers.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

We are committed to highest standards of corporate governance practices within our organization. It forms an integral part of our values, ethics and business practices which are aimed at creating and enhancing long-term value of stakeholders. We ensure that all our business is conducted with the highest level of transparency and accountability.

Our policy relating to the above aspects covers only the Company. Our Code of Conduct shapes the culture and reputation of the Company and serves as the groundwork of how we act and make decisions.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Nil

Principle 2: Sustainable products and services

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company is engaged in manufacturing of writing, printing and specialty papers. The entire process of our paper making is environmentally sustainable. Sustainability is embedded into various stages of our product life-cycle, including procurement, manufacturing, transportation, distribution and, finally, the usage of product by the customer. The Company is focused on delivering stakeholder value while ensuring a strong and positive ecological balance. Rooted in the concept of sustainable development, the Company aims to deliver products that satisfy customer needs, are resource-efficient as well as economically feasible.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The Company believes that optimizing production efficiency delivers value to customers and minimizes environmental impact, therefore driving the Company towards the goal of long term sustainability.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Owing to the nature of the product, it is not feasible to identify the reduction during usage by consumers.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, the company has procedures in place to ensure sustainable sourcing. The paper is manufactured mainly from Agro based residue which is sourced from the farmers in the surrounding villages / areas. This agro residue was traditionally burnt by the farmers in their fields and thus, the company has ensured that there is a sustainable alternate use for the same. The company is also FSC (Forest Stewardship Council) Certified which means that we comply with the highest international standards for wood harvested from forests that are responsibly managed, socially beneficial, environmentally conscious, and economically viable.

The company procures 100% of its agro residue and wood material in a sustainable manner. Additionally, bio mass for generating power is also sourced sustainably. These two inputs together constitute approximately 40% of the total inputs.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the company has taken various steps to procure goods and services from local & small producers, including communities surrounding their place of work.

The company utilizes agricultural residue based raw materials like wheat straw, wild grass (kana grass) and rice husk in its production, which are generally sourced from local villagers, communities and associations located within a 100 kms radius of the manufacturing plant of the company. These communities have been associated with the company for the past 3 decades. Preference is also given to get both skilled and unskilled workers and their services from the surrounding villages/areas to ensure that they have a sustainable source of livelihood.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company believes that waste created in operations is a potential resource for various other activities. Hence, it has strategically shifted its focus towards harnessing this potential resource and has adopted the principle of 3 R's i.e. Reduce, Reuse and Recycle in its operations. Waste has been put to the best use within the operations by optimizing existing processes. Non-hazardous solid wastes such as bamboo and hard wood dust, screen rejects, and effluent sludge are all re-used in the production processes at the plant. Fly-ash and lime sludge that is generated in the process is reused to make bricks. This has furthered the commitment towards reducing environmental impact of business activities via waste minimization and re-use.

Principle 3: Businesses should promote the well being of all employees

1. Please indicate the Total number of employees - 1430
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis - 1032
3. Please indicate the Number of permanent women employees -13

4. Please indicate the Number of permanent employees with disabilities -
5. Do you have an employee association that is recognized by management? Yes, workers representative.
6. What percentage of your permanent employees is members of this recognized employee association? - 2%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up - gradation training in the last year?
 - (a) Permanent Employees – 100%
 - (b) Permanent Women Employees – 100%
 - © Casual/Temporary/Contractual Employees- up to the extent possible
 - (d) Employees with Disabilities-100%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders?
Yes, the company has identified key stakeholder groups and mapped its internal and external stakeholders.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.
Yes, the Company has identified the disadvantaged, vulnerable & marginalized stakeholders from the nearby local communities and surrounding villages in the form of contractual employees and marginal farmers.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

We have undertaken several programmes relating to Education, Environment protection, Providing Health facility, Suvidha Centre, Sewerage System, Sewerage Line, Toilet/water cooler/R.O.System/Water Tank, Distribution of Sewing Machine and Leveling road/playground in nearby villages Saila Khurd, Garhshankar, Raniala and Bharatpur Jattan, Sailakhurd/Saila Kalan/Paddi Khuddi /BharatpurJattan, Raniala and BharatpurJattan, Bharatpur Jattan, V. Kharoudi and also incurring the allocated expenses through company's CSR endeavor.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Our policy on human rights is applicable to our manufacturing facility, corporate office and marketing branch offices. Besides the above, other stakeholder's viz. suppliers, vendors and surrounding residents approach the senior management personnel and discuss about grievance, if any, relating to human rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There have been no stakeholder complaints concerning violation of human rights during the FY 2019-20.

Principle 6: Business should respect, protect, and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company is committed towards environmental protection and has a well-defined corporate environmental policy in place. The policy covers the Company and its employees. The Company encourages its suppliers and contractors to employ environment friendly measures in their day to day operations.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company has taken up initiatives to address global environmental issues such as climate change, global warming by adopting waste minimisation, effluent reduction, energy conservation and water conservation in its operations.

3. Does the company identify and assess potential environmental risks? Y/N

The Company has an elaborate risk management system to inform Board Members about risk assessment and minimization procedures. The Risk Management Committee meets periodically and evaluates the efficacy of the framework relating to risk identification and its mitigation laid down by the Committee.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Presently there is no such project.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The company takes energy conservation very seriously and this is validated by the fact that we have been awarded the 2nd prize of energy conservation award from state designated agency PEDDA.

Energy Conservation is of prime importance to our organization, be it Thermal or Electrical and is regularly monitored. Last year a no of energy conservation projects has been implemented which include

- (i) Installation of LED lights in place of old in-efficient lights
 - (ii) Installation of auto day/night light sensors and motion
 - (iii) use of natural light in plant sheds wherever possible.
 - (iv) usage of LP steam in place of MP Steam to enhance power generation,
 - (v) Providing thermal insulation to all steam lines in the plant
 - (vi) installation of energy efficient pumps in place of old high power consuming pumps,
 - (vii) Old high power consuming motors are replaced with new energy efficient motors having class IE2 and IE3
 - (viii) New transformers are procured with low load losses i.e. energy efficient transformers
 - (ix) installation of VFDs (AC drives) on Boiler FD fans, PA fan, Boiler Feed Pump, Agitators, Cooling Towers Fans, Recovery Boiler CW Pump, Vacuum Pumps etc
 - (x) automation of various processes through DCS and PLC to avoid manual operations
 - (xi) all the Vacuum Pumps and Motors on Paper Machine no. 4 are being replaced with new energy efficient Vacuum Pumps and Motors.
 - (xii) the Co-generation plant operations have been optimized to have maximum efficiency
 - (xiii) Being a designated consumer under PAT scheme by BEE (Ministry of Power), Company has entrusted the job of consultancy and detailed energy audit to M/S Development Environergy Services Ltd, New Delhi and successfully achieved the 3653 nos. of Eserts after completion of PAT Cycle-II.
- (b) The Company has devised a system of regular energy audit. Energy conservation is an ongoing process and new areas are continuously identified and investments are made, wherever necessary.
- (c) The adoption of energy conservation measures has helped the Company in reduction of production costs.

6. Are the Emissions/Waste generated by the company with in the permissible limits given by CPCB/SPCB for the financial year being reported?

The Company is committed to minimizing its waste as well as emissions. It has initiated various to waste minimization and reuse. Also, the Company continues to invest in reducing air emission levels through adoption of cleaner technologies/fuels, monitoring of combustion efficiencies and investments in pollution control equipment. All these measures ensure that the emissions/waste generated by the Company are within the permissible limits given by CPCB/SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There are no such notices which are pending as on end of Financial Year.

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Company is a member of PHD Chamber of Commerce & Industry, Confederation of Indian Industry (CII), Indian Pulp & Paper Technical Association (IPPTA), and Indian Agro and Recycled Paper Mills Association (IARPMA).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, we have sponsored and advocated Water Conservation and adoption of such techniques by the paper industry through the forum of Confederation of Indian Industry (CII).

Principle 8: Business should support inclusive growth and equitable development

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details there of.

The Company has been one of the foremost proponents of inclusive growth and has continued to undertake projects for overall development and welfare of the society in the fields of environment, conservation of natural resources, health, education, rural development and livelihood interventions etc. The Company has a Corporate Social Responsibility (CSR) Policy in accordance with the provisions of the Companies Act 2013 and rules made there under. The contents of the CSR Policy are disclosed on the website of the Company.

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 Statement is 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.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

Few programmes are directly under taken by the company through its in house CSR team. The Company also works with a NGO -Indo-Canadian Village Improvement Trust (ICVIT) who is a partner of Indo-Canadian Friendship Society of British Columbia, Canada. I.C.F.S.B.C, is a registered charitable society under the laws of British Columbia and Canada, and was founded in 1976.

3. Have you done any impact assessment of your initiative?

The Company adopts tools like Participatory Rural Appraisal to involve people in prioritizing their needs and defining type of development initiatives suited to local needs. Villagers gives cores to development initiatives, either individually scoring or in small groups and aggregating for the community as a whole.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The yearly and Cumulative details of the expenditure are given in the annexure A attached to the Board of Directors report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The CSR team at the manufacturing site along with its partner Indo-Canadian Village Improvement Trust (ICVIT) regularly interact with the local communities to assess the impact of community development projects undertaken by these units to ensure that the objectives and benefits of these projects are being met and they are successfully adopted by the community.

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

Nil

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

We display all relevant product information on the packaging material to ensure safe and appropriate use besides complying with the statutory requirements.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No case has been filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising / or anti-competitive behavior during the last five years and pending as on end of the financial year.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company is focused on delivering value to its customers and, therefore, customer satisfaction surveys are carried out on a regular basis. This provides valuable feedback for the Company for providing the best possible service to customers and to continuously improve in its engagement with customers.