

**KOOLKING INDUSTRIES INDIA LIMITED**

(Formerly known as Koolking Industries India Private Limited,
which was earlier known as Koolking Udhyog Private Limited)

CIN : U28129PB2008PLC031668

Registered Office : Village Ratolan, Dhuri Road,
Malerkotla - 148 023, Punjab, INDIA

KOOLKING INDUSTRIES INDIA LIMITED**CORPORATE SOCIAL RESPONSIBILITY POLICY**

[Pursuant to Section 135 of Companies Act, 2013]

Koolking Industries India Limited

CIN: U28129PB2008PTC031668

Registered Office:

Village Ratolan, Dhuri Road,
Malerkotla. Sangrur - 148023,
Punjab, India

Corporate Office : Village Ratolan, Dhuri Road, Malerkotla - 148 023, Punjab, INDIA.

Contact : +91 62390 59566

Email : info@kpmgroupindia.com | Website : www.kpmgroupindia.com



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CORPORATE SOCIAL RESPONSIBILITY POLICY

EFFECTIVE DATE

This Corporate Social Responsibility Policy (this “**Policy**”) shall come into force with effect from the date of approval by the Board of Directors (“**Board**”) i.e., 05.09.2026 This Policy of the Company is framed in accordance with Section 135 of the Companies Act, 2013 (the “**Act**”).

OBJECTIVE AND APPROACH

Koolking Industries India Limited (the “**Company**”) believes integrate social and environmental concerns in its business operations and interactions with its stakeholders. The Company has always worked toward building trust with all its stakeholders based on the principles of good corporate governance, integrity, equity, transparency, fairness, disclosure, accountability, and commitment to values. The Company will work towards leveraging its expertise for various social causes and encourage its employees for volunteering for CSR program of the Company.

SCOPE & COVERAGE

The Company would have freedom and flexibility to choose from any of the activities specified in **Schedule VII of the Companies Act, 2013**, as amended from time to time. Thus, with any change in the statutory provisions governing the activities, the policy shall be deemed to include/ exclude such activities as permissible under law.

DEFINITIONS

In this Policy unless the context otherwise requires

2.1. ‘Act’ shall mean the Companies Act, 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof

2.2. ‘Administrative overheads’ means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

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2.3. "Board" shall mean the Board of Directors of the Company

2.4. 'Corporate Social Responsibility' means Corporate Social Responsibility as defined under Companies (Corporate Social Responsibility Policy) Rules, 2014

2.5. 'CSR Rules' means Companies (Corporate Social Responsibility Policy) Rules, 2014

2.6. 'CSR Policy' means a statement containing the approach and direction given by the board of a Company, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan

2.7. 'Net Profit' means the net profit computed for a financial year 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

2.8. "Ongoing Project" means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act shall have the same meaning respectively assigned to them therein. **CSR ACTIVITIES**

The Company shall undertake various CSR activities, projects or programs in India falling within the purview of Schedule VII to the Act, which shall be interpreted liberally as per applicable law.

The followings are the broad categories of the activities under which the Company may work to undertake CSR activities as specified under Schedule VII of the Act:

- a. 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;
- b. Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly, and differently abled and livelihood enhancement projects;
- c. Promoting gender equality, empowering women, 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;
- d. 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;
- e. Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art: setting up public libraries; promotion and development of traditional arts and handicrafts;
- f. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

- g. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- h. Slum area development;
- i. Rural development projects;
- j. disaster management, including relief, rehabilitation and reconstruction activities; and
- k. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the scheduled tribes, other backward classes, minorities and women;
 - a. Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
 - b. Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- l. Any other activities as listed in Schedule VII of the Act

CONSTITUTION AND MEETINGS OF CSR COMMITTEE

Pursuant to the provisions of Section 135 and other applicable provisions, if any, of the Act including the rules framed thereunder, the Corporate and Social Responsibility Committee ("Committee") of the Company will be constituted as hereunder:

- a. The Board shall determine the membership of the Committee.
- b. The Committee shall consist of three or more directors, out of which at least one shall be an independent director.

The Chairman of the CSR Committee will be nominated by the Board of Directors. It shall meet at such intervals as may be decided by the Chairman of the Committee but at least two meetings shall be held in a year.

RESPONSIBILITY OF CSR COMMITTEE

- (a) formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall

indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, and the rules made thereunder, each as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;

- (b) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- (c) monitor the Corporate Social Responsibility Policy of the Company and its implementation from time to time and make any revisions therein as and when decided by the Board;
- (d) identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (e) the Corporate Social Responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its corporate social responsibility policy, which shall include the following:
 - (i) the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
 - (ii) the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act, 2013 in Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014;
 - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - (iv) monitoring and reporting mechanism for the projects or programmes; and
 - (v) details of need and impact assessment, if any, for the projects undertaken by the Company.

Provided that the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect; and

- (f) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

ROLE OF BOARD

- a. The Board to satisfy itself that the funds disbursed for any CSR programme or project have been utilized for the purposes and in the manner as approved by it;
- b. The Chief Financial Officer (CFO) or the person responsible for financial management in the Company shall certify the details of CSR spent is as per Board approval; and
- c. In case of ongoing project, the Board to monitor the implementation of the project with reference to the approved timelines and year wise allocation.

Explanation: Ongoing project shall mean a multi-year project undertaken by Company in fulfillment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not

approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.

PRINCIPLE FOR SELECTION, IMPLEMENTATION, MONITORING AND EVALUATION

Selection

- a. The selection of CSR Project will be based on approach of the Company that integrates all components by carefully balancing its vision and mission.
- b. Encourage employees to participate
- c. Identify Implementing agencies basis various parameters set by the Board

Implementation and monitoring

- a. Real-time reporting and assigning clear responsibility.
- b. Review the plan with actual and take corrective measures, if required.

Evaluation

- a. Evaluate cost-benefit and impact of the program when possible.
- b. Report to the Board on analysis

CSR IMPLEMENTATION

The CSR Committee will be responsible for overseeing the approval, execution, implementation and monitoring of the projects.

These programs will be executed by the Company and where appropriate, in partnership with other corporate bodies, local government, various NGO partners, service providers/implementation agencies and others.

In case, the Company undertakes to carry any of the projects through any implementing agency like trust, society or company not established by the Company or its holding or subsidiary or associate company,

The company can implement its CSR activity through:

- a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- c) any entity established under an Act of Parliament or a State legislature; or
- d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- e) such trust, society, or company / entity is registered with the Central Government by filing e-form CSR - 1, providing details like nature of the entity, constitution of executive committee etc.

The Company may also engage international organizations for designing, monitoring and evaluation of the CSR projects or programs as per this CSR Policy as well as for the capacity building of their

own personnel for CSR. The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner such that the CSR committees of the respective companies are in a position to report separately on such projects or programs

GUIDELINES WITH RESPECT TO EXPENDITURE ON CSR ACTIVITIES:

The Board shall ensure that the administrative overheads shall not exceed 5% of the total CSR expenditure of the Company for the financial year. In case the Company spends an amount in excess of two per cent of the average net profits of the Company made during the three immediately preceding financial years as per the requirement provided under sub-section (5) of Section 135 of the Act, such excess amount may be set off against the requirement to spend under sub-section (5) of Section 135 of the Act up to immediate succeeding three FYs subject to the conditions that:

- a) The excess amount available for set-off shall not include the surplus arising out of the CSR activities if any,
- b) The Board of the Company shall pass a resolution to that effect.

The surplus, if any, arising out of CSR initiatives of the Company shall not form part of its business profits and shall be:

- a) ploughed back into the same project or
- b) transferred to the unspent CSR Account and spent in pursuance of this CSR Policy and Annual Action Plan of the Company or to a Fund specified in Schedule VII, within six months from the end of the financial year.

THE FOLLOWING ACTIVITIES / CONTRIBUTIONS SHALL NOT CONSTITUTE CSR EXPENDITURE:

- a) Activities undertaken in the normal course of business of the Company.
- b) Any activity undertaken outside India except for training of Indian sports personnel representing any State or Union territory at the national level or India at international level.
- c) Contribution of any amount directly or indirectly to any political party under Section 182 of the Act.
- d) Activities benefitting employees of the Company as defined in clause (k) of Section 2 of the Code on Wages, 2019.
- e) Activities supported by companies on a sponsorship basis for deriving marketing benefits for its products or services.
- f) Activities carried out for fulfilment of any other statutory obligations under any law in force in India

FAILURE TO SPEND THE CSR MONEY

If the Company fails to spend the required amount in a particular financial year, it is the duty of the Committee to submit a report in writing to the Board of Directors specifying the reasons for not spending the amount, which in turn shall be reported by the Board of Directors in their Annual Report pertaining to that particular Financial Year.

The Company will report reasons for not spending the entire Budget outlay for CSR allocated in any FY. Further, it will not dilute the fund allocation requirement for such next FY.

Any amount remaining unspent under sub-section (5) of Section 135 of the Act, pursuant to any ongoing project, fulfilling such conditions as may be prescribed under law, undertaken by the Company in pursuance of this CSR Policy, shall be transferred by the Company within a period of thirty days from the end of the FY to a special account to be opened in that behalf for that FY in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent in pursuance of its obligation towards this CSR Policy within a period of three FYs from the date of such transfer, failing which, the amount shall be transferred to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third FY.

And if the unspent amount does not relate to any ongoing project, such amount is to be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the FY.

ANNUAL ACTION PLAN

The Committee shall formulate and recommend to the Board, an Annual Action Plan in pursuance of this CSR Policy, which shall include the following: • The list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act; • The manner of execution of such projects or programs • The modalities of utilization of funds and implementation schedules for the projects or programs; • Monitoring and reporting mechanism for the projects or programs; • Details of need and impact assessment, if any, for the projects undertaken by the Company. Provided that the Board may alter such Plan at any time during the financial year based on the reasonable justification to that effect.

MANDATORY IMPACT ASSESSMENT

• If the Company's average CSR obligation exceeds INR 10 Crore in the three immediately preceding FYs, the Company is required to undertake impact assessment through an independent agency for CSR projects of INR 1 crore or more and which have been completed not less than one year before undertaking the impact study. • The impact assessment reports are to be placed before the Board and annexed to the Annual CSR Report. • Expenditure on impact assessment may be accounted for towards CSR of that financial year, which shall not exceed five percent of the total CSR expenditure in the relevant financial year or INR 5 million, whichever is less.

MONITORING MECHANISM

To ensure effective implementation of the CSR programmes undertaken a monitoring mechanism will be put in place by the Company. The progress of CSR programmes under implementation will be reported to Board of Directors on a quarterly basis. The CSR committee will conduct impact studies on a periodic basis, about effectiveness of CSR activity on the society.

REPORTING MECHANISM

CSR Committee will obtain feedback from beneficiaries about the programmes and report to the Board of Directors, the feedback received from the beneficiaries of CSR activity. Appropriate documentation of Company's CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available on the website of the Company. CSR initiatives of the Company will also be reported in the Annual Report of the Company containing particulars as specified in the CSR Rules.

SURPLUS OF CSR PROJECTS

In line with the guidelines provided under the Act surpluses, if any, arising out of the projects or programs or activities shall not form part of the business profit of Company.

DISCLOSURE

The Board shall disclose the composition of CSR committee and this Policy and projects approved by the Board on the website.

AMENDMENT TO THE POLICY

The Board on its own and/ or as per the recommendations of CSR Committee can amend this Policy, as and when required. Any or all provisions of the Policy would be subject to revision/amendment in accordance with the provisions of the Act thereunder on the subject, from time to time.

CONTACT

The Compliance Officer can be contacted for any queries regarding the Policy. Email address is cs@kpmgroupindia.com In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail

For Koolking Industries India Ltd.


Company Secretary

