

# KOLORS INDIA PRIVATE LIMITED

(Formerly known as COSMO ELECTRO INDUSTRIES PRIVATE LIMITED)

## CORPORATE SOCIAL RESPONSIBILITY POLICY

### Background

In compliance with Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, KOLORS INDIA PRIVATE LIMITED (formerly known as COSMO ELECTRO INDUSTRIES PRIVATE LIMITED), having CIN: U36100MH2004PTC148787, and registered office at 401/402/403A Fourth Floor Vastu Prestige CTS No.626/16, Link Road, Andheri (West), Mumbai - 400053, Maharashtra ("the Company"), is required to:

- Constitute a Board Committee to formulate and recommend to the Board a Corporate Social Responsibility (CSR) Policy, recommend the amount of CSR expenditure, and monitor the CSR activities of the Company periodically.
- Ensure that the Company spends, every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance of its CSR Policy.

### Philosophy

Corporate Social Responsibility (CSR) is a public-spirited initiative introduced by the Companies Act, 2013. CSR fosters a dynamic relationship between a company and the society and environment in which it operates. The Company's CSR initiatives are driven by a moral obligation and a philanthropic spirit that aligns with its values.

### Focus Areas

The Company's CSR activities will focus on:

- Eradicating hunger, poverty, and malnutrition; promoting preventive healthcare and sanitation; and providing access to safe drinking water.
- Promoting education, including special education, and enhancing vocational skills, especially among children, women, the elderly, and differently-abled individuals.
- Promoting gender equality, empowering women, and supporting homes and hostels for women, orphans, and the elderly; establishing day care centres and facilities for senior citizens; and addressing inequalities faced by socially and economically disadvantaged groups.
- Ensuring environmental sustainability, ecological balance, and protection of flora and fauna; promoting animal welfare, agroforestry, and conservation of natural resources; and maintaining the quality of soil, air, and water.
- Protecting national heritage, art, and culture, including the restoration of historical buildings and sites, establishing public libraries, and promoting traditional arts and handicrafts.
- Supporting armed forces veterans, war widows, and their dependents.
- Promoting rural sports, nationally recognised sports, Paralympic sports, and Olympic sports.
- Contributing to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development, relief, and welfare of marginalised communities.
- Supporting technology incubators within academic institutions approved by the Central Government.
- Undertaking rural development projects.
- Any other initiatives approved by the Board of Directors on the recommendation of the CSR Committee, in accordance with Section 135 of the Companies Act, 2013, and the rules made thereunder.

### Our Vision

The Company is committed to conducting business ethically, fairly, and with integrity. It recognises its responsibility to positively impact the society in which it operates. The Company believes that giving back to the community through CSR activities is not just a legal requirement, but a moral duty.

### **Applicability of the Policy**

This CSR Policy has been developed in conformity with the provisions of Section 135 of the Companies Act, 2013 (referred to as the Act in this Policy) and in accordance with the CSR Rules (referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India.

This Policy applies to all CSR initiatives and activities undertaken by the Company across India, particularly in areas where it operates, with a focus on benefiting underprivileged and marginalised segments of society.

### **Objectives of the CSR Policy**

- To ensure that the Company operates its business in an economically, socially, and environmentally sustainable manner, while recognising the interests of all its stakeholders.
- To implement programs that benefit communities in and around its operational areas and, over time, enhance the quality of life of the people in those regions.
- To generate goodwill for the Company and reinforce its positive image as a responsible corporate citizen.

### **Corporate Social Responsibility Committee Composition**

The CSR Committee shall consist of three or more Directors. As a Private Limited Company, the Company is not required to appoint Independent Directors. Therefore, the CSR Committee may be composed without such Directors. The Committee may also form a CSR Sub-Committee, including other Directors or Executives of the Company as deemed necessary. The Company Secretary, if any, shall act as the Secretary to the Committee.

### **Meetings**

The Committee shall meet as necessary to discuss the implementation of the CSR Policy. Members will endeavour to hold at least one meeting per financial year.

The Committee shall periodically review the implementation of CSR programs and provide necessary directions to ensure efficient execution in accordance with this Policy. The Committee is responsible for keeping the Board informed about the status of CSR activities.

### **Role of the CSR Committee**

- Formulate and recommend a Corporate Social Responsibility Policy to the Board, indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on CSR activities in a financial year.
- Monitor the implementation of the CSR Policy from time to time.
- Address any other matters deemed necessary by the Committee in furtherance of the CSR Policy.

### **Responsibilities of the Board**

#### **The Board shall:**

- Form a CSR Committee and disclose its composition.
- Approve the CSR Policy based on recommendations from the CSR Committee.
- Place the CSR Policy on the Company's website.
- Ensure the implementation of CSR activities.
- Ensure the expenditure of the requisite amount on CSR every year as per law.
- Disclose reasons for any unspent CSR amount in the Annual Report to the Shareholders.
- Ensure that administrative overheads do not exceed 5% of the total CSR expenditure.
- Ensure that funds are utilised for approved purposes in the manner specified by the Board/CSR Committee.
- Approve the transfer of unspent CSR amounts in accordance with the law. The Accounts and Finance Team shall prepare a statement of spent and unspent CSR amounts and facilitate their transfer.

### **Implementation, Identification, and Selection of Programs**

- Programs will be identified based on community needs.
- Professional agencies may be engaged to conduct need-based assessments for certain programs.

### **Partnerships to Implement Programs**

Collaborative partnerships may be formed with government agencies, village panchayats, NGOs, and other like-minded stakeholders to widen the Company's reach and leverage collective expertise.

### **Criteria for Identifying Executing Partners**

In case of program execution by NGOs/Voluntary organisations, the following criteria should be ensured:

- The NGO/Agency must have a permanent office/address in India.
- The NGO should be a registered public trust or society with a duly executed Trust Deed/Memorandum of Association.
- The NGO should have requisite registration certificates under applicable laws, including registration with the Ministry of Corporate Affairs.
- The NGO should have a Permanent Account Number (PAN).
- The NGO should provide audited financial statements for the last three years.
- The NGO should provide income tax returns for the last three years.
- The NGO should provide Foreign Contribution Regulation Act (FCRA) returns for the last three years, if applicable.
- The antecedents of the NGO/Agency should be verifiable.
- The NGO should have a professional team and systems to maintain accounts and generate necessary reports.
- The NGO should have no ties with the Company's competitors.

The CSR Committee may waive one or more of the above criteria on a case-by-case basis. Additionally, any criteria specified in the Act or the Rules will apply.

### **Agreement between the Company and Executing Agency**

Once programs and executing agencies are finalised, the concerned work centres must enter into an agreement/MOU with each implementing agency, following the standard agreement format or any other documentation deemed fit by the CSR Committee.

### **Monitoring and Evaluation Mechanisms**

To ensure effective implementation of CSR programs, a monitoring mechanism will be established by the CSR Committee. Progress reports on CSR activities at each work centre will be regularly submitted to the corporate office.

Feedback from beneficiaries and local leaders will be documented by respective work centres. Field visits, both scheduled and surprise, will be conducted by CSR teams to assess progress. Partners will provide narrative and financial updates on a quarterly/annual basis in mutually agreed formats.

The Finance and Accounts Team will audit CSR programs as needed and guide partners and the Company's CSR team on necessary compliance. Impact assessments will be conducted by the CSR team or independent third parties for strategic and high-value programs.

The Board of Directors will also monitor CSR programs/projects as required by the Act/Rules.

### **Engagement of International Organisations**

The Company may engage international organisations for designing, monitoring, and evaluating CSR projects or programs, as well as for capacity building of its personnel.

### **CSR Annual Action Plan (CAAP)**

The CSR Committee shall formulate and recommend a CAAP to the Board of Directors, detailing the focus areas for the year, the list of projects to be undertaken, the manner of execution, fund utilisation, monitoring mechanisms, etc. The Board may approve the CAAP with additional conditions as deemed fit and may alter the CAAP during the financial year based on recommendations from the CSR Committee.

### **Information Dissemination**

- The Company's CSR Policy, annual CSR activities, executing partners, and expenditure will be documented regularly and made available to the public.
- CSR initiatives will also be reported in the Annual Report of the Company.

### **General**

Terms used but not defined in this Policy shall have the same meaning as in the Companies Act, 2013, the CSR Rules, or any subsequent amendments. This Policy is subject to revisions or amendments as guided by the Government from time to time.

In case of doubt regarding any provision of this Policy, or in respect of matters not covered, a reference should be made to the Corporate CSR Department. The interpretation and decision of the Board of Directors, based on the recommendations of the CSR Committee, shall be final and binding on all concerned.