KAMAL TIMBERS INDIA LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

“CSR Policy”

Table of Contents

1. Preamble

This Corporate Social Responsibility ("CSR") Policy has been formulated in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, and Schedule VII of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) thereunder or any other Act/ Regulations/ Rules/ Directions, as amended from time to time.

Corporate Social Responsibility (CSR) reflects the Company's commitment to conducting its business in a socially, economically, and environmentally responsible manner. The Company recognizes that sustainable growth can be achieved only by balancing business objectives with the welfare of society and the environment. Through its CSR initiatives, the Company seeks to contribute to community development, social welfare, environmental sustainability, and the overall upliftment of underserved and underprivileged sections of society, thereby creating long-term value for all stakeholders.

2. Objectives

The objectives of this Policy are:

a) To define the CSR philosophy of the Company;

b) To identify and undertake CSR activities and projects in accordance with Schedule VII of the Companies Act, 2013;

c) To establish a transparent governance mechanism for implementation, monitoring and reporting of CSR activities;

d) To create positive social, environmental and economic impact in society.

3. Definitions

(a) 'Act' means the Companies Act, 2013;

(b) 'Administrative overheads' means the expenses incurred by the Company for 'general management and administration' of Corporate Social Responsibility functions but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project(s) or programme.

(c) 'Annual Action Plan': Annual Action plan formulated by the CSR Committee in pursuance of CSR Policy of the Company and approved by the Board of the Company, which includes: -

- List of CSR projects / programs approved;
- Sector in which projects / programs are covered;
- Type of the projects / programs;
- Mode of Implementation and the state in which projects / programs are to be undertaken.

(d) 'Average Net Profit' means net profit as computed in accordance with Section 198 of the Act;

(e) 'Board' means the Board of Directors of the Kamal Timbers India Limited, as constituted from time to time;

(f) 'CSR Rules' means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time;

(g) "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely: -

- activities undertaken in pursuance of normal course of business of the company;
- any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019;
- activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- activities carried out for fulfilment of any other statutory obligations under any law in force in India;

(h) 'CSR Committee' means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;

(i) 'CSR Focus Areas' means the areas of focus selected from the list of areas specified in Schedule VII of the Act;

(j) 'CSR Projects / Activities' means the projects / activities which are included by the Company in this Policy or as approved by the Board, in accordance with Schedule VII of the Act;

(k) 'Financial Year' shall mean a Financial Year pursuant to sub-section (41) of Section 2 of Act.

(l) 'International Organisation' shall have the meaning assigned to this term in the CSR Rules;

(m) 'Ongoing Project' means a multi-year project 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 of the Company based on reasonable justification.

Reference to any provision of the Act or the CSR Rules shall be deemed to refer to such provision as may be amended, modified or replaced from time to time. Any other term not defined herein shall have the same meaning as defined in the Act or the CSR Rules, as amended, modified or replaced from time to time.

4. Corporate Social Responsibility (CSR) Philosophy

The Company recognizes that long-term business success is closely linked to the well-being and development of the communities in which it operates. Accordingly, the Company's approach to Corporate Social Responsibility (CSR) is centered on creating sustainable and meaningful social impact through initiatives that contribute to community development and environmental stewardship.

The Company is committed to:

- Upholding the highest standards of corporate governance, transparency, integrity, and ethical business practices while ensuring compliance with all applicable laws and regulations;
- Fostering a safe, healthy, inclusive, and respectful workplace that promotes equal opportunity, prohibits discrimination, and respects the fundamental human and labour rights of all individuals;
- Conducting its business in a socially responsible manner, respecting the cultural values and practices of the communities it serves, and actively contributing to their overall development;

- Supporting initiatives aimed at education, skill development, women empowerment, child welfare, and other programs that enhance the quality of life and create sustainable opportunities for underprivileged sections of society.

5. Governance Structure / Roles and Responsibilities

The Board of Company has the below mentioned role and responsibilities:

- Approving the CSR policy as formulated by the CSR Committee and amendments made thereon;
- Ensuring that funds disbursed for the CSR activities are utilized for the purposes and in the manner as approved by the Board;
- Ensuring that the administration overheads does not exceed five percent of the total CSR expenditure for the financial year;
- Monitoring the implementation of the projects including ongoing projects with reference to the approved timelines and year-wise allocations and modifications, if any, thereto;
- Approval of the Annual Action Plan, including amendments from time to time, in pursuance of the CSR policy of the Company;
- Satisfying itself regarding the utilization of funds disbursed for CSR project(s) annually;
- On the recommendation of its CSR Committee, the Board may engage international Organizations for designing, monitoring and evaluation of the CSR project(s) or programmes;
- Looking into any other matter/ requirement as may be recommended by the CSR Committee.

6. CSR Committee

The Company has constituted a CSR Committee consisting of three directors including one Independent Director. The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher and meetings may be convened and held at the discretion of the Corporate Social Responsibility Committee. The following shall be the terms of reference of the Committee:

- The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy;
- Identifying activities to be undertaken as per this Policy and Schedule VII of the Companies Act, 2013, as amended from time to time;
- Formulating the CSR policy in compliance to Section 135 of the Act;
- review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- Regularly monitoring the implementation of the CSR policy;
- Recommending to Board, modifications to the CSR policy as and when required; and
- Committee shall exercise powers and perform the functions assigned to it by the Board of Directors of the Company pursuant to section 135 of the Companies Act, 2013 and CSR Rules notified with regard thereto.

7. CSR focus area

Company shall give preference to the local area and areas around it, where it operates, for CSR activities. The CSR focus areas for community to progress are:

- Promoting preventive healthcare and sanitation to the public;
- Promoting education, including primary, secondary and higher secondary education, as well as special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Projects, Activities, Programmes relating to conservation of natural resources including renewable energy sources;
- Projects, Activities, Programmes relating to water conservation and maintaining quality of soil, air, and water;
- Promoting Gender equality and empowerment of women;
- Community Health- Innovation projects to meet local needs. Reaching out with basic health care to all (bridging the gap).
- Sustainable livelihood Projects – Holding hands of all marginalized group to improve livelihood opportunity, thus improving their quality of life.
- Rural Infrastructure Development- Need based quality infrastructure to improve quality of life.

8. CSR Implementation

In accordance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company, based on the recommendation of CSR Committee, shall approve the CSR Policy and oversee the implementation and monitoring the CSR activities from time to time.

The Company shall identify and undertake CSR projects and programmes based on the needs of the communities and in alignment with the activities specified under Schedule VII of the Companies Act, 2013. The Company shall endeavor to implement such CSR activities directly, wherever feasible.

For effective implementation of its CSR initiatives, the Company may also:

- Undertake CSR activities through eligible implementing agencies, including companies registered under Section 8 of the Companies Act, 2013, registered public trusts, or registered societies that meet the criteria prescribed under the Companies Act, 2013 and the CSR Rules;
- Contribute to funds and initiatives notified by the Central Government and recognized under Schedule VII of the Companies Act, 2013;
- Collaborate or pool resources with other companies for undertaking CSR projects and programmes, provided that the respective contributions and reporting requirements can be separately identified and accounted for.

The CSR Committee shall periodically review the progress of CSR projects and recommend suitable measures to ensure effective implementation and achievement of the intended social impact.

9. Impact Assessment

The Company shall comply with the provisions relating to impact assessment as prescribed under the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

- Where the Company has an average CSR obligation of Rs. 10 crore or more in the three immediately preceding financial years, it shall undertake an impact assessment through an independent agency in respect of CSR projects having an outlay of Rs. 1 crore or more and which have been completed at least one year prior to the undertaking of such assessment, in accordance with applicable legal requirements.
- The impact assessment reports shall be placed before the Board of the Company and shall be annexed to the annual report on CSR in the Board’s Report to the members of the Company.
- The expenditure incurred towards undertaking impact assessment may be booked as CSR

expenditure for the relevant financial year, which shall not exceed 5 (five) percent of the total CSR expenditure for that Financial Year or Rs. 50 (fifty) Lakh, whichever is less.

10. CSR Budget

The Board shall ensure that in every financial year, at least 2% of average net profits as computed under Section 198 of the Act from the immediately 3 preceding financial years is spent on CSR initiatives undertaken by the Company. The overall amount to be committed to CSR will be approved by the Board as recommended by the CSR committee through its Annual Action Plan carrying list of CSR projects or programs approved to be taken. The following guiding principles to be adhered to in terms of CSR Budget Outlay and Expenditure –

- Any surplus generated from CSR activities shall not form part of the business profit of Company and shall be treated as follows:
    - Plough back into the same project; or
    - Transfer to a designated Unspent CSR Account (UCSRA) and spent in pursuance of CSR policy and Annual Action Plan of Company; or
    - Transfer to a Fund specified in Schedule VII, within the prescribed timeline as specified in the CSR Rules

- In case, Company spends an amount in excess of requirement of its CSR obligations in a financial year, such excess amount may be set off against the requirement of CSR spending up to immediate succeeding three financial years subject to fulfilment of conditions specified under the Companies (CSR Policy) Amendment Rules, 2021 and any amendment thereunder from time to time.

- The Company may spend its CSR Budget for creation or acquisition of a capital asset subject to fulfilment of conditions specified under the Companies (CSR Policy) Amendment Rules, 2021 and any amendment to the same

11. Treatment of unspent CSR Expenditure

In case the company has an unspent CSR expenditure for any financial year, the following procedure should be followed:

i. Unspent amount relating to a project not qualifying as an ongoing Project:

Amount unspent during any of the financial year is to be transferred to a Fund specified under Schedule VII, within 6 months of close of financial year or such other fund / within such timeline, as may be provided under the Act / Rules thereto.

ii. Unspent amount relating to an Ongoing Project:

Unspent amount relating to an Ongoing Project is to be transferred within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account (UCSR Account) and such amount shall be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

12. CSR Monitoring

The CSR activities will be monitored and reviewed periodically by the Board of Directors of Company and the Chief Financial Officer (CFO) shall certify to the effect.

13. CSR Reporting

The Company shall make all necessary disclosures relating to its CSR activities in the Board's Report and other applicable filings in accordance with the Companies Act, 2013 and the rules made thereunder. The Company shall also ensure timely filing of Form CSR-2 and other statutory returns, as may be applicable from time to time.

14. Dissemination

The Company shall disclose on its website the composition of its CSR Committee, its CSR Policy and the Annual action plan approved in the Financial Year.

15. Amendment to the Policy

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. Unless otherwise specified such amendments shall be effective from the date of the meeting of the Board of Directors of the Company at which such amendments are approved.

****

Kamal Timbers India Limited

Effective Date: 20th April, 2026
Date of Approval by Board of Directors: 20th April, 2026