PRIVATE LIMITED

KAMBALA SOLUTIONS PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

TABLE OF CONTENTS

Corporate Social Responsibility as required under Section 134(3)(o) read with Rule 9 of the Company (Accounts) Rules, 2014

Kambala Solutions Private Limited - Corporate Social Responsibility ("CSR") Policy

1. Introduction:

Kambala Solutions Private Limited ('the Company') is a company incorporated under the provisions of the Companies Act, 2013 and is situated in Mangalore, Karnataka. Mangalore is a prominent coastal city known for its strong educational institutions, healthcare infrastructure, and socio-economic diversity, with a mix of urban development and surrounding semi-urban and rural communities.

In alignment with its corporate values and commitment to inclusive and sustainable development, the Company seeks to contribute positively to society by undertaking meaningful Corporate Social Responsibility (CSR) initiatives. The Company has identified education, environment sustainability, poverty and hunger eradication, and healthcare as its key focus areas, considering their critical role in social development and long-term community well-being.

The Company intends to give priority to the local areas within and around Mangalore, in accordance with Section 135 of the Companies Act, 2013, while implementing its CSR activities. Through this CSR Policy, the Company aims to ensure that its CSR initiatives are structured, transparent, and impactful, and are carried out in compliance with applicable statutory provisions and CSR Rules.

This CSR Policy sets out the guiding principles, governance framework, and implementation mechanisms for undertaking CSR activities by the Company.

2. Scope:

This Corporate Social Responsibility ("CSR") Policy applies to Kambala Solutions Private Limited and governs all CSR activities undertaken by the Company in accordance with Section 135 of the Companies Act, 2013 and the Companies (CSR Policy) Rules, 2014, as amended from time to time.

The Policy covers identification, implementation, monitoring, and reporting of CSR projects undertaken by the Company, either directly or through eligible implementing agencies, in areas specified under Schedule VII of the Act.

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 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.
(c) "Board" means the Board of Directors of the Company;
(d) "Company" means Kambala Solutions Private Limited;
(e) “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:
    (i) activities undertaken in pursuance of normal course of business of the company: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-
        a. such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
        b. details of such activity shall be disclosed separately in the Annual report on CSR included in the Board’s Report;
    (ii) 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;
    (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
    (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
    (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
    (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India; “CSR Committee” means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
(f) "CSR Activities" means such programs and projects as may be approved by the Board in terms of this CSR Policy;
(g) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
(h) “CSR Policy” means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, if any, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

(i) "CSR Rules" means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time;
(j) "International Organisation" means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;
(k) "Implementing Agency" means an implementing agency as defined under Sl.No.8;
(l) "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;

Words and expressions used and not defined in this Policy but defined in the Act and CSR Rules shall have the same meanings respectively assigned to them in the Act and the CSR Rules.

4. CSR Policy Statement:

Kambala Solutions Private Limited ('the Company') is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Rules made thereunder. By undertaking CSR activities, the Company is committed to contribute to the social and economic development of the communities in which they operate. The Company believes in integrating its business values and operation to meet the expectations of its stakeholders and various communities. Based on the guiding philosophy with which the Company approaches its CSR, CSR vision and mission has been outlined. Encouraging social development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Integrate social and environmental concerns in business operations and achieve a balance of economic, environmental, and social imperatives.

5. Constitution of the CSR Committee:

Where the amount required to be spent by the Company under Section 135(5) of the Act does not exceed Rupees Fifty Lakh Only in a financial year, the requirement for constitution of a CSR Committee shall not be applicable. In such cases, the functions of the CSR Committee, as prescribed under the Act and the CSR Rules, shall be discharged by the Board of Directors of the Company.

The Company is not required to constitute CSR Committee since the amount to be spent by the Company towards CSR is less than Rupees Fifty Lakh Only for the financial year. Therefore, the functions of the CSR Committee will be discharged by the Board of Directors of the Company which includes:

(i) Mr. SHRIKANT PANDIT, DIN 00195633, Chairman and Director
(ii) Mr. SOMNATH JOGI, DIN 07887998, Managing Director

(iii) Mr. GURURAJA HEGDE, DIN 07888038, Director
(iv) Mr. KUMAR ANAND, DIN 07898518, Director

Provided that, where the constitution of CSR committee is applicable, the Board shall constitute the same and update the CSR Policy accordingly.

6. Functions of the CSR Committee:

(i) Identify CSR activities/programs to be undertaken by the Company. The CSR Committee shall be guided by the list of activities specified in Schedule VII to the Act and appended to this Policy as Appendix -1. Appendix -1 may be revised in line with any amendments/inclusions made to Schedule VII of the Act.
(ii) Formulate and recommend to the Board the CSR activities/programs to be undertaken by the Company;
(iii) Recommend the CSR Expenditure to be incurred on the CSR activities/programs;
(iv) Effectively monitor the execution of the CSR activities/programs from time to time;
(v) Institute a transparent mechanism for implementation of the CSR projects and activities of the Company.

The above functions defined for CSR Committee will be discharged by the Board of Directors of the Company.

7. Responsibility of the Board:

(i) Ensure that CSR activities included in the CSR Policy are undertaken by the Company and that such activities are related to the activities specified in the Act.
(ii) Approve the CSR Policy and the CSR Expenditure after taking into consideration the recommendations made by the CSR Committee.
(iii) CSR Expenditure: Ensure the CSR spending every financial year of at least 2% of average net profits made during immediately preceding 3 financial years, in pursuance with the Policy.
(iv) The CSR activities shall be undertaken in locations within India. The Company shall give preference to the local areas and the areas around which the Company operates while considering the activities to be undertaken and spending the amount earmarked for CSR activities.
(v) The following activities do not qualify as CSR Activities under the Act:
    (a) activities undertaken in pursuance of normal course of business of the company: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-
        (i) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;

(ii) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;

(b) 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;

(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 (29 of 2019);

(e) activities supported by the companies on 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; "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;

(vi) CSR Reporting**:** The Board in its Annual Report shall include the details of the Composition of the CSR Committee, CSR Policy and initiatives and CSR activities undertaken in the Financial Year. The particulars to be stated in the report are as stated in Appendix-1 to the director's report. In case the Company has failed to do the minimum mandated Corporate Expenditure, it shall provide the reasons for doing so in the Board Report.

(vii) Ensure disclosure of the contents of the CSR Policy on the Company website, if any.

8. Implementation of CSR Activities:

(i) The Company may undertake the CSR activities directly or through any of the following entities as "Implementation Agency" being duly registered with the Central Government and having a unique CSR Registration Number (with effect from 1 April 2021):

(a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G 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, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Explanation.- For the purpose of clause (c), the term "entity" shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.

(ii) The company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

(iii) The company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.

(iv) The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer, if any, or the person responsible for financial management shall certify to the effect.

(v) In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

9. CSR Exclusion:

CSR activities/programmes shall not include the following:

(i) activities undertaken in pursuance of normal course of business of the company: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-

a. such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;

b. details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;

(ii) 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;

(iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;

(iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);

(v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;

(vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India; "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;

10. Monitoring and Reporting:

(i) The Board of the Company shall monitor the implementation of the CSR projects as required under the Act and examine whether the funds provided by the Company are utilized in accordance with the approved plans and report to the Board of Directors or its committee. The management shall provide a detailed report of CSR activities carried out as well as budgets utilised in the prescribed format to the Company's Board or its committee.

(ii) In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible period.

(iii) The annual action plan of the Company would include the manner of execution of CSR projects or programmes to be undertaken by the Company, the modalities of utilisation of funds and implementation schedules for the projects or programmes, and monitoring and reporting mechanism for the projects or programmes and details of need & impact assessment, if any, for the projects undertaken by the Company.

11. Treatment of Unspent CSR Amount:

If the company fails to spend CSR amount, the Board shall, in its report specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Any amount remaining unspent, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a Company in pursuance of its CSR Policy, shall be transferred by the Company 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, 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. Surplus and Excess CSR Expenditure:

Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

If the Company spends an amount in excess of requirement, such excess amount may be set off against the requirement to spend up to immediate succeeding three financial years subject to the conditions that-

i. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any,
ii. the Board of the company shall pass a resolution to that effect.

Note that the board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

13. Review and Audit:

(i) The CSR Committee shall apprise the Board on the implementation of the CSR activities and the progress shall be monitored on a periodical basis.
(ii) The Company shall through its internal controls, monitoring and evaluation systems implement, assess, document, and report the impact of its CSR activities/projects.
(iii) Records relating to the CSR activities and the CSR Expenditure shall be meticulously maintained. The records shall be submitted for reporting and audit.

14. Website disclosures:

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

15. Amendments:

The Policy may be reviewed and amended from time to time.

APPENDIX-1
CSR Activities Listed in Schedule VII of the Companies Act, 2013

Activities which may be included by companies in their Corporate Social Responsibility Policies Activities relating to:

i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
iii. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres 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. 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 art and handicrafts;
vi. 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;
vii. training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports
viii. 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
ix.
   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 Defence 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).
x. rural development projects

xi. slum area development.

Explanation: - For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

xii. disaster management, including relief, rehabilitation and reconstruction activities.