

ACME SOLAR HOLDINGS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

IN TERMS OF SECTION 135 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (CORPORATE SOCIAL RESPONSIBILITY RULES), 2014

1. CSR VISION, STATEMENT & OBJECTIVES

- 1.1** ACME SOLAR HOLDINGS LIMITED (“ASHL” or “COMPANY”), through its CSR initiatives, will continue 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 the community, in fulfilment of its role as a Social Responsible Corporate, with environmental concern.
- 1.2** The company shall implement its CSR activities to integrate economic, environmental and social objectives with its operations and growth for common good. The company is committed towards making visible and tangible contribution to communities and environment. The ASHL shall identify projects/programme and activities in this regard.
- 1.3** The CSR policy shall be implemented in accordance with Section 135 of the Companies Act, 2013 (“Act”) and rules framed there under. It shall apply to all the CSR Activities undertaken by the ASHL in India as per schedule VII of the Act and any amendments and modifications made there under.
- 1.4** The CSR activities shall not include activities undertaken by the company in the normal course of business,. Further, project, programme or activities solely benefits the employees of the ASHL and their family shall not be considered as CSR Activities under this CSR Policy.

2. COMPOSITION OF CSR COMMITTEE OF THE BOARD

- 2.1** The Composition of the Corporate Social Responsibility Committee (“CSR”) of the Board shall be notified from time to time, in terms of the provisions of sub-section (1) of section 135 of the Companies Act, 2013. The CSR committee shall at all time comprise minimum of three (3) directors out of which one director shall be Independent Director as defined under sub-section 47 of Section 2 of the Companies Act, 2013.
- 2.2** The Committee may invite such other executive(s) employee(s) of the ‘ASHL’ and professionals and experts having relevant experience as it may consider appropriate in its sole discretion, to advise the committee on various CSR activities being undertaken/to be undertaken by the ‘ASHL’.

3. TERMS OF REFERENCE OF CSR COMMITTEE

- 3.1** To formulate, recommend and modify/alter, a CSR policy which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013, as amended from time to time;
- 3.2** To recommend the amount of expenditure to be incurred on the activities referred to above;
- 3.3** To monitor the CSR policy of our Company from time to time; and
- 3.4** To undertake any other acts, deeds and things as may be delegated by the Board from time to time in relation to the CSR of our Company.

4. IMPLEMENTATION OF CSR PROJECTS

- 4.1** Directly or through ACME Foundation, or a registered trust, society or Company established by ASHL or its Holding, Subsidiary or Associate company under section 8 of the Act, or
- 4.2** Through any other foundations, trusts, or a section 8 Company or any other form of entity with a track record of at least three years in carrying out activities in related areas. While engaging with partners, ASHL to evaluate the credentials of the implementing entity and seek relevant documents, information and details as per 'Annexure - 1'.
- 4.3** ASHL may also collaborate with other companies or institutions for undertaking projects or programs for CSR activities.
- 4.4** In order to implementation of approved CSR activities, the company may involve specialised agencies which could include government/semi government /autonomous organisation, education institution, professional and consultancy organisation, registered voluntary organisation or any other appropriate agency/authority.
- 4.5** The company may also collaborate and pool resources with its Holding/Subsidiaries/Associates and other companies to undertake CSR activities, provided that CSR Committee of the respective companies are in a position to report separately on such CSR activities being undertaken in accordance with Acts and Rules,

5. CSR ALLOCATION

- 5.1** The CSR allocation for the financial year shall include (a) at least 2% of the average net profits of the Company during three immediately preceding financial years (b) any income arising there from (c) surplus arising out of CSR activities (d) any

contribution specially received for the CSR activities. It is clarified that any surplus arising out of the CSR activities shall not form part of the business activities.

- 5.2 The unspent CSR amount in a particular year would not lapse. It would instead be carried forward to the next year for utilisation for CSR activities only.

6. CSR BUDGET

The overall amount to be committed towards the CSR will be approved by the Board upon the recommendation of the CSR committee.

7. CSR ACTIVITIES

- 7.1 ASHL shall take CSR Activities /projects in sectors as identified under Schedule VII of the Companies Act, 2013, with special focus on the areas given below:

7.1.1 **RURAL TRANSFORMATION:** Creating sustainable livelihood solutions, addressing poverty, hunger and malnutrition, sanitation, relief and welfare of the scheduled castes, the scheduled tribes, the other backward classes, improving water conservation and rain-water harvesting, Developing Community infrastructure;

7.1.2 **HEALTH:** Affordable solutions for healthcare through improved access and awareness, promoting health care including preventive health care and sanitation, Working on maternal and child health care, providing primary, secondary and tertiary care facilities;

7.1.3 **EDUCATION:** Access to quality education, training and employment enhancing vocational skills, promoting primary and secondary education;

7.1.4 **SOCIETY WELFARE:** Setting up homes and hostels for women and orphans, old age homes, day care centres and such other facilities for senior citizen;

7.1.5 **ENVIRONMENT:** Environmental sustainability, ecological balance, conservation of natural resources;

7.1.6 **DISASTER RESPONSE:** Developing expertise and resources to respond to disaster.

7.2 The Company would give preference to local area/areas around it, where it operates for undertaking/implementing and executing/collaborating for the CSR activities.

7.3 ASHL aims to continue its work in the above mentioned areas and scale up further for better reach, deeper engagement and impact.

7.4 The CSR committee will be entitled to include other projects, programme activities or any social development initiative as may be approved by the CSR Committee/Board which is in consonance with schedule VII of the Act and Rules made there under from time to time.

7.5 The Company would give preference to local area/areas around it, where it operates for undertaking/implementing and executing/collaborating for the CSR activities.

8. MONITORING & FEEDBACK

8.1 The CSR Committee shall ensure transparent monitoring mechanism for ensuring effective implementation of the CSR activities proposed to be undertaken by the company.

8.2 The CSR Committee shall ensure that CSR activities undertaken are in accordance with the CSR Policy and in a project and programme made with a clearly defined project deliverables, implementation schedules, processes and budget mentioned above.

8.3 To ensure transparency & effective implementation of the CSR programmes undertaken a robust mechanism will be initiated by the Company providing for periodic monitoring at different levels using the following indicative medium.

- i) Quarterly Progress Report
- ii) Site Visits
- iii) Documentary evidence including photographs, films and videos
- iv) Other in house monitoring mechanism as determined by CSR Committee.

8.4 ASHL's Monitoring & Evaluation (M&E) framework aim to focus on outcome and impact measurement in multiple ways by measuring change in the lives of the communities that it engages with.

9. REPORTING

9.1 An annual Report on the CSR containing details about the CSR policy and programmes implemented by ASHL shall be included in the Report of Board of Directors for every financial year, as per the format prescribed under the Rule to section 135 of the Companies Act, 2013.

9.2 Composition of CSR Committee will be included in the Annual Report on CSR and also be displayed on the website.

9.3 The Proforma containing the details of CSR activities to be undertaken by the Company will be annexed on annual basis with the policy documents.

9.4 The report of Board of Directors shall include a Responsibility Statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objective and Policy of ASHL.

9.5 For any reason, ASHL, fails to spend 2% of the average net profit of the preceding three financial years on CSR, the reason thereof, shall be furnished in the report of the Board of Directors under Section 134 (3) (o) of the Companies Act, 2013.

10. AMENDMENTS

10.1 The CSR Committee is empowered to recommend amendments and modifications of the CSR Policy and such changes shall be placed before the Board for approval.

10.2 Where the CSR policy is in variance with the requirement of Act/Rules, The provisions of the Act and or Rules shall prevail.

11. GENERALS

11.1 In case of any doubt with regard to any provisions of the CSR policy and also matters not covered herein, a reference shall be made to the CSR Committee or the Chairman of the CSR, the interpretation and the decision of the Chairman of the CSR Committee shall be final.

11.2 The CSR activities benefiting only the employee of the ASHL and their families shall not be considered as CSR activities in accordance with section 135 of the Act.

ANNEXURE - 1

Indicative list of aspects to be considered while engaging with other entities

1. Due diligence of the implementing agency would be conducted to check the credentials of the organization. The following information from the interested implementing agencies would be sought, as relevant:
 - i) Memorandum/Article of Association or Constitution;
 - ii) Registration Certificate;
 - iii) Registration Certificate under Section 12A;
 - iv) Audited Accounts of last three years;
 - v) IT Exemption Certificate under Section 80G; (Lifetime validity)
 - vi) Pan Card;
 - vii) IT Exemption Certificate under Section 35(i), if available;
 - viii) Acknowledgement of Income Tax Return along with IT Return filed (last three years);
 - ix) FCRA Certificate (if any) and latest copy of FCRA Return FC-3, if available;
 - x) Description of the project.
2. Ensure that the projects/ programmes are consistent with list of activities in Schedule VII.
3. The team may visit and/or meet the representatives to assess the organization (as required).
4. Quarterly reporting on the progress in implementation of the projects/ programmes and utilization of the amounts.
5. Reserving the rights, to be exercised at its sole discretion, of stopping the funding at any stage of the project, if the program is not being implemented as per program objectives and goals.