

# APPLIED SOLAR TECHNOLOGIES (INDIA) PRIVATE LIMITED

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## CORPORATE SOCIAL RESPONSIBILITY POLICY

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*[Pursuant to provisions of Section 135 of the Companies Act, 2013 and rules made thereunder]  
(Amended by the Board of Directors in the Board Meeting held on 04<sup>th</sup> August, 2021)*

***The earlier CSR Policy was approved by the Board in its meeting held on 13<sup>th</sup> February, 2019. Few amendments in the Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 have been made effective from 22<sup>nd</sup> January, 2021. Therefore, the earlier policy is revised to give effect to the amendments.***

## 1. **PREAMBLE**

This Corporate Social Responsibility (hereinafter referred to as 'CSR') Policy is framed in accordance with the provisions of Section 135 of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as 'the CSR Rules') and Schedule VII, as amended from time to time.

## 2. **DEFINITIONS:**

Some of the key terms used in the CSR Policy are as under:

- i) **'Act'** means the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force).
- ii) **'CSR Committee'** means Corporate Social Responsibility Committee constituted by the Board of Directors of the Company in accordance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder.
- iii) **'Corporate Social Responsibility (CSR)'** means the activities undertaken by the Company in pursuance of its statutory obligation laid down under Section 135 of the Act read with the rules made thereunder and Schedule VII and shall not include the items mentioned in rule 2(1)(d)(i) to 2(1)(d)(vi) or any such other items as may be prescribed from time to time.
- iv) **'CSR Policy'** means Policy on "Corporate Social Responsibility" of the Company, framed and recommended by CSR Committee and approved by the Board of Directors of the Company.
- v) **'Average Net Profit'** means average net profits of the company made during the three immediately preceding financial years.
- vi) **"Net profit"** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -
  - (a.) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
  - (b.) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

and shall be calculated in accordance with the provisions of Section 198 of the Act.

- vii) **"Ongoing Project"** means a multi-year project undertaken by the 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;

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

### **3. CSR COMMITTEE**

The Board of Directors in its Meeting held on 14th January, 2019 had constituted the CSR Committee in terms of Section 135 of the Companies Act, 2013 and Rules made thereunder:

#### ***Composition of the Committee:***

1. **Mr. Kapil Kumar Kathpalia (Chairman of the Committee)**
2. **Mr. Vinod Kumar Agarwal**

### **4. SELECTION OF ACTIVITIES FOR CSR**

Company's main focus is to undertake such activities which lead to social welfare and provide benefit to the society at large and which relates to the activities fall under Schedule VII of the Act and includes following :

- (i) 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.
- (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].

However, the Company is not limited to aforesaid activities but may choose to undertake any CSR Activity falling within the purview of Schedule VII of the Act, as may be amended from time to time, based on the recommendations of the CSR Committee and approval of the Board of Directors.

It shall be the discretion of the Committee to decide the Location/Area of CSR Activities within India. However, the Committee shall endeavor to give preference to local area and areas around it where it operates.

### **5. IMPLEMENTATION OF CSR SPENDING**

The CSR activities can be undertaken by the Company itself or through the followings implementing entities :

- i. A Company established under Section 8 of the Act; or
- ii. A Registered Public Trust;

- iii. A Registered society;

The above entities shall fulfill any of the following conditions-

- a) *The Company undertake either singly or along with the Other Company. If Company takes help of other entity which is not established by the Central Government or State Government or established under an Act of parliament or a State Legislature then a track record of at least 3 years in undertaking similar activities is mandatory ; or*
- b) *The above entity is established by the Central Government or State Government; or*
- c) *The above entity is established under an Act of parliament or a State Legislature*

**Note: Above mentioned entities must have filed CSR -1 (as may be applicable) w.e.f. 01.04.2021**

**Registration under section 12A and 80G of the Income Tax Act, 1961 is mandatory except an agency is established by the Central Government or State Government or established under an Act of Parliament or a State legislature.**

## **6. MONITORING OF ACTIVITIES**

- i. The committee shall review CSR Policy from time to time in order to comply the applicable provisions of the Act and meet the requisite criteria of the CSR obligation;
- ii. Every year, the CSR Committee will place for the approval of the Board of Directors of the Company, an annual CSR Action Plan (hereinafter referred to as 'CSR Plan') delineating the CSR Programmes to be carried out during such financial year, including the budgets thereof, their manner of execution, implementation schedules, modalities of utilisation of funds, and monitoring & reporting mechanism for the CSR Programmes. The Board will consider and approve the CSR Plan as recommended by the CSR Committee with such modification/s (if any). **The approved CSR Plan may also be modified by the Board of directors during the financial year in which it is approved, on the recommendation of the CSR Committee.**
- iii. 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 or the person responsible for financial management shall certify to the effect.
- iv. In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation

## **7. CSR EXPENDITURE**

- i. It will be the Company's endeavour to spend in **every financial year** (if applicable), two percent of its average net profits during the three immediately preceding financial years (or such other limit as may be prescribed under the Act), on CSR Programmes in pursuance to this Policy.
- ii. Any surplus arising from the CSR Programmes will be used for CSR activities within six months from the end of the relevant financial year.
- iii. If CSR expenditure in a financial year exceeds the statutory limit, such excess may be set-off against CSR expenditure for the next three financial years with the approval of the Board, on the recommendation of the committee

#### **8. TRANSFER OF UNSPENT CSR AMOUNT TO SPECIFIED FUND**

Any amount remaining unspent pursuant to any “ongoing project”, shall be transferred by the company within a period of “thirty days from the end of the financial year” to which the CSR expenditure relates, 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 Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer.

Until a fund is specified in Schedule VII, The unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act:

- i. within a period of six months of the expiry of the financial year, if it relates to non- ongoing project referred to in section 135 (5) of the Act.
- ii. within a period of thirty days from the date of completion of the third financial year, if it relates to any ongoing project .

Any provisions, matters or things not mentioned in this policy hereinabove but defined in the Act shall have the same meaning respectively assigned to them in the Act read with rules and schedule.

***In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail.***