

CORPORATE SOCIAL RESPONSIBILITY POLICY

OF

SELCO SOLAR LIGHT PRIVATE LIMITED



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

(As approved by the Board vide Resolution No. 138.19 passed at its meeting held on 25th August, 2021)

This Corporate Social Responsibility (hereinafter referred to as 'CSR') Policy is framed in terms 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'), as amended from time to time.

1. PREAMBLE:

SELCO Solar Light Private Limited (hereinafter referred to as "SELCO"), recognizes the impact it has on communities in which it operates and believes that it has a tremendous opportunity to change the lives of these communities and aims to be a trusted partner contributing to the social, economic and environmental progress of India.

Corporate Social Responsibility (CSR) at SELCO has been a part of its existence long before social responsibility became mandatory by law and SELCO aspires to continue making consistently increasing improvement in the life of under-served communities.

2. OBJECTIVES

SELCO is committed to conduct its business in a socially responsible, ethical and environment friendly manner and to continuously work towards improving quality of life of the communities in its operational areas. This Policy provides guidance in achieving the above objective and ensures that the Company operates on a consistent and compliant basis.

The Company aims:

- to pursue CSR Programmes primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum developmental impact;
- to contribute towards sustainable development of the society and environment to make planet a better place for future generations.
- to develop the required capability and self-reliance of beneficiaries at the grass roots, especially of women, in the belief that these are pre-requisites for social and economic development;
- to engage in affirmative action interventions such as skill building and vocational training;
- to enter into public-private-people partnerships to multiply the impact of the CSR Programmes;
- give preference to the local area and areas around which the Company operates.

3. FOCUS AREAS

The Company shall undertake CSR Projects / Programs that are aligned with in the areas or subject specified in Schedule VII of the Act as enacted/ statutorily modified from time to time. The list of areas/subject currently covered in Schedule VII of the Act is mentioned as Annexure A.

4. CSR SPEND

The Companies Act, 2013 prescribes that the companies which meet the criteria specified U/s. Section 135 shall allocate at least 2% of the average net profits made during the three immediately preceding financial years, for CSR activities under this policy.

The Average Net Profit for this purpose shall be such as calculated in accordance with the provisions of the Companies Act, 2013 or Rules made thereunder in this regard.

The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

4.1 Certification from CFO/ Finance Head

The person responsible for financial management shall certify that the CSR funds disbursed towards CSR projects have been utilized for the purposes and manner in which they were approved by the Board.

4.2 Expenditure on CSR overheads

The Company may spend towards administrative overheads for the financial year for the purpose of CSR functions in the Company subject to the limits specified under the Act.

4.3 Failure to spend the CSR Money

If the Company fails to spend the required amount in a particular financial year, the Board of Directors will disclose the reasons for not being able to spend the entire budgeted amount on the CSR activities as planned for that year in the Annual Report of the Company and transfer such unspent amount in the manner prescribed under the Act and relevant CSR rules.

4.4 Surplus from CSR Projects

Surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company. It shall be treated as follows:-

- i. Ploughed back into the same project/programmes
- ii. Transferred to an Unspent CSR Account and spent in pursuance of CSR policy and Annual Action Plan of the Company; or
- iii. Transferred to Fund specified in Schedule VII or such other fund as may be specified, within the prescribed timeline as specified in CSR rules.

4.5 Set-off of excess amount spend towards CSR in immediate succeeding three financial years

The excess amount spent may be set off against the requirement to spend under section 135(5) up to immediate succeeding 3 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.

5. Role of the Board of Directors/CSR Committee

The Board oversees the implementation of our CSR Policy, in compliance with the requirements of Section 135 of the Act and the Rules made thereunder.

The Company shall constitute CSR Committee if the CSR liability exceeds the threshold limit of Rs. 50 Lakh or any such amount as may be prescribed from time to time.

5.1 Responsibilities of the Board

- i. To formulate, recommend and update the Company's CSR Policy;
- ii. To approve the CSR budget and review the expenditures;
- iii. To approve projects that are in line with the CSR Policy;
- iv. To oversee monitoring mechanism in place, to track the progress of each project;
- v. Any other functions as per the provisions of the Act and CSR rules

6. Implementation and modalities of execution

SELCO may undertake any of the CSR activities as highlighted under the head 'Focus Areas' either by its own or through the below implementing agencies:-

- i. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by SELCO, either singly or along with any other company, or
- ii. 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
- iii. any entity established under an Act of Parliament or a State legislature; or
- iv. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

The Company may also collaborate with other Companies for undertaking projects or programs or CSR activities in such a manner that the Companies are in a position to report separately on such projects or programs.

7. Annual Action Plan

The Annual Action Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company which outlines the aspects of CSR initiatives of the Company. Annual Action Plan to include the following:

- a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- b) the manner of execution of such projects or programmes
- c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d) monitoring and reporting mechanism for the projects or programmes; and
- e) details of need and impact assessment, if any, for the projects undertaken by the company:

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

8. Disqualifying Activities for CSR

- i. The CSR Rules disqualifies the CSR projects and programs that are implemented by the Company for benefit of the employees of the Company and their families;
- ii. The CSR activities implemented outside India also fall outside the purview of the Rules and hence CSR expenditure on such activities will not be considered for inclusion in the CSR Report;
- iii. Any amount directly or indirectly contributed towards any political party under Section 182 of the Act shall not be considered as CSR Spend;
- iv. Activities that are undertaken by the Company in pursuance of its normal course of business will not be considered as CSR activities;
- v. Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- vi. Activities carried out for fulfillment of any other statutory obligations under any law in force in India;
- vii. 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.

9. Monitoring Mechanism

An Internal Working and Monitoring Group (IWMG) comprising of officials of CEO, GM and DGMs level officer's shall ensure effective implementation and monitoring of the projects approved by the Board from time to time. The Internal Working and Monitoring Group members shall be entitled to delegate the power to any other employees/officials of the Company.

10. Display of CSR activities on its website

The, CSR Policy along with the Projects approved by the Board shall be displayed on the Company's website, if any, for public access.

11. Policy amendment

The Company is committed to continuously reviewing and updating its policies and procedures. Therefore, said CSR Policy would be subject to modification. The Board of Directors may also revise/ amend this CSR Policy to bring the same in line with the guidelines or amendments issued from time to time by Government on the subject.

For SELCO SOLAR LIGHT PRIVATE LIMITED



Harish Handerto Hande

Director

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Place: Lowell Massachusetts, USA
Date: 25-08-2021



Thomas Joseph Pullenkav

Director

DIN: 07981935

A-205, Rose Garden Apartments
Arekere Gate, Bannerghatta Road
Bangalore 560076
Place: Bangalore, India
Date: 25-08-2021

Annexure I

Scope of CSR activities

1. Eradicating hunger, poverty, 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;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. 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;
4. 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;
5. 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 arts and handicrafts;
6. 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];
7. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
8. 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 Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- 9a. 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
- 9b. 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 Defense 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).]
10. rural development projects;
11. slum area development;
12. disaster management, including relief, rehabilitation and reconstruction activities
13. MCA Circular No. 10/2020 clarification on spending of CSR Funds for COVID-19

14. Any other activity permitted under any Act/Guidelines issued by Ministry of Corporate Affairs / Department of Public Enterprises, Government of India / any other statutory authority, as may be amended from time to time.