

KRANNICH SOLAR PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

I. PREAMBLE

This Corporate Social Responsibility Policy (“**CSR Policy**”) encompasses the philosophy of **Krannich Solar Private Limited (‘the Company’)** for social responsibilities and lays down the guidelines and mechanism for undertaking projects, programs and activities towards such responsibilities.

II. VISION STATEMENT AND OBJECTIVE

1. The CSR Policy sets out commitment of the company towards ensuring that our activities extend beyond business and include initiatives and endeavors for the benefit and development of the community and society. The CSR Policy lays down guidelines for undertaking programs geared towards social welfare activities or initiatives. Through this CSR Policy, we propose to adopt the CSR Activities mentioned below.
2. In alignment with the above vision, the company through its CSR Activities, will endeavor to enhance value creation in the society and in the community, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate.
3. This CSR Policy has been framed in accordance with Section 135, Schedule VII of the Companies Act, 2013 and the CSR Rules made thereunder.
4. The objective of this CSR Policy is to:
 - (i) outline projects, programs and activities to be undertaken by the company;
 - (ii) specify the modalities of execution of such projects, programs and activities;
 - (iii) monitor the process to be followed for such projects, programs and activities;
 - (iv) directly or indirectly take up programs that benefit the communities in and around its work centers and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace; and
 - (v) generate community goodwill for the company and help reinforce a positive and socially responsible image, through our CSR Activities.

III. Important Definitions

- a. “**Act**” shall mean the Companies Act, 2013 as modified from time to time;



- 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 program;
- c. **“Corporate Social Responsibility (CSR)”** means the activities undertaken by the 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 activities specified in the Act and Rules thereto.
- d. **“Net Profit”** shall mean 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:
 - i. any profit arising from any overseas branch or branches of the Company, whether operated as separate company or otherwise; and
 - ii. any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.

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

IV. CSR COMMITTEE.

As per Section 135, Companies Act, 2013 where the amount to be spent by a Company towards CSR expenditure does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and in such cases the functions of such committee shall be discharged by the Board of Directors of such Company.

Accordingly the Board of Directors of the Company as mentioned below, are required to approve and formulate the Corporate Social Responsibility Policy of the Company:

- a. Mr. Stefan Schertel
- b. Mr. Andy Bogner
- c. Mr. Rahul Oza

V. RESPONSIBILITIES OF THE BOARD OF DIRECTORS OF THE COMPANY

The Act states certain responsibilities which are to be performed by the Board of Directors of the Company, as stated below:



- i. The Board to formulate and approve Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company.
- ii. Calculate the amount of expenditure to be incurred on the CSR activities.
- iii. Ensure that the activities as are included in Corporate Social Responsibility Policy of the Company are undertaken by the Company.
- iv. The Board of the Company shall ensure that the Company spends, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy, where required as per the provisions of the Act and while doing so the Company shall give preference to the local areas around it where it operates.
- v. A report should be filed along with the statements laid before the Company by the Board of Directors in its report, which will disclose the composition of the Corporate Social Responsibility Committee, if any.
- vi. If the Company fails to spend at least two per cent of the average net profits of the Company made during the three immediately preceding financial years, the Board shall in its report specify the reasons for not spending the amount.
- vii. The Board of Directors shall give a report in detail in the Directors' Report, about the policy developed and implemented by the Company on Corporate Social Responsibility initiatives taken during a year.
- viii. The Board of Directors shall ensure that activities included by the Company in its CSR Policy are related to the activities included in Schedule VII of the Companies Act, 2013.
- ix. Monitor the Corporate Social Responsibility Policy of the Company from time to time.

VI. CSR EXPENDITURE AND ALLOCATION

- a. The CSR expenditure shall be as per the requirements of the Companies Act 2013, that is, in compliance with the provisions of the Act and the CSR Rules, including notifications and clarifications issued thereunder.
- b. CSR expenditure shall include all expenditures including contribution to corpus for projects or programs relating to CSR Activities approved by the Board and shall not



include any expenditure on an item that is not in conformity with the Schedule VII to the Act.

- c. If the Company fails to spend such amount, the Board shall, in its Directors' 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.
- d. Where the Company spends an amount above the requirement provided under Section 135 of the Act, the Company can set off such excess amount in the immediately succeeding three Financial Years. However, the excess amount available for set-off should not include the surplus arising out of the CSR and Board shall pass the resolution to this effect.
- e. 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.

VII. CSR Activities

The CSR Activities undertaken by the Company shall include projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities.

Contribution of any amount directly or indirectly to any political party shall not be considered as CSR activity.

The Company plans to undertake the projects or programs related to the following activities which fall within the purview of the Schedule VII of the Companies Act, 2013:

- a. eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.
- b. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.



- c. 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.
- d. 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.
- e. 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.
- f. measures for the benefit of armed forces veterans, war widows and their dependents.
- g. training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports.
- h. contribution to the prime minister's national relief 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.
- i. contributions to public funded Universities.
- j. 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.
- k. rural and slum area development projects.
- l. disaster management, including relief, rehabilitation and reconstruction activities.
- m. such other matters as may be prescribed from time to time.

VIII. CSR IMPLEMENTATION

The CSR activities shall be undertaken either by the Company itself or through:



- 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;
- b. a Company established under Section 8 of the Act or registered trust or a registered society established by the Central or State Government.
- c. any Entity established under State legislature or an Act of Parliament.
- 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.

Before implementing the CSR Activities through any of the above entity(ies), the Board shall ensure that such entity(ies) has registered itself with the Central Government by filing the necessary forms and documents and has successfully generated a unique CSR Registration Number.

The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programs as per its CSR policy as well as for capacity building of their own personnel for CSR.

IX. CSR REPORTING

The Board of Directors Report pertaining to the Financial Year shall include an annual report on CSR activities, particulars as specified in the Annexure to CSR Rules.

X. PUBLICATION OF CSR ACTIVITIES ON WEBSITE

The contents of this Policy, Projects approved by the Board, CSR activities shall be published on the Company's Website, if any.

XI. MONITORING AND FEEDBACK MECHANISM

To ensure that the objectives of this CSR Policy are being met in an efficient and effective manner, the Board of Directors shall institute a transparent monitoring mechanism and regularly monitor the implementation of the CSR activities.



XII. FAILURE TO COMPLY WITH CSR

If the Company fails to spend at least two percent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility activities, the Board of Directors shall in its report specify the reasons for not spending the amount.

XIII. ROAD MAP OF CSR

A. Action Plan:

The Company may have more than one CSR initiatives. One of the objectives of the CSR is to have involvement of every member of the organization. Our Employees are vigilant and they are good citizens. The Company will ask employees to provide their response about CSR Projects to be pursued. The priorities will be as follows:

- a. Environment
- b. Education
- c. Medical
- d. Women Empowerment

The Board of Directors will review all the suggestions on the basis of the guidelines:

- What is the impact on the Society – Long/ Short Term
- Whether this project is – Dire need/ Nice to have
- Longevity of the project – [1 yr. /5 yrs. /10 yrs. /15 yrs. /20 yrs.]
- Involvement of Manpower – [High Involvement/ Moderate/ Minimum/ Nil]
- Demand from Local communities and people around

Note: These are not exclusive guidelines.

The Board of Directors, will have several other considerations which should be documented while selecting the project.

B. Execution:

Based on the finalized project(s) the Board of Directors will allocate budgets for the selected project(s) depending on the nature of activity.

The budget could be allocated on the basis of locations, need in the locality etc.



The Company will nominate such senior employees to head the initiatives and create team of employees to participate towards CSR Initiatives.

The team shall click photographs of each event and maintain proper documents in terms of expenditure towards CSR.

In case of any donations granted to any Trust or Institution, the Company officials shall ensure that the proceeds of the donations are used for the purpose which is stated in this Policy. The concerned Trust or Institution should provide necessary documents, supporting and evidence of use of funds.

C. Monitoring:

For each initiative the respective team should report CSR progress report on periodic basis.

D. Reporting:

At the end of the year the Company should prepare a comprehensive report and publish it in the Annual Report.

E. Evaluation:

At each year end the Board of Directors should evaluate the impact of CSR Projects and consider:

- a. Continue with same project for the next financial year;
- b. Change project;
- c. Commence new project.

XIV. AMENDMENT

The Board may subject to compliance with applicable law, at any time approve or alter, amend or modify the CSR Policy, as it deems fit to comply with the statutory obligation to undertake the CSR Activities.

Signature: Andy Bogner
Name: Andy Bogner
Designation: Director

