

Date: 12th February, 2025

To
The Compliance Manager
BSE Limited
Corporate Relationship Dept.,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400001.

To
The Manager, Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla
Complex,
Bandra (East), Mumbai 400 051

Scrip Code: 544283

Symbol: ACMESOLAR

Subject: Clarifications to the Postal Ballot Notice dated 19 January, 2025 issued by ACME Solar Holdings Limited (“the Company”)

Dear Sir/Ma’am,

Pursuant to the Postal Ballot Notice issued on 19 January 2025, the Company has received certain observations from proxy advisory firms on specific agenda items. Accordingly, the Company is issuing a clarification in relation to the Postal Ballot Notice.

Kindly note that the e-voting process for the Postal Ballot ends on Friday, February 21, 2025, at 05:00 p.m. (IST). The detailed clarifications have been made available on the Company’s website at www.acmesolar.in.

You are requested to take the above on record.

Thanking you,
For **ACME Solar Holdings Limited**

Rajesh Sodhi
Company Secretary and Compliance Officer
Membership No.: F3043

Encl.: As Above

POSTAL BALLOT NOTICE | CLARIFICATIONS

12 February 2025

Dear Shareholders,

The Company is hereby issuing clarifications with respect to certain agenda items mentioned in the postal ballot notice dated January 19, 2025 (“**Postal Ballot Notice**”).

S. No.	Agenda Item # and Details	Company’s Clarification
1.	Item No. 1 - To ratify ACME ‘EMPLOYEE STOCK OPTION PLAN 2024’	<p>Exercise Price: Employee Stock Option Plan (ESOP) 2024 provides flexibility to issue stock options at an exercise price that is at least the face value of the shares and may be up to the market price. This flexibility allows Company to attract and retain high-quality talent in a competitive landscape. Moreover, granting options at a discount is a common practice that incentivizes employees and aligns their interests with long-term shareholder value creation.</p> <p>NRC Comprising Solely of Independent Directors: The exercise price is being determined by the company's Nomination and Remuneration Committee (NRC). All members of the NRC comprise independent directors, ensuring greater governance, transparency, and alignment with shareholder interests.</p> <p>Vesting Conditions: As specified in the Postal Ballot Notice, appraisal process for determining the eligibility of the employees will be based on designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the NRC at its sole discretion, from time to time. In addition to this, the NRC may also specify certain performance criteria subject to satisfaction of which the ESOPs would vest. While it may not be feasible to disclose individualized vesting details for each level of employee, vesting conditions are structured in a way that aligns employee rewards with business performance.</p>
2.	Item No. 2 – Appointment of Mr. Hemant Sahai as Independent Director	<p>Please note that in terms of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), an independent director cannot be an individual who (or whose relatives) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he/ she is proposed to be appointed, of any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm.</p> <p>Mr. Hemant Sahai qualifies as an ‘independent director’ since while he is and has been a partner of HSA Advocates in the three financial years immediately preceding the FY 2024-25 (in which he is proposed to be</p>

		appointed), the fees paid by the Company, its holding, subsidiary or associate company to HSA Advocates forms a very small part of the total revenue of HSA Advocates and is significantly below the abovementioned limit of 10% of gross turnover of HSA Advocates. Further, given the vast sectoral experience, skills, knowledge and capabilities that Mr. Hemant Sahai brings to the board of directors, in our view, his addition to the board will enrich it further.
3.	Item No. 4 – Material RPTs between Company and ACME Cleantech Solutions Private Limited (“ACSPL”)	<p>(a) Approval is being sought for the RPTs (as necessary) from the Date of Listing: The approval is being sought for “<i>entering into and/ or carrying out and/ or continuing with existing contracts/arrangements/ transactions or modification(s) of earlier contracts/ arrangements/transactions, or as fresh and independent transaction(s) or otherwise</i>” between the Company and ACSPL during FY 2025 (which includes the period beginning from the date of listing, i.e., November 13, 2024 (“Listing Date”)) and FY 2026. Please refer to pages 5, 41, 42 and 43 of the Postal Ballot Notice. Please note that in the aforesaid pages, it is stated that the transactions have been “<i>entered into / propose to enter into</i>” indicating that the transactions were ongoing pursuant to the agreements that had been executed prior to listing. Therefore, in the Postal Ballot Notice, we have sought approval from the listing date.</p> <p>Further, it is clarified that the reference to the timeline/ validity of approval being one year, is in line with the Listing Regulations read with SEBI Master Circular dated November 11, 2024, which states that approvals granted in general meeting (other than AGM) shall be valid for a period of one year.</p> <p>Disclosure of RPTs: In terms of Regulation 23(9) of the Listing Regulations, the Company is required to submit a report with all RPTs for the half-year on the date of publication of its standalone and consolidated financial results. The Company had duly submitted its report for HY1FY2025 (i.e. April 1, 2024 – September 30, 2024) on November 26, 2024 (“HY1 RPT Disclosure”). With respect to the RPTs pertaining to HY2FY2025, all RPTs executed between Company and ACSPL between October 1, 2024 and March 31, 2025 (which period will also cover the RPTs executed between October 1, 2024 and the Listing Date), will be appropriately disclosed in the half-yearly disclosure which the Company is required to make for H2FY2025. That said, the nature of such RPTs between the Company and ACSPL is already disclosed as part of the Postal Ballot Notice on page 5, 41, 42 and 43.</p>
4.	Item No. 7 – Material RPT between ACME Solar Energy Private Limited (“ASEPL”) and ACSPL	<p>(a) Approval is being sought for the RPTs (as necessary) from the Listing Date: The approval is being sought for “<i>entering into and/ or carrying out and/ or continuing with existing contracts/arrangements/ transactions or modification(s) of earlier contracts/ arrangements/transactions, or as fresh and independent transaction(s) or otherwise</i>” between ASEPL and ACSPL during FY 2025 (which includes the period</p>

		<p>beginning from the date of listing, i.e., November 13, 2024) and FY 2026. Please refer to pages 8, 9, 55 and 56 of the Postal Ballot Notice in this regard. Therefore, in the Postal Ballot Notice, we have sought approval from the listing date.</p> <p>It is further clarified that the reference to the timeline/ validity of approval being one year, is in line with the Listing Regulations read with SEBI Master Circular dated November 11, 2024, which states that approvals granted in general meeting (other than AGM) shall be valid for a period of one year.</p> <p>(b) Disclosure of RPTs: In terms of Regulation 23(9) of the Listing Regulations, the Company is required to submit a report with all RPTs for the half-year on the date of publication of its standalone and consolidated financial results. The Company had duly submitted its report for HY1FY2025 (i.e. April 1, 2024 – September 30, 2024) on November 26, 2024. With respect to the RPTs pertaining to HY2FY2025, all RPTs executed between ASEPL and ACSPL between October 1, 2024 and March 31, 2025 (which period will also cover the RPTs executed between October 1, 2024 and the Listing Date), will be appropriately disclosed in the half-yearly disclosure which the Company is required to make for H2FY2025. That said, the nature of such RPTs between ASEPL and ACSPL is already disclosed as part of the Postal Ballot Notice on pages 8, 9, 55 and 56.</p> <p>(c) Loans to Promoter Entities: Other than the loans granted to ACSPL prior to the listing (which will be serviced in accordance with the terms thereof), the Company or its subsidiaries does not intend to grant any loans to ACSPL, except with a prior approval from its shareholders in accordance with the Listing Regulations. Further, the interest amount is calculated on an arm’s length basis. In absence of shareholders’ approval, ASEPL will not be able to receive the interest from ACSPL which could be prejudicial to the interest of ASEPL and the Company.</p>
5.	Item No. 8 – Material RPTs between ACME Renewtech Private Limited (“ ACME Renewtech ”) and Company	<p>(a) Rationale for ACSPL to hold 51% stake in ACME Renewtech: ACSPL is continuing to hold 51% equity share capital in ACME Renewtech to ensure compliance with the requirements of the bidding documents and the power purchase agreement (“PPA”), as disclosed by the Company in its prospectus dated November 9, 2024 (referred as, “Prospectus”).</p> <p>ACME Renewtech owns a 300 MW hybrid power project. This project was awarded by NTPC, pursuant to a competitive bidding process. ACSPL was the bidding entity for this project. According to the bidding documents, the successful bidder needs to maintain at least 51% of equity share capital in the project SPV (i.e., ACME Renewtech) until one year after the commercial operation date of the project. As mentioned at page no. 260 of the Prospectus, when the Company decided to raise fresh funds through the IPO, it undertook</p>

		<p>an internal restructuring exercise for transferring the entire renewable energy project portfolio under the Company. Pursuant to such internal restructuring exercise, Company acquired 49% shareholding (as permitted under the relevant bid documents) of ACME Renewtech from ACSPL.</p> <p>The Company, ACSPL and ACME Renewtech entered into a securities purchase agreement (“SPA”) and a shareholders’ agreement (“SHA”), each dated June 17, 2024 as disclosed in the Prospectus (refer page nos. 306 and 333 of the Prospectus). Pursuant to the SPA, the Company purchased 49% of freely available equity shares of ACME Renewtech, in compliance with the share lock-in restriction set out in the bidding documents. Further to the SHA and as disclosed in the Prospectus at page no. 333, the Company has a call option which grants the Company the right to compel ACSPL to sell the balance 51% equity held by ACSPL in ACME Renewtech to the Company, upon expiry of lock-in period under the PPA (i.e., one year after commercial operation date of project), at a price which is equal to the face value of the equity shares proposed to be purchased. Additionally, ACSPL is restricted from selling 51% equity share capital to any third party (other than Company). In the Prospectus (at page no. 333), the Company also specified that as per the terms of the SHA, the Company has the right to nominate all of the directors on the board of ACME Renewtech, and that no action can be taken by ACME Renewtech in respect of any of the reserved matters without the prior written approval of the nominee directors appointed by the Company. The Company had disclosed the fact that it exercises control over ACME Renewtech in both the Prospectus (at page no. 306) and the Postal Ballot Notice (at page no. 60). In view of the above, the Company’s board of directors are exercising proper oversight and control over ACME Renewtech, the entity whose repayment obligations are proposed to be guaranteed by the Company.</p> <p>(b) Security being provided by the Company</p> <p>In terms of the SPA and the SHA and as disclosed in the Prospectus at page no. 306, the responsibility of overall development, commissioning, and funding of the project resides with Company. As specified in the Postal Ballot Notice, in terms of the sanction obtained by ACME Renewtech, the proposed financing obligations of ACME Renewtech are required to be secured by way of (a) pledge of shares held by Company in ACME Renewtech; and (b) provision of a corporate guarantee by Company, since ACME Renewtech qualifies as a subsidiary of Company in accordance with law as it exercises control over it. Please see pages 3 and 260 of the Prospectus where it has been specified that ACME Renewtech is a subsidiary of the Company.</p>
6.	Item No. 10 – Material RPTs between ACME Jaisalmer Solar	(a) Pre-listing RPTs which crossed the materiality threshold: Prior to the listing, ACSPL availed a loan, which was secured amongst others, by way of extension of charge over AJSPPL’s assets. As per the

	<p>Power Private Limited (“AJSPPPL”) and ACSPL</p>	<p>requirements applicable to the Company prior to listing, this did not constitute a related party transaction. Therefore, the Company did not make corresponding disclosure in the HY1 RPT Disclosure (i.e. for the period when the Listing Regulations were not applicable on the Company). However, for the purposes of assessing the materiality threshold for the proposed RPTs in the Postal Ballot Notice, as per the Listing Regulations, the Company has taken into account all transactions that qualify as related party transaction as per the Listing Regulations. The quantum of loan availed by ACSPL and the corresponding security over AJSPPPL’s assets, cumulatively, cross the materiality threshold as specified under the Listing Regulations and Company’s Policy on Related Party Transactions. Accordingly, the Company has sought shareholders’ approval for the transactions post-listing.</p> <p>(b) Release of security for loans availed by promoter entities: ACSPL is in the process of repaying and/or releasing the security created over the assets of the AJSPPPL for the loan availed by ACSPL. Once repaid/released, the pre-listing RPT that crossed the materiality threshold will cease to exist.</p> <p>(c) Approval is being sought for the RPTs (as necessary) from the Listing Date: The approval is being sought for “<i>entering into and/ or carrying out and/ or continuing with existing contracts/arrangements/ transactions or modification(s) of earlier contracts/ arrangements/transactions, or as fresh and independent transaction(s) or otherwise</i>” between AJSPPPL and ACSPL during FY 2025 (which includes the period beginning from the date of listing, i.e., November 13, 2024) and FY 2026. Please refer to pages 11, 12, 66 and 67 of the Postal Ballot Notice in this regard. Therefore, in the Postal Ballot Notice, we have sought approval from the listing date.</p> <p>It is further clarified that the reference to the timeline/ validity of approval being one year, is in line with the Listing Regulations read with SEBI Master Circular dated November 11, 2024, which states that approvals granted in general meeting (other than AGM) shall be valid for a period of one year.</p> <p>(d) Interest Payment is beneficial to the Company: The interest amount is calculated on an arm’s length basis and is beneficial to AJSPPPL and the Company. In absence of shareholders’ approval, AJSPPPL will not be able to receive the interest from ACSPL which could be prejudicial to the interest of AJSPPPL and the Company.</p>
7.	<p>Item No. 11 – Material RPTs between Niranjana Solar Energy Private Limited (“NSEPL”) and ACSPL</p>	<p>(a) Pre-listing RPTs which crossed the materiality threshold: Prior to the listing, ACSPL availed a loan, which was secured amongst others, by way of extension of charge over NSEPL’s assets. As per the requirements applicable to the Company prior to listing, this did not constitute a related party transaction. Therefore, the Company did not make corresponding disclosure in the HY1 RPT Disclosure, (i.e. for the</p>

		<p>period, when the Listing Regulations were not applicable on the Company). However, for the purposes of assessing the materiality threshold for the proposed RPTs in the Postal Ballot Notice, as per the Listing Regulations, the Company has taken into account all transaction that qualify as related party transaction as per the Listing Regulations. The quantum of loan availed by ACSPL and the corresponding security over NSEPL's assets, cumulatively, cross the materiality threshold as specified under the Listing Regulations and Company's Policy on Related Party Transactions. Accordingly, the Company has sought shareholders' approval for the transactions post-listing.</p> <p>(b) Release of security for loans availed by promoter entities: ACSPL is in the process of repaying and/or releasing the security created over the assets of the NSEPL for the loan availed by ACSPL. Once repaid/released, the pre-listing RPT that crossed the materiality threshold will cease to exist.</p> <p>(c) Approval is being sought for the RPTs (as necessary) from the Listing Date: The approval is being sought for “<i>entering into and/ or carrying out and/ or continuing with existing contracts/arrangements/ transactions or modification(s) of earlier contracts/ arrangements/transactions, or as fresh and independent transaction(s) or otherwise</i>” between NSEPL and ACSPL during FY 2025 (which includes the period beginning from the date of listing, i.e., November 13, 2024) and FY 2026. Please refer to pages 12 and 69 of the Postal Ballot Notice in this regard. Therefore, in the Postal Ballot Notice, we have sought approval from the listing date.</p> <p>It is further clarified that the reference to the timeline/ validity of approval being one year, is in line with the Listing Regulations read with SEBI Master Circular dated November 11, 2024, which states that approvals granted in general meeting (other than AGM) shall be valid for a period of one year.</p> <p>(d) Interest Payment is beneficial to the Company: The interest amount is calculated on an arm's length basis and is beneficial to NSEPL and the Company. In absence of shareholders' approval, NSEPL will not be able to receive the interest from ACSPL which could be prejudicial to the interest of NSEPL and the Company.</p>
8.	Item No. 12 - RPTs between Dayanidhi Solar Power Private Limited (“DSPPL”) and ACSPL	<p>(a) Pre-listing RPTs which crossed the materiality threshold: Prior to the listing, ACSPL availed a loan, which was secured amongst others, by way of extension of charge over DSPPL's assets. As per the requirements applicable to the Company prior to listing, this did not constitute a related party transaction. Therefore, the Company did not make corresponding disclosure in the HY1 RPT Disclosure, (i.e. for the period, when the Listing Regulations were not applicable on the Company). However, for the purposes of assessing the materiality threshold for the proposed RPTs in the Postal Ballot Notice, as per the Listing Regulations, the Company has taken into account all transaction that qualify as related party transaction as</p>

		<p>per the Listing Regulations. The quantum of loan availed by ACSPL and the corresponding security over DSPPL's assets, cumulatively, cross the materiality threshold as specified under the Listing Regulations and Company's Policy on Related Party Transactions. Accordingly, the Company has sought shareholders' approval for the transactions post-listing.</p> <p>(b) Release of security for loans availed by promoter entities: ACSPL is in the process of repaying and/or releasing the security created over the assets of the DSPPL for the loan availed by ACSPL. Once repaid/released, the pre-listing RPT that crossed the materiality threshold will cease to exist.</p> <p>(c) Approval is being sought for the RPTs (as necessary) from the Listing Date: The approval is being sought for <i>“entering into and/ or carrying out and/ or continuing with existing contracts/arrangements/ transactions or modification(s) of earlier contracts/ arrangements/transactions, or as fresh and independent transaction(s) or otherwise”</i> between DSPPL and ACSPL during FY 2025 (which includes the period beginning from the date of listing, i.e., November 13, 2024) and FY 2026. Please refer to pages 13 and 72 of the Postal Ballot Notice in this regard. Therefore, in the Postal Ballot Notice, we have sought approval from the listing date.</p> <p>It is further clarified that the reference to the timeline/ validity of approval being one year, is in line with the Listing Regulations read with SEBI Master Circular dated November 11, 2024, which states that approvals granted in general meeting (other than AGM) shall be valid for a period of one year.</p> <p>(d) Interest Payment is beneficial to the Company: The interest amount is calculated on an arm's length basis and is beneficial to DSPPL and the Company. In absence of shareholders' approval, DSPPL will not be able to receive the interest from ACSPL which could be prejudicial to the interest of DSPPL and the Company.</p>
9.	Item No. 13 – Material RPTs between Vishwatma Solar Energy Private Limited (“VSEPL”) and ACSPL	<p>(a) Pre-listing RPTs which crossed the materiality threshold: Prior to the listing, ACSPL availed a loan, which was secured amongst others, by way of extension of charge over VSEPL's assets. As per the requirements applicable to the Company prior to listing, this did not constitute a related party transaction. Therefore, the Company did not make corresponding disclosure in the HY1 RPT Disclosure, (i.e. for the period, when the Listing Regulations were not applicable on the Company). However, for the purposes of assessing the materiality threshold for the proposed RPTs in the Postal Ballot Notice, as per the Listing Regulations, the Company has taken into account all transaction that qualify as related party transaction as per the Listing Regulations. The quantum of loan availed by ACSPL and the corresponding security over VSEPL's assets cumulatively cross the materiality threshold as specified under the Listing Regulations and</p>

		<p>Company's Policy on Related Party Transactions. Accordingly, the Company has sought shareholders' approval for the transactions post-listing.</p> <p>(b) Release of security for loans availed by promoter entities: ACSPL is in the process of repaying and/or releasing the security created over the assets of the VSEPL for the loan availed by ACSPL. Once repaid/released, the pre-listing RPT that crossed the materiality threshold will cease to exist.</p> <p>(c) Approval is being sought for the RPTs (as necessary) from the Listing Date: The approval is being sought for <i>“entering into and/ or carrying out and/ or continuing with existing contracts/arrangements/ transactions or modification(s) of earlier contracts/ arrangements/transactions, or as fresh and independent transaction(s) or otherwise”</i> between VSEPL and ACSPL during FY 2025 (which includes the period beginning from the date of listing, i.e., November 13, 2024) and FY 2026. Please refer to pages 14, 74 and 75 of the Postal Ballot Notice in this regard. Therefore, in the Postal Ballot Notice, we have sought approval from the listing date.</p> <p>It is further clarified that the reference to the timeline/ validity of approval being one year, is in line with the Listing Regulations read with SEBI Master Circular dated November 11, 2024, which states that approvals granted in general meeting (other than AGM) shall be valid for a period of one year.</p> <p>(d) Interest Payment is beneficial to the Company: The interest amount is calculated on an arm's length basis and is beneficial to VSEPL and the Company. In absence of shareholders' approval, VSEPL will not be able to receive the interest from ACSPL which could be prejudicial to the interest of VSEPL and the Company.</p>
10.	Item No. 14 – Material RPTs between Aarohi Solar Private Limited (“ASPL”) and ACSPL	<p>(a) Pre-listing RPTs which crossed the materiality threshold: Prior to the listing, ACSPL availed a loan, which was secured amongst others, by way of extension of charge over ASPL's assets. As per the requirements applicable to the Company prior to listing, this did not constitute a related party transaction. Therefore, the Company did not make corresponding disclosure in the HY1 RPT Disclosure, (i.e. for the period, when the Listing Regulations were not applicable on the Company). However, for the purposes of assessing the materiality threshold for the proposed RPTs in the Postal Ballot Notice, as per the Listing Regulations, the Company has taken into account all transaction that qualify as related party transaction as per the Listing Regulations. The quantum of loan availed by ACSPL and the corresponding security over ASPL's assets, cumulatively, cross the materiality threshold as specified under the Listing Regulations and Company's Policy on Related Party Transactions. Accordingly, the Company has sought shareholders' approval for the transactions post-listing.</p>

		<p>(b) Release of security for loans availed by promoter entities: ACSPL is in the process of repaying and/or releasing the security created over the assets of the ASPL for the loan availed by ACSPL. Once repaid/released, the pre-listing RPT that crossed the materiality threshold will cease to exist.</p> <p>(c) Approval is being sought for the RPTs (as necessary) from the Listing Date: The approval is being sought for “<i>entering into and/ or carrying out and/ or continuing with existing contracts/arrangements/ transactions or modification(s) of earlier contracts/ arrangements/transactions, or as fresh and independent transaction(s) or otherwise</i>” between ASPL and ACSPL during FY 2025 (which includes the period beginning from the date of listing, i.e., November 13, 2024) and FY 2026. Please refer to pages 15 and 77 of the Postal Ballot Notice in this regard. Therefore, in the Postal Ballot Notice, we have sought approval from the listing date.</p> <p>It is further clarified that the reference to the timeline/ validity of approval being one year, is in line with the Listing Regulations read with SEBI Master Circular dated November 11, 2024, which states that approvals granted in general meeting (other than AGM) shall be valid for a period of one year.</p> <p>(d) Interest Payment is beneficial to the Company: The interest amount is calculated on an arm’s length basis and is beneficial to ASPL and the Company. In absence of shareholders’ approval, ASPL will not be able to receive the interest from ACSPL which could be prejudicial to the interest of ASPL and the Company.</p>
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