

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **SILVER CONSUMER ELECTRICALS LIMITED**

CIN: U46539GJ2021PLC122633

*Reg. Office: Revenue Survey No. 36, 37, 38, 43 to 47/1, Plot No. 1, 3, 5 & 6,  
Village: Haripar (Tarvada), Tal: Lodhika, Rajkot – 360 035 Gujarat (India)  
Email: sales@silverpumps.com, Contact No. +91 99250 15610  
Website: www.silverpumps.com*

### **INTRODUCTION**

The Corporate Social Responsibility (“**CSR**”) Policy of Silver Consumer Electricals Limited (the “**Company**”) has been developed in accordance with Section 135 of the Companies Act, 2013 on CSR and in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments thereof duly notified by the Ministry of Corporate Affairs. Our CSR initiatives focus on universal development of host communities, and create social, environmental and economic value to the all class of the society.

The Company requires to formulate a CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of society.

### **CSR OBJECTIVE**

The Company firmly believes that CSR is primarily, the responsibility of the Company in relation to

the impact of its decisions and activities on the society and also the environment, through a transparent and ethical behavior which is:

1. Consistent with sustainable development and welfare of society,
2. Takes into account the expectations of stakeholders,
3. Is in compliance with applicable law, and
4. Is uniformly integrated and practiced throughout the Company.

## **SCOPE**

The Company has motto to spend, either directly or through Registered Trust/ Registered Society/ Licensed Companies, on below CSR activities –

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
2. Promotion of 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 centers 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, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;
5. Protection of national heritage, art and culture including restoration of building 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;
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 or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
9. 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;
10. Contribution to public funded universities;
11. Slum area development;
12. Disaster management, including relief, rehabilitation and reconstruction activities; and
13. Any other activity as may be notified by Central Government from time to time as CSR activities.

## **DEFINITIONS**

In this Policy, unless the context otherwise requires:

**"Act"** shall mean the Companies Act 2013, including any modifications, amendments or re-enactment thereof.

**"Agency"** (or Agencies) means any Section 8 Company or a registered trust/ society/ NGO/ institution, performing social services for the benefit of the society and excluding a registered trust/society/ NGO/institution/ Section 8 Company which is formed by the Company or its holding or subsidiary company/companies.

**"Approved Budget"** shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, if any which is to be utilized for CSR Projects.

**"Board"** shall mean the Board of Directors of the Company.

**"Company"** shall mean Silver Consumer Electricals Limited and wherever the context requires,

shall signify the Company acting through its Board.

**“CSR Committee”** shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act.

**“CSR Expenditure”** means all CSR expenditure of the Company as approved by the Board, including the following:

- contribution to CSR Projects which shall be implemented and/or executed by the Company;
- contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by its Trust or Society; and
- contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by an Agency.
- Any other contributions covered under Schedule VII.
- Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR expenditure.

**“CSR Officer”** shall mean the whole-time person engaged by Company for activities envisaged in the CSR Policy; having due comprehension, understanding, drive and passion for such activities and designated as such.

**“CSR Policy”** shall cover the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.

**“CSR Projects”** or **“Projects”** means Corporate Social Responsibility projects / activities / programs / initiatives, instituted in India, either new or ongoing, and include, but is not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee, if any as per the declared CSR Policy of the Company.

Projects / activities / programs / initiatives undertaken in pursuance of normal course of business of the Company and projects which benefit only the employees of the Company and their families shall not be considered as CSR Projects.

**“CSR Rules”** shall mean the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments thereof duly notified by the Ministry of Corporate Affairs.

**“Financial Year”** shall mean the period beginning from 1<sup>st</sup> April of every year to 31<sup>st</sup> March of the succeeding year.

**“Net Profit”** shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR expenditure has to be calculated.

**“Rules”** shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.

**“Society”** means a Society registered under the Societies Registration act, 1860 by the Company.

**“Trust”** means a Trust registered under the India Trusts Act, 1882 by the Company.

### **AREAS:**

Company is eligible to undertake any suitable/rightful activity as specified in Schedule VII of the Act.

### **IDENTIFICATION OF CSR PROJECTS:**

CSR Projects need to be identified and planned, with estimated expenditure and phase wise implementation schedules, if any.

The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company (including its Units) operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.

As a cardinal principle, the CSR Projects in prescribed areas, shall be identified on the basis of a detailed assessment survey.

The CSR Officer may engage external professionals/firms/agencies, if required, for the purpose of identification of CSR Projects.

## **IMPLEMENTATION OF CSR PROJECTS:**

The Company shall implement the identified CSR Projects by the following means:

### **Direct Method**

The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Areas as defined in the Policy;

The Company may also implement the identified Projects presently through its Trust or Society which is involved in CSR activities, within the scope and ambit of the Areas as defined in the Policy.

The CSR Officer may engage external professionals/ firms/ agencies if required, for the purpose of implementation of its CSR Projects.

The Company, may collaborate with other companies, including its Associate Companies if required, for fulfilling its CSR objects through the Direct method, provided that the Board of Directors of respective companies are in a position to monitor separately such CSR Projects.

### **Indirect Method**

The Company may implement the identified CSR Projects through Agencies, subject to the condition that:

- a) The activities pursued by the Agency are covered within the scope and ambit of Schedule VII of the Act provided
- b) The Agency has an established track record of at least three years in undertaking similar programs or projects
- c) The Company has specified the Project to be undertaken through the Agency which shall be in prescribed Areas, the modalities of utilization of funds on such Projects and the monitoring and reporting mechanism which shall be at least once in three months
- d) The Agency is Register with Registrar of Companies (“RoC”) by filling necessary forms with MCA

The Company may collaborate with other companies, including its associate Companies, if required, for fulfilling its CSR objects through the Indirect method provided that the Board of Directors of respective companies are in a position to monitor separately such Projects.

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its Policy, which shall include the following, namely:

- (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 as specified in the CSR Rules;
- (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.

### **MONITORING AND REPORTING MECHANISM**

The CSR Committee shall ensure a transparent monitoring mechanism for CSR activities.

- A. At the start of each year the company shall indicate the target amount to the CSR committee.
- B. CSR Committee, at the beginning of each Financial Year, give a budget estimate of the likely expenses on the ongoing CSR Projects as well as the expenses likely to be incurred in new CSR initiatives during the year. The Board will consider and approve the CSR plan/ budget with or without modification as it desires. Any decision of the board shall be by way of resolution passed on this subject.
- C. CSR Committee shall monitor CSR activities of the Company and report the same to Board, on Annual Basis, in the format specified in Annexure I and Annexure II to CSR Rules, 2014.
- D. CSR Committee will ensure the following key points while spending or authorising to spend on CSR activities / programs –
  - 1. Preference will be given to locations in and around the place wherein the company/ its operations are located.
  - 2. All CSR activities shall be carried out in India.
  - 3. Fund earmarked for CSR shall not be given to any political party or for any political



- purpose.
4. Projects/programs or activities carried out for the benefit of employees of the Company or for their families shall not be considered as CSR activities.

## **FUND ALLOCATION AND OTHERS**

### **Fund allocation**

The company, in every Financial Year, shall endeavor to spend the feasible amount, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the immediately preceding three Financial Years. However, the aforementioned expenditure in any Financial Year shall be at least 2% of Company's average Net profits for the three immediately preceding Financial Years. Furthermore, the administrative overheads shall not exceed five percent of the total CSR expenditure of the Company for the financial year.

In case the Company fails to spend the statutory minimum limit of 2% of Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reasons for the same in its report in terms of clause (o) of sub-section (3) of section 134.

Any surplus arising out of the CSR activities shall not form part of the business profit of the 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.

In case the company spends an amount in excess of the 2%, then the Company may set off such excess amount up to immediate succeeding 3 (three) financial year subject to following conditions:

1. The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any; and
2. The Board shall pass a resolution to that effect.

## **TREATMENT OF UNSPENT AMOUNT**

If the Company fails to spend the required amount in a particular financial year, the treatment of unspent CSR amount shall be as under:



**(a) In case unspent amount not relating to ongoing CSR Project:**

1. The Board, in their Annual Report pertaining to that particular Financial Year shall specify the reasons for not spending the amount; and
2. The Company shall transfer such unspent amount to a fund specified in Schedule VII, within a period of six months of the expiry of the said Financial Year.

**(b) In case unspent amount relating to any ongoing CSR Project:**

1. The Company shall open a special account in any scheduled bank to be called “Unspent Corporate Social Responsibility Account” and transfer such unspent amount, within a period of 30 days, from the end of that Financial Year to above mentioned account; and
2. Such amount shall be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer.

If the after completion of third year also the amount remains unspent, the company shall transfer the same to a Fund specified in Schedule VII of the Act, within a period of thirty days from the date of completion of the third financial year.

**Others**

The Chairman, Managing Director and Whole-Time Directors of the Company are authorized severally to decide on Projects to be implemented through the Indirect Method within the allocation as per the Annual Plan.

Any surplus arising out of the CSR Projects shall not form a part of the business profit of the Company.

The Company may build CSR capacities of their own personnel or personnel of its Trust or Society, as well as those of the Agencies through institutions with established track records of at least three Financial Years but such expenditure shall not exceed 5% of the Approved Budget of the Company in one Financial Year.

**DUTIES AND RESPONSIBILITIES****1. Board of Directors**

The Board shall include in its Report the annual report on CSR Projects as per the format

provided in the Annexure to the Rules.

The Board shall monitor the implementation of the CSR Policy and CSR Plan. For this purpose, the Board of Director shall ensure that the CSR Policy and finalized Annual Plan is displayed on the Company's website.

## **2. CSR Officer**

The CSR Officer shall be responsible for the proper implementation and execution of CSR Projects of the Company and following will be considered as CSR Officers:

The CSR Committee may designate any Director or other Official as a CSR Officer.

The CSR Officer shall be responsible for monitoring the Projects vis-à-vis the Annual Plan.

The CSR Officer shall be directly responsible to the Board of Directors for any act that may be required to be done by the Board of Directors in accordance with the Policy.

The CSR Officer shall be assisted by a select group of individuals who shall be exclusively dedicated and/or available on priority basis to the CSR Officer, including in Units, as and when required in discharge of all or any of his functions as required under the CSR Policy.

### **REVIEW AND AMENDMENT:**

CSR Policy may be revised/modified/amended by Board of Directors at such intervals as it may deem fit. Furthermore, the provisions of the Act and the CSR Rules (as amended from time to time) and any Notification/ Circular/ clarifications issued by Authorities, shall automatically apply and be part of this CSR Policy.

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference shall be made to CSR Committee. In all such matters, the interpretation and decision of the CSR Committee shall be final.

### **CONTACT:**

For queries related to the CSR Policy, please write to us at: [cs@silverpumps.com](mailto:cs@silverpumps.com)