



A charity never fails to keep others smile

CORPORATE SOCIAL RESPONSIBILITY POLICY

Approved by the Board on July 07, 2014 and modified on May 20, 2021

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1. About Corporate Social Responsibility

Social Responsibility is one of the many responsibilities of a Corporate to contribute something from its earnings for the development of the society without any anticipation. Society requires some support for its advancement. A growth of economy without any corresponding growth of society has no meaning where only some people will be capable of reaping the growth fruits and others will be lagging behind. A growth in the Country to be inclusive and all round. Hence, every citizen including corporate need to shoulder some social responsibility for the progress of the society. Now this responsibility has been legitimized for the corporate to earmark some profits for social development.

2. Salzer's past endeavors in Social activities

Salzer, right from inception, has been rendering its social services either directly or through its Trust namely Salzer Educational Medical Research Trust in the area of:

- Providing financial assistance to economically challenged students for pursuing education of the local regions where the Company operates comprising of Gudalur, Periyanaickenpalayam, Naickenpalayam, Coovanoor, Veerapandi, Chinnamadhampalayam, Bettathapuram etc.,
- Providing financial assistance to the deserved people to undergo the medical treatment for any ailments,
- Distribution of stationeries to the students of the Governments School,
- Conducting the sports events like Ball Badminton, Kabadi etc.,
- Plantation of siblings etc., in local villages,
- Providing inplant training for development of Job Skills and Knowledge
- Part Funding for construction of public utility and amenities such as Roads, Rest Rooms, Drainages, Community Hall etc., for the local regions,
- Organizing free health check-up for the people of the underprivileged Sections etc.,

3. CSR Committee:

In line with the Provisions of Section 135 of the Companies Act 2013 and relevant Rules made thereof, the Board of Directors of the Company at their meeting held on 10th May 2014 has constituted a CSR Committee comprising of six members of the Board under the Chairmanship of the Chairman of the Company Shri.N.Rangachary, an Independent and Non Executive Director with the following terms of reference:

- a. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;**
- b. formulate and recommend to the Board, an annual action plan in pursuance of its CSR 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**
 - (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**
- c. Recommending any amendments to the CSR Policies from time to time.
- d. Recommending the amount of expenditure to be incurred on the activities as specified in this policy
- e. monitor the Corporate Social Responsibility Policy of the company from time to time

4. CSR Expenditure

The Company shall spend at least 2% of the average net profits of the company made during the three immediately preceding financial years, in pursuance of this Corporate Social Responsibility Policy towards various enumerated social activities

"Net profit" shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of section 198 of the Companies Act 2013:

The company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities,

If the company fails to spend such amount, the Board shall, in its 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.

If the company spends an amount in excess of the requirements provided under Section 135(5) of the Companies Act 2013, the company may set off such excess amount against the requirement to spend under aforesaid Section for such number of succeeding financial years and in such manner.

5. Unspent Corporate Social Responsibility Account

Any amount remaining unspent pursuant to any ongoing project undertaken by the company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year 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, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

“Ongoing Project” means a multi-year project undertaken by a Company in fulfilment 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;

6. Social Activities

The Company shall undertake the following activities within the frame work of Schedule VII to the Companies Act 2013

- a. 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;

- 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 centers 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga**
- 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- g. training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- h. 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;**
- i. 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;**
- j. 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 Organization (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);

k. Rural development projects;

l. slum area development;

m. disaster management, including relief, rehabilitation and reconstruction activities

7. Activities not falling under CSR

“CSR” means the activities undertaken by a 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 following, namely:

a) activities undertaken in pursuance of normal course of business of the company;

b) 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;

c) contribution of any amount directly or indirectly to any political party under section 182 of the Act;

d) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);

e) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;

f) activities carried out for fulfillment of any other statutory obligations under any law in force in India

8. CSR Implementation. –

The Board of Directors shall ensure that the CSR activities are undertaken by the company itself or through following Company/Trust / Society /entity registered with the Central Government for undertaking CSR Activities.

a) 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 the company, either singly or along with any other company, or

b) 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

c) any entity established under an Act of Parliament or a State legislature; or

d) 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.

9. CSR Expenditure.

The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year

“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 programme

10. Surplus arising out of CSR Activities

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.

11. CSR Reporting.-

The Board's Report of a company pertaining to any financial year shall include an annual report on CSR containing particulars specified in relevant Annexure under CSR Rules

12. Display of CSR activities on its website.

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

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