



**UNIMECH AEROSPACE AND MANUFACTURING PRIVATE LIMITED
CORPORATE SOCIAL RESPONSIBILITY (CSR POLICY)**

Unimech Aerospace and Manufacturing Limited
CIN NO.: U29200KA2016PTC095712
538, 539, 542 & 543, 7th Main of Peenya IV Phase
Industrial Area, Yeshwanthpur Hobli, Bangalore, Bangalore North Taluk,
Karnataka, India, 560058

1. PREAMBLE

A. Short title & Applicability

This policy encompasses the Company's philosophy for giving back to society as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially beneficial programs for the welfare & sustainable development of the community at large. This Policy is titled as the '**Unimech CSR Policy**'.

Unimech CSR Policy aims to strictly adhere to the guidelines stipulated under Section 135 of the Companies Act 2013 and rules made thereunder and the scope of activities, functioning of the policy and adhering to all such mandates as required under the Act. (Companies Act 2013, rules and modifications/amendments made from time to time).

This policy shall apply to all CSR initiatives and activities taken up by the Company for the benefit of the society.

B. CSR Vision Statement & Objectives

Vision Statement

Main objective of the Company's CSR policy is giving back to the society from which it draws its resources by extending helping hand to the needy and the underprivileged.

Unimech Aerospace and Manufacturing Limited is committed to good corporate citizenship not only by complying with relevant laws and regulations, but also by making constant efforts to build and nurture the relationship with members of the society and contribute to improvement of the quality of life of people in the communities in which the Company operates.

Corporate Social Responsibility is the commitment of business to contribute for sustainable economic development by working with the employees, local community and society at large to improve their lives in ways that are good for business and development. It is the contribution of the corporate sector for philanthropic causes like Education, Skill Development, Art & Culture, Health, Environment, animal welfare, protection of national heritage, community welfare, contribution to the prime minister's fund and so on.

In alignment with vision of the company, through its CSR initiatives, will continue to enhance value creation in the society, through its services, conduct & initiatives, to promote sustained growth of the society, in fulfilment of its role as a Socially Responsible Corporate.

Objectives

The objectives of the SML CSR Policy are to:

- To take up programs that benefit the communities over a period, in enhancing the quality of life & economic well-being of the local populace. The Company and the management are to actively involve and participate in social welfare projects by voluntarily taking time off from work.
- To ensure increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.

C. Business principles

Our business principles prescribe that everyone at Unimech Aerospace and Manufacturing Limited needs to follow the operational standards. It also supports our approach to governance, corporate social responsibility and continuous improvement.

2. DEFINITIONS:

- (a) 'Act' means the Companies Act, 2013
- (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 programme;
- (c) 'CSR Committee' means Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act;
- (d) Net profits means the net profit of the Company as per its financial statements calculated in accordance with the provisions of Section 198 of the Act, but shall not include the following:
 - (i) any profit arising from any overseas branch or branches of the Company, whether operated as a 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:`

Any definition not covered here shall be referred as per the Companies Act, 2013 and the rules framed thereunder

3. SCOPE OF THE ACTIVITIES

The "CSR Policy" relates to the activities to be undertaken by the company as specified in Schedule VII to the Act, Rules made and subject to such modifications and amendments from time to time.

Corporate Social Responsibility Activity 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 following: -

- activities undertaken in pursuance of normal course of business of the Company.
- 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.
- contribution of any amount directly or indirectly to any political party under section 182 of the Act.
- activities benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019).
- activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services.
- activities carried out for fulfilment of any other statutory obligations under any law in force in India.

Primarily the Company intends to focus on below listed areas However, the list is not exhaustive, and the Company may take up any other activity, which is eligible under the provisions of law: -

Sl. No	Name of the Program
1	<p>Education & Skill Development (Schedule VII (ii))</p> <p>promoting education, prevention of child labour, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement.</p> <p>Contribution to Gurukul, Vidyapeeth and other religious educational institutions with an aim to invigorate the Sanatan Vedic education system.</p> <p>Skill development under National Apprenticeship Promotion Scheme or such other govt sanctioned schemes.</p> <p>Providing facilities in schools & Anganwadi's, initiatives for Girl child education, merit scholarships for technical education.</p> <p>Construction, reconstruction, renovation and repairs of school buildings and other facilities within the local area of operation</p>
2	<p>Protection of national heritage, art and culture (Schedule VII (v))</p> <p>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.</p> <p>Contribution for restoration of temples and religious monuments including restoration of buildings and sites of historical importance.</p> <p>Promotion and development of traditional art and culture</p>
3	<p>Animal Welfare, Environment & Water Conservation. (Schedule VII (iv))</p> <p>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.</p> <p>Contribution for the conservation of cows and donations to "Gaushala's" (Cow Sheds)</p>

4	<p>Healthcare & Eradication of Hunger (Schedule VII (i))</p> <p>Eradicating hunger, poverty, and malnutrition, promoting health care and hygiene including preventive health care and sanitation, Making available safe drinking water, contribution to the Swach Bharat Kosh set-up by the Central Government or so on.</p> <p>Contribution for encouraging Yoga, Naturopathy, Meditation, Ayurveda, and other ancient approaches of medicine.</p> <p>The health & nutrition needs, mobility and livelihood of lower income group households. The activities shall be implemented either by way of providing relief facility and feed the needy or by way of treatment and promotion of health care.</p>
5	<p>Social Welfare & Community Development Programme (Schedule VII (iii), (vi), (vii), (viii), (ix) (x), (xi), (xii))</p> <p>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.</p> <p>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)</p> <p>Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.</p> <p>Rural development projects</p> <p>Slum area development.</p> <p>Disaster management, including relief, rehabilitation and reconstruction activities.</p> <p>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.</p> <p>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.</p>

	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).
6	The above list is illustrative and not exhaustive. On the prior approval of CSR Committee, The Company can undertake such other CSR activities as prescribed in the Schedule VII of the Act and amended from time to time.

4. CONSTITUTION OF CSR COMMITTEE

“CSR Committee” means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Companies Act, 2013. The Committee is constituted at the level of the Board of Directors of the Company consisting of three or more Directors, out of which at least one director shall be an independent director. Provided that where the Company is not required to appoint an Independent Director, The Committee shall have two or more Directors.

The Scope, terms of reference and Powers, etc., of the Committee will be as specified in Sec.135 of the Companies Act, 2013 and the Rules framed thereunder as amended from time to time.

The Company Secretary of the Company, if any, shall act as Secretary to the Committee.

The details of the composition shall be hosted on the Company's website at www.unimechaerospace.com.

5. FORMULATION OF ANNUAL ACTION PLAN:

The CSR Committee shall formulate and recommend to the Board, an annual action plan, which shall include the following, namely

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

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;

6. PRINCIPLE OF SELECTION OF PROJECT:

Project selected for CSR activities will be categorized under ongoing project and project other than ongoing project.

‘Ongoing Project’ means a multi-year project undertaken by the Company in fulfilment of its CSR obligations 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.

‘Other than Ongoing Projects’ means projects which are not fulfilling the condition of Ongoing Project i.e., which are expected to be completed within that respective Financial Year.

7. RESOURCES

Funding & Allocation

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programs, the Company shall allocate 2% of its average Net Profits made during the 3 immediately preceding financial years calculated as per Sec-198 of the Companies Act, 2013, as its Annual CSR Budget in each Financial Year.

From the annual CSR Budget allocation, a provision will be made towards the expenditure to be incurred on identified Areas, for undertaking CSR activities on a year on year basis.

Allocation of the Annual Budget for CSR activities in any given year shall be as per the provisions of the Companies Act 2013 and rules made thereof as amended from time to time.

8. IMPLEMENTATION

CSR programs shall be undertaken through Company or through external implementing agencies or through any Trust or the Company may also partner with credible organizations – individually or as consortium- to design, fund, implement and review projects or through combination of the aforesaid.

The CSR activities will be implemented under the guidance and support of the CSR Committee and the Board. The CSR Committee ensures that the CSR policy is embedded across the Company’s operations and the CSR initiatives are in line with this policy.

9. CSR EXPENDITURE

- i. The Board/Committee shall ensure that the Company spends, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years.
- ii. The Board/Committee shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

- iii. 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.
- iv. Where the Company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that-
 - a) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
 - b) the Board of the Company shall pass a resolution to that effect.
- v. The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by
 - a) The Company or a Company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
 - b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - c) a public authority:
- vi. If the Company fails to spend such amount, the Board shall, in its report to be made under clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 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.
- vii. Any amount remaining unspent, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, to be undertaken by 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.
- viii. Company shall give preference to the local area and areas around its operations, for spending the amount earmarked for Corporate Social Responsibility activities.

10. MONITORING AND REPORTING

The fundamental goal is to see that all the programs and activities are positive and running successfully. The monitoring mechanisms include visits, meetings and progress/status reporting by the projects team's /Company's personnel, or such other agencies as may be entrusted with.

The CSR Committee has the power to seek progress/status report, depute an official from the Company or outside agencies to inspect activities and ensure timely information from implementing agencies to whom/which the funds have been granted.

11. MEETINGS OF THE COMMITTEE

The Committee shall meet at least once a year.

12. REPORTING, DISCLOSURE AND REVIEW

CSR initiatives of the Company shall be reported in the Annual Report as per the Act and Companies (Corporate Social Responsibility) Rules, 2014 for the time being in force and as amended from time to time and this policy shall be displayed on website of the Company.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by the Government, from time to time.

13. CERTIFICATION OF UTILIZATION OF CSR FUNDS

The Board shall satisfy itself that the CSR funds have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

The Board will review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.

In case of any conflict between provisions of this CSR Policy and the applicable laws, the provisions of the applicable laws shall supersede. Notwithstanding the absence of any provisions of the applicable laws in this CSR Policy, the Company shall comply with such provisions as if they are part of the CSR Policy.