

CORPORATE SOCIAL RESPONSIBILITY POLICY



ALP AEROFLEX INDIA PRIVATE LIMITED

{This policy has been instituted based on the Corporate Social Responsibility (CSR) philosophy of ALP Aeroflex India Private Limited and provisions of Section 135 of the Companies Act, 2013, read with Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2013. This policy will at all times be subject to the provisions of the aforesaid act and rules (as amended from time to time). This Policy will come into force with immediate effect.}

OVERVIEW AND CSR PHILOSOPHY

ALP Aeroflex India Private Limited (“AAIPL” or “Company”) believes in a philosophy of adopting sustainable business practices which are beneficial to the various stakeholders including the society. Through its corporate values, AAIPL constantly endeavors to actively contribute to the social and economic development of the communities in which it operates.

AAIPL has always believed in giving back to the society and recognized its role and responsibility as a corporate citizen. AAIPL has social values ingrained into its culture and manner of working.

To further the Company’s CSR philosophy, a formal policy on CSR is being formulated to align its practices with requirements of Companies Act, 2013 and rules made there under.

CSR PROJECTS, PROGRAMS AND ACTIVITIES

AAIPL may undertake various CSR projects, programs and activities from time to time. Such projects, programs and activities will be undertaken keeping in mind the CSR philosophy of the Company and in alignment with the permissible activities under the Companies Act, 2013 and rules framed under (as amended from time to time). It shall be at the discretion of the Company to undertake, modify, implement and cancel CSR projects, programs and activities from time to time as it deems fit.

Without prejudice to the generality of the aforesaid, The Company shall undertake its CSR activities in the areas as identified under Schedule VII of the Companies Act, 2013 (including all such amendments as may be in force from time to time).

MODE OF CARRYING OUT CSR ACTIVITIES

AAIPL may carry out the CSR activities either on its own, or through a registered trust or registered society or through one or more of the modes in such manner as may be deems fit by CSR Committee.

AAIPL may also collaborate with other companies for undertaking projects, programs and activities in such manner as may be deems fit by CSR Committee.

CSR COMMITTEE

The Board of Directors of the Company shall constitute a committee called the “Corporate Social Responsibility Committee” (“CSR Committee”) in accordance with the provisions of Companies Act, 2013 and rules made there under. The CSR Committee will consist of 3 or more directors or such other number of directors as the Board of Directors of the Company may determine from time to time. The Board of Directors may change the composition of the CSR Committee from time to time in such manner as it thinks fit. Subject to provisions of Companies Act, 2013 and rules made there under, the CSR Committee may meet at such intervals, in such manner and may carry out matters in such manner and function generally as per such guidelines as it deems fit. The CSR Committee shall have, inter alia, the following roles, powers and responsibility:

- a) Formulate and recommend the CSR Policy and any amendments therein to the Board of Directors of the Company
- b) Develop and approve various CSR projects, programs and activities to be undertaken from time to time either directly by the Company or through other entities
- c) Determine modalities of execution of such CSR projects, programs and activities
- d) Undertake all necessary steps to implement the CSR activities
- e) Authorise and approve CSR expenditure from time to time subject to the limits approved by the Board of Directors
- f) Monitor the CSR activities in such manner as it deems fit
- g) Carry out all such acts, deeds, matters and things as may be required in connection with aforesaid matters and generally for any matter connected with the CSR policy of the Company
- h) To perform such functions as may be entrusted by the Board of Directors from time to time.

DECISIONS BY THE CSR COMMITTEE

- 1) The CSR Committee shall at all times act in a manner that is consistent with the provisions contained in this CSR Policy, the Act and CSR Rules.
- 2) The CSR Committee shall endeavor to arrive at all decisions by a consensus of all Members. However, in the event the CSR Committee is unable to arrive at such a consensus, the Chairman of the Committee may make the final decision

MEETING OF THE CSR COMMITTEES

- 1) The CSR Committee shall meet as frequently as it determines necessary but at least twice annually.
- 2) The CSR Committee shall maintain minutes of each of its meetings.
- 3) The CSR Committee shall review proposed projects and make recommendations to the Board for approval of such projects and allocation of Funding in accordance with the CSR Committee charter.
- 4) The final decision with regards to the acceptance or rejection of a CSR Proposal shall be with the Board.

CSR SPENDING

The Company shall spend, in every financial year, at least 2% of the average net profits of the Company made during the 3 (Three) immediately preceding financial years, in pursuance of this Corporate Social Responsibility Policy. The CSR expenditure shall include all expenditure including contribution to corpus of implementing agency or on projects or programs relating to CSR activities

approved by the Board of Directors on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

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:

(i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any;

(ii) the Board of the Company shall pass a resolution to that effect.

MONITORING PROCESS

CSR Committee shall monitor the implementation of various programs, projects and activities in such manner as it deems fit. CSR Committee shall also determine the manner of submission of information, reports, files, etc. by third parties as a part of the monitoring process. CSR Committee shall ensure that a transparent monitoring mechanism is put in place.

REPORTING MECHANISM

The Company shall publish its annual report on CSR Activities in its Directors Report in the manner prescribed under the Companies Act 2013 and the CSR Rules. This policy will also be available on the Company's website.

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 Project:

- The Board of Directors in their Annual Report pertaining to that particular Financial Year shall specify the reasons for not spending the amount; and
- The Company shall transfer such unspent amount to a Fund specified in Schedule VII, within a period of 6 (Six) months of the expiry of the said financial year.

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

- 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 (Thirty) days, from the end of that financial year to above mentioned 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 3 (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, within a period of thirty days from the date of completion of the third financial year.

AMENDMENTS

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.