

IM GEARS P LTD

**CORPORATE SOCIAL RESPONSIBILITY
POLICY, 2014**





INTRODUCTION

- 1.1 As a responsible company, we are committed to finding ways of minimising our impact on the environment and maximising our contribution to the communities in which we operate.
- 1.2 IM Gears feels that a structured Policy will help reaching out to external stakeholders and underserved communities through programs, partnerships and initiatives that help in improving the quality of life and making such communities self-reliant and thus be a constructive part in society building.
- 1.3 The CSR Policy of the Company outlines a broad framework, it extends discretion to the Board or its Committee to determine coverage of areas within the territory of India and preferably the geographical area in and around where the company is located and other terms.
- 1.4 All the proposals for expenditures of the Company falling under the areas qualifying for CSR shall be placed before the CSR Committee and shall be subject to supervision and directions of the Committee.

OBJECTIVES OF THE POLICY

- 2.1 The main objective of the CSR Policy is to lay down guidelines for the Company to make CSR as one of the key focus areas so as to make a contribution to the society. The CSR Policy covers the entire CSR activities to be undertaken by the Company in alignment with the Company's policy and read with the Act as amended from time to time in respect of CSR activities to be carried out in India. The Company proposes to implement its CSR activities in the following areas which list is not limited or exhaustive but inclusive:
 1. Healthcare
 2. Provision of Sanitation facilities
 3. Providing Drinking Water
 4. Education including construction of schools/upgrading facilities for school etc
 5. Rural Development - providing infrastructure in and around the villages surrounding the Plant
 6. Extending Medical facilities to the local community
 7. Environment Protection
 8. Libraries for the local community
 9. Providing funds to the local hospital for improving its infrastructure
 10. Any other as may be approved by the Committee as per the Act.



2.2 The Corporate Social Responsibility programmes of the Company aim to cover the areas of Environment, Safety, Education, Health Care and Social Empowerment. Additionally, the projects falling under any of the following areas can also be considered by the Board or Committee in exercise of their respective powers enumerated in the Policy:

- (i) eradicating hunger, poverty and malnutrition, promoting 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
- (ii) promoting education, vocation skills and livelihood enhancement projects
- (iii) Gender equality, empowering women; setting up homes and hostels for women and orphans; old age homes, day care centres and other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) Environmental sustainability, protection of flora and fauna, 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.
- (v) Protection of national heritage, art, handicraft and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries.
- (vi) For benefit of armed forces veterans, war widows and their dependents.
- (vii) Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports.
- (viii) Contribution to the Prime Minister's National relief fund and any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women.
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- (x) Rural development projects.
- (xi) Slum area development

IMPLEMENTATION

- 3.1 The Board of Directors of the Company (hereinafter referred to as "**the Board**") and the CSR Committee are empowered in terms of the Policy to laydown CSR programs for the Company to follow.
- 3.2 Contents of the policy should be disclosed on the Company's website, if any, and also in the Directors Report.
- 3.3 A specific budget would be recommended by the Committee from time to time for eligible CSR activities subject to approval of the Board. The budget may be project driven or otherwise.



- 3.4 All the clauses of this Policy shall be subject to the laws of India and Section 135 of the Companies Act, 2013 and the Rules, Notifications, Circulations made thereunder.
- 3.5 The Committee shall be free to adopt the modus operandi for CSR spends of the Company.

CONSTITUTION OF CSR COMMITTEE

- 4.1 The Board shall constitute a Committee in the name and style of "Corporate Social Responsibility Committee" (hereinafter referred as "**CSR Committee**") which shall consist of atleast Two (2) Directors out of which one Director at any time shall be an Independent Director, if there is one on the Board.
- 4.2 The Board shall name the Chairman of the Committee. In the absence of the Chairman from any meeting, the members of the Committee present in the meeting shall elect one amongst them to act as the Chairman.
- 4.3 The Board is free to determine sitting fees for attending the meeting by the members.

PROCEEDINGS OF THE COMMITTEE

- 5.1 The Committee shall meet as and when the Chairman calls for a meeting. Any one of the members of the Committee may, at the request of the Chairman, also call for a meeting.
- 5.2 Quorum of a meeting of the Committee shall be any two members present, in the meeting, personally or over video conference.
- 5.3 The Notice of the meeting shall specify the Agenda. However, the members are free to discuss any other issue, with the permission of the Chairman of the meeting, whether included in the notice or not.
- 5.4 The affairs of the Committee, including those related to meetings, shall be conducted in a manner required under the Act.
- 5.5 Company Secretary of the Company shall act as the Secretary to the Committee and who shall update the Committee of the compliances by the Committee and the Company.

MANDATE FOR CSR COMMITTEE

- 6.1 Upon constitution by the Board, the CSR Committee shall exercise the following responsibilities and powers:



- To formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company in compliance with the provisions of the Companies Act, 2013 and the rules made thereunder;
- To recommend the amount of expenditure to be incurred on the activities referred to above;
- To monitor the implementation of the Corporate Social Responsibility Policy of the Company from time to time;
- To approve Corporate Sustainability Report and oversee the implementation of sustainability activities;
- To oversee the implementation of policies contained in the Business Responsibility Policy Manual and to make any changes / modifications, as may be required, from time to time and to review and recommend the Business Responsibility Report to the Board for its approval;
- To advise the Board periodically with respect to significant developments in the law and practice of corporate social responsibilities and to make recommendations to the Board for appropriate revisions to the Company's CSR Policy;
- To monitor Company's compliance with the applicable laws and regulations and make recommendations to the Board on all such matters and on any corrective action to be taken, as the Committee may deem appropriate;
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for the performance of its duties.

6.2 The Committee may choose to designate a person or authorise a team to implement and oversee the CSR activities of the Company and require them to report the development on need basis to the Committee.

IDENTIFICATION OF PROJECTS UNDER THE POLICY

- 7.1 All projects should be identified in a participatory manner, preferably in consultation with the community, and gauging their basic needs.
- 7.2 The Committee may adopt one or more permitted means of funding its CSR activities, for example without limitation, by way of (i) donation to specific entities, or funds created by the government or (ii) formulating its own CSR project or (iii) participating in the CSR programs of the Group Companies or other entities.

MISCELLANEOUS

- 8.1 This CSR Policy can be modified by the Board of the Company from time to time.



- 8.2 The applicability of this CSR Policy shall be subject to conformity with the applicable laws of the land.
- 8.3 The CSR Policy shall come into force upon approval of the same by the Board of the Company or on a date as determined by it.
- 8.4 In case of any conflict between the Act and this CSR Policy, the provisions of the Act shall prevail.

LEGENDS AND DEFINITIONS

- 9.1 The terms used in this document shall have the following meanings assigned to it, unless the context otherwise requires:

"The Act" shall mean the Companies Act, 2013 with modifications thereto from time to time and the Rules, Regulations, Notifications and Circulars made thereunder.

"Board" shall mean the Board of Directors of the Company constituted from time to time

"CSR" shall mean the Corporate Social Responsibility or Corporate Social Responsibilities as the context may require.

"CSR Committee" or **"Committee"** shall mean the Committee constituted by the resolution of the Board together with any changes from time to time.

"CSR Policy" shall mean the Policy of the Company approved by the Board for carrying out Corporate Social Responsibility programs of the Company.

"Company" shall mean M/s IM Gears Private Limited incorporated under the Companies Act, 1956 having CIN U35999YN1995PTC030820 and having registered office currently at 235/1A & 2C, Vengaivasal Main Road, Madambakkam Post, Selaiyur, Chennai-600 073.