

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY OF KIRLOSKAR PNEUMATIC COMPANY LIMITED**

### **OVERVIEW**

The Kirloskar Group (hereinafter referred as 'the Group') of Companies enjoys a legacy of over a century of making a positive difference in the areas of socio - economic development of the less privileged communities and other stakeholders, by being a responsible business house through adoption of appropriate business processes and strategies and by carrying out various initiatives towards its social obligations towards society in the vicinity of all locations of the manufacturing plants of the respective entities in the Group, areas where entities of the Group operates as well as in other locations in India.

The focus of CSR activities of the Group has been Education, Environment and Health with the intention of integrating these objectives with those of the operations and growth of each entity in the Group.

In addition to undertaking direct CSR activities, the entities in the Group have a philosophy of built-in, self-regulating mechanism whereby each entity monitors and ensures its active compliance with the spirit of the laws, ethical standards and international norms.

### **CSR AT KIRLOSKAR PNEUMATIC COMPANY LIMITED (KPCL)**

1. KPCL draws its inspiration for conducting CSR activities from the legacy of the Group. The focus of CSR activities undertaken by KPCL is and will be on Education, Environment and Health.
2. While devising products, care should be taken by the Company to promote the education, health and sanitization, protect the environment and minimize adverse impact if any on the society at large.

3. The Company is committed to uphold the interests of all the stakeholders by implementing the various guidelines like business excellence models.

## **IMPLEMENTATION OF CSR IN KPCL**

### A. Funds to be expended per financial year

1. The Company shall spend at least 2 % (two percent) of the average net profits, calculated in accordance with the provisions of the Companies Act, 2013, and Rules thereunder, made by it in three immediately preceding financial years, in every financial year.
2. Any income or surplus arising out of CSR activities undertaken by the Company will form part of the corpus earmarked for CSR activities.
3. Any surplus arising out of any of the CSR activities carried out by the Company will not be treated as part of the business profits of the Company.

### B. Distribution of Funds to be expended every financial year

1. The Group has established various public charitable trusts having the objectives of Education, Environment and Health and the various activities carried out by them

<b>Sr. No.</b>	<b>Name of the Trust / Society</b>
1	Kirloskar Institute of Advanced Management Studies
2	Kirloskar Foundation

Out of the total eligible funds for CSR activities in each financial year, majority of the funds will be expended through one or more of the above trusts / societies / charities on CSR activities.

The remaining funds, at the discretion of the CSR Committee, the funds will be used to undertake CSR activities in the area of Education; Health and Environment.

These CSR initiatives may be carried out through the following programmes / projects, which are located / operate from the vicinity of the various manufacturing plants and offices of the entities in the Group:

Sr. No.	Programmes / Projects under	
	Education	Health
1	Contribution by way of donation to corpus fund of Kirloskar Institute of Advanced Management Studies to create facilities for education.	Community Health : Health camps will be offered every year to general communities like students and teachers from adopted schools, women, senior citizens, etc.
2		WASH: Awareness about water, sanitation and hygiene will be developed amongst teachers, non-teaching staff, students and administrators of schools.
3		HIV AIDS WORKPLACE & COMMUNITY INTERVENTION : HIV AIDS WPI will be an integral part of KPCL corporate social responsibility and will be implemented and sustained for employees as well as for identified communities like contract labour, trainees, teachers and non-teaching staff from adopted schools etc.

The CSR activities of the Company will be monitored by the CSR Committee of the Board of Directors of the Company. The Executive Director / Managing Director of the Company shall submit a yearly report to the CSR Committee,

within 45 days from the end of the year, setting out details of CSR activities undertaken and in the prescribed format.

The CSR committee of the Company can authorize the Executive Director or Managing Director to perform following functions:

- a. where required, create a working group to develop the CSR Commitments of the Company;
- b. include employees in the process of implementing the CSR activities being carried out by the Company.
- c. create a CSR working group or hold a contest for the best suggestions, encouraging employees and their representatives to put some thought into their submissions.
- d. review the CSR priorities to determine which codes of ethics or conduct fit best with the firm's goals.

The CSR committee of the Company can recommend to the Board for approval to any other CSR programmes or projects or activities not covered in this policy which are within purview of the Companies Act, 2013, and rules thereunder as amended from time to time.

This Policy is dated 23<sup>rd</sup> April, 2014.