



Enriching Lives

KARAD PROJECTS AND MOTORS LIMITED (Wholly Owned Subsidiary of Kirloskar Brothers Limited)

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY OF

KARAD PROJECTS AND MOTORS LIMITED

OVERVIEW

Karad Projects and Motors Limited (KPML) enjoys a legacy of Kirloskar Brothers Limited (KBL), a holding company, 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 for the society in the vicinity of all its manufacturing locations and its subsidiary companies, collectively referred to as the KBL Group. The Company is in pursuit of following the same footprints of KBL.

The focus of Corporate Social Responsibility (CSR) activities of the Group primarily, has been Education, Environment and Health. With the intention of integrating these objectives with the operations and growth of each entity in the Group, KBL group pursue higher level of performance in the CSR, which will create a sound systems for purposeful contribution to social causes. Successive efforts in this direction will help strengthen the sustenance of KBL values.

In line with KBL's CSR policy, the key drivers for CSR at the Company are:

- We believe that serving society is our prime purpose. We conduct our business responsibly and execute strategies that take technology, product and services to help generate sustainable livelihood for the underprivileged. We as KBL group are voluntarily meeting obligations towards serving the nation at large in line with KBL tradition and heritage.
- KPML's social programmes bring about a perceivable improvement in attitude, culture and values amongst our employees and community in order to improve the quality of their life.
- Conservation of natural resources and commitment to Green Environment.
- Developing business processes which are environmentally and socially sustainable by giving importance to societal and environmental attributes.

CSR AT KARAD PROJECTS AND MOTORS LIMITED

1. The Company draws its inspiration for conducting CSR activities from the legacy of KBL. As a part of social obligation towards the society, the focus of CSR activities will be primarily in the field of Education.

Project Division : Udyog Bhavan, Tilak Road, Pune 411 002 (India) Phone : +91 20 2444 0770 Fax : +91 20 2444 0156
 Motor Division : Plot No. B-67 & 68, MIDC Karad Industrial Area, Tasawade, Karad 415 109 (India) Phone : +91 2164 258424 Fax : +91 2164 258425
 Stamping Division : Plot No. D-2 & D-2/1 , MIDC Karad Industrial Area, Tasawade, Karad 415 109 (India) Phone : +91 2164 258515 Fax : +91 2164 258522
 Component Division : 775/B, Plot No. 11, Karad Dhebewadi Road, Wing 415 122 (India) Phone : +91 2164 267061 Fax : +91 2164 267522

Registered Office : Plot No. B-67 & 68, MIDC Karad Industrial Area, Tasawade, Karad 415 109 Tal. Karad, Dist. Satara, Maharashtra (India)
Phone : +91 2164 258424 Fax : +91 2164 258425 Email : enquiry@kpml.co.in Website: www.kpml.co.in
CIN : U45203PN2001PLC149623

CSR is a path that will be followed to meet its wider obligation towards society and community. A responsible organization recognizes that its activities have an impact in the society in which it operates. CSR is expected to extend beyond the statutory requirements and help people improve the quality of their life.

2. While devising products, care is taken by the Company to protect the environment and minimize adverse impact if any, on the society at large. The rationale for CSR is articulated to build in sustainable business model which is will be conducive for a healthy society.

IMPLEMENTATION OF CSR

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 Companies Act, 2013 and rules thereof, made by it in three immediate 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.
4. The expenditure incurred on activities undertaken by the Company in pursuance of normal course of business shall be excluded from CSR expenses and also any expenditure on any item not in conformity of the Companies Act, 2013 and the rules made thereunder.
5. Contribution to any amount directly or indirectly to any political party shall not be considered as CSR activity.
6. The expenditure incurred on building CSR capacities of KPML's personnel as well as implementing agency shall not exceed 5 % of total actual CSR expenditure incurred in each financial year.

B. Distribution of Funds to be expended every financial year

KPML will incur its 100% expenses, to be incurred under CSR activities on Education including employment enhancing skills expenditure on education including employment enhancing skills shall be administered through Vikas Charitable Trust (VCT). The Managing Committee of VCT will evaluate the projects in this area and will recommend the eligible projects to the CSR Committee of the Board. Once approved by the Committee, the Managing Committee will allocate the funds to those identified projects within the overall limits and shall present the detail execution and monitoring report on a quarterly basis to the CSR Committee. The Committee will in turn present the same to the Board every six month.

CSR MONITORING

The CSR Committee will provide regular progress report to Board.

CSR MONITORING

The CSR Committee will provide regular progress report to Board.

This report would indicate:

- Achievement since last progress report / during the last quarter in terms of coverage compared to the target and reasons for variance.
- Achievement of the year-to-date in terms of coverage compared to the target, plans to overcome shortfalls if any and support required from the CSR Committee/Board to overcome the shortfalls.
- Actual year-to-date spends compared to the budget and reasons for variance.
- In respect of activities undertaken through outside Trust/Society/NGO's etc. there will be mechanism of monthly reporting of progress on each such activities and the amount incurred thereon.
- Overall impact made in improving lives of people through CSR activities of the Company.
- Appreciation / Acknowledgement from Society, Communities, etc, of CSR activities of the Company.
- CSR Committee will place before the Board CSR performance report at least once a year.

CSR COMMITTEE

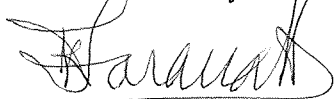
The Board of Directors of the Company shall constitute CSR committee as well as formulate functions of Committee. The CSR activities of the Company will be monitored by the CSR Committee of the Board of Directors.

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

- where required, create a Managing Committee of the Company;
- Include employees in the process of implementing the CSR activities being carried out by the Company.
- 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.
- 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 Companies Act, 2013 and rules thereof as amended from time to time.

For **Karad Projects and Motors Limited**



Chairman

Date: January 13, 2017