



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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OVERVIEW

Kirloskar Brothers Limited ('KBL' or 'the Company') 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 for the society in the vicinity of all its manufacturing locations.

The intention of integrating these objectives with the operations and growth of the Company is to pursue a higher level of performance in the CSR, which will create sound systems for purposeful contribution to societal causes. Successive efforts in this direction will help strengthen the sustenance of KBL values.

At KBL, CSR manifests itself as a critical indicator to distinguish a corporate citizen aligned with its business principle within the overall requirements of the Companies Act, 2013 and rules made thereunder from time to time.

The key drivers for CSR at KBL, are:

- At KBL, we believe that serving society is our prime purpose. We conduct our business responsibly and execute strategies that take technology, products and services to help generate sustainable livelihood for the underprivileged. We are voluntarily meeting obligations towards serving the nation at large in line with KBL's tradition and heritage.
- KBL's social programmes are intended to 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.





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CSR AT KIRLOSKAR BROTHERS LIMITED

1. KBL draws its inspiration for conducting CSR activities from the legacy of its founders. Also, as a matter of fact, KBL itself is a beneficiary of CSR generosity bestowed by people like, late Mr. Ramkrishna Vishnu Ginde, who lent money to Late Mr. Laxmanrao Kirloskar, Shri Balasaheb Pant Pratinidhi, a ruler of the state of Aundh, who had offered land and capital to situate the factory at Kundal, near Satara.
2. CSR is the path that will be followed to meet our wider obligation towards society and community. A responsible organization recognizes that its activities have an impact on the society in which it operates. CSR is expected to extend beyond the statutory requirements and help people improve quality of their life.
3. While designing products, care is taken by the Company to protect the environment and minimize adverse impact if any, on society at large. The rational for CSR is articulated to build in a sustainable business model which will be conducive to a healthy society.
4. The Company is committed to uphold the interests of all the stakeholders by implementing the guidelines given in the Business Excellence Model.

IMPLEMENTATION OF CSR IN KBL

KBL, through its well-entrenched CSR programmes, continues to maximise its social impact by driving societal causes mainly in the areas of education, skill development, healthcare, environment, animal welfare etc.

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 immediately preceding financial years, in every financial year.
2. All allocated contributions towards CSR should be utilized during the year itself. Any income or surplus arising out of CSR activities undertaken by the Company will be earmarked for CSR activities only.





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3. No contribution to any political party or for any political purpose shall be made out of CSR contribution.
4. 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.
5. 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. Also, any activity undertaken by KBL outside India (except for training of Indian sports personnel representing any State or Union territory at national level or India at international level), activities benefitting employees of KBL, activities supported by KBL on sponsorship basis for deriving marketing benefits for its products or services and activities carried out for fulfilment of any other statutory obligations under any law in force in India would not fall under the purview of CSR activities.
6. The expenditure incurred on building CSR capacities of KBL's personnel shall not exceed 5% of the total actual CSR expenditure incurred in each financial year.

B. Distribution of Funds to be expended every financial year

1. The CSR funds shall be allocated for any of the eligible activities as mentioned under Schedule VII of the Companies Act, 2013.

Expenditure on CSR shall be undertaken by the Company directly or through any implementing agencies including Vikas Charitable Trust (VCT) fulfilling the criteria as mentioned under the Companies Act, 2013 read with relevant rules thereunder.

2. The CSR proposals shall be evaluated by the management of KBL.
3. Preference for undertaking CSR projects shall be given to local areas and areas around where KBL operates or in its vicinity.
4. The management of KBL shall evaluate the projects as per the requirements of the Companies Act, 2013 and philosophy of KBL and place all the proposed





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projects before the CSR Committee at the beginning of the financial year as Annual Action Plan for its recommendation to the Board. Once the Board approves the Annual Action Plan, the funds will be allocated to those identified projects.

5. Annual Action Plan placed before the CSR Committee shall include manner of execution of the proposed projects, modalities of utilization of funds, implementation schedules, monitoring and reporting mechanisms, details of need and impact assessment, if required, and such other details as may be required under the Act and by the CSR Committee.
6. Projects may be undertaken for short duration (upto one year) or as multi-years project (an on-going project /not exceeding three years excluding the financial year in which the project was commenced). Any project, which was initially not approved as on-going but has been extended beyond one year, may be considered by the CSR Committee / Board based on reasonable justification.
7. The Board may revise the Annual Action Plan on the recommendation of the CSR Committee based on reasonable justification to that effect.
8. The management shall keep a track of the implementation and monitor the progress of the projects and present the same to the CSR Committee as may be required.

CSR COMMITTEE

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

The CSR Committee of the Company may authorize the Managing Director or any other Executive Director(s) of KBL to perform the following functions:

- a. Wherever required, create a CSR working group to develop, undertake and monitor the CSR commitments of the Company.
- b. Include employees in the process of implementing the CSR activities being carried out by the Company.





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- 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 KBL's goals.

REPORTING OF CSR ACTIVITIES

The CSR Committee, on the basis of certification provided by Chief Financial Officer or person responsible for financial management of the Company, shall review the annual CSR activities pursued, amounts spent thereon and place the duly signed Annual Report before the Board for its approval to be included in the Boards' Report.

AMENDMENT TO THE POLICY

Any revision/amendment to the CSR Policy shall be reviewed and recommended by the CSR Committee and shall be approved by the Board based on such recommendation.

In the event of any conflict between the provisions of this Policy and of the Act or any other statutory enactments, rules etc., the provisions of such Act or statutory enactments, shall prevail over this Policy.

This Policy has been amended as per the recommendations of the CSR Committee meeting held on May 14, 2025 and approved by the Board of Directors at its meeting held on May 14, 2025.

For Kirloskar Brothers Limited


Sanjay C. Kirloskar

Chairman & Managing Director



May 14, 2025