

KIRLOSKAR FERROUS INDUSTRIES LIMITED CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

➤ Overview

The Kirloskar Group of Companies (hereinafter referred as 'K Group') 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 respective entities in the K Group, areas where entities of K Group operates as well as at 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 operations and growth of each entity in the Group.

In addition to undertaking direct CSR activities, the entities in the Kirloskar 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 Ferrous Industries Limited (KFIL)

KFIL draws its inspiration for conducting CSR activities from the legacy of the K Group. The focus of CSR activities undertaken by KFIL is and will be on Education, Environment Health and Rural Development.

While devising products, care should be taken by the Company to protect the environment and minimize adverse impact, if any, on the society at large.

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 at Kirloskar Ferrous Industries Limited (KFIL)

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 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.

B. Distribution of Funds to be expended every financial year

The K Group has established various public charitable trusts having the objectives of Education, Environment, Health and Rural Development and the various activities carried out by them are as follows :

Kirloskar Ferrous Rural Development Trust
S. L. Kirloskar CSR Foundation
Kirloskar Foundation <ul style="list-style-type: none">• Clean and Beautiful School Competition Project• SLK Loan Scholarship for Higher Studies• Rao Bahadur R. B. Jambhekar Scholarship for students from economically and socially backward sections of society
Kirloskar Institute of Advanced Management Studies
MK Education Trust

Eligible funds for CSR activities in each financial year shall be expended in the areas of Education, Environment, Health and Rural Development through one or more aforesaid trusts or other organisations, as may be decided by the Chairman of the CSR Committee or the Managing Director from time to time.

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

<p>Education</p> <ul style="list-style-type: none">• Rural education• Financial assistance to school children for cultural activities• Granting of Scholarships• Providing infrastructure facilities to primary schools• Providing stationery to school children• Conducting tailoring classes for women in rural areas• Bharari• Adhunik Guru• Akanksha (Education to children)• Computer Literacy Programmes• Disha – Career Guidance Workshop• SAAKAV – Life skill training programmes for adolescent boys and girls• Women empowerment• Kali Umaltana• Sree – Mruthyunjayeshwara Association for Rural Development (building of class rooms)• Sri. Annadaneeshwara Sanstha Mutt (college building)

<p>Environment</p> <ul style="list-style-type: none"> • Preservation of forests, birds and animals • Tree plantations • Eco Clubs • WASH • 'Hasat Khelat Paryavaran' • ENCON • Vasundhara International Film Festival • Environment awareness programmes
<p>Health</p> <ul style="list-style-type: none"> • Clean drinking water to villages • Construction of toilets • Community Health • Arranging special doctors for medical centres • Hygiene awareness programmes / events • Sponsorship of mid day meals • Conducting health camps • Vision Care
<p>Rural Development</p> <ul style="list-style-type: none"> • Construction of roads • Construction of drainages • Construction of additional class rooms to the schools • Construction and renovation of toilet blocks

C. 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 of Company and of the Group. The Managing Director of the Company shall submit a half yearly report to the CSR Committee of the Company as well as the K Group CSR Committee, within 30 days from the end of the half year, setting out details of CSR activities undertaken and manner in which amount spent on CSR activities.

The CSR Committee of the Company can authorize the 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 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 thereof as amended from time to time.

For Kirloskar Ferrous Industries Limited

sd/-
Atul C. Kirloskar
Chairman

Date : 28 April 2017
Place : Pune