

**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY
OF
KIRLOSKAR OIL ENGINES 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 OIL ENGINES LIMITED (KOEL)

1. KOEL (hereinafter referred as 'Company') draws its inspiration for conducting CSR activities from the legacy of the Group. The focus of CSR activities undertaken by KOEL is and will be on Education, Environment and Health.
2. 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.
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 KOEL

A. FUNDS TO BE EXPENDED PER FINANCIAL YEAR

1. The Company shall spend 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

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

1	Kirloskar Foundation i. Clean and Beautiful School Competition Project ii. SLK Loan Scholarship for Higher Studies iii. Rao Bahadur R. B. Jambhekar Scholarship for students from economically and socially backward sections of society
2	Kirloskar Institute of Advanced Management Studies
3	MK Education Trust

- II. The 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	Environment	Health
1.	Akanksha Foundation Providing Quality Education to under Privileged students from nearby Communities	Tree plantations Tree plantations in the nearby communities of Manufacturing locations	Vision Care Eye Checkup camp for Sr. Citizens from the nearby communities once in two year
2.	Computer Literacy Programmes To provide basic knowledge about computers for school children of the communities nearby	'Hasat Khelat Paryavaran' Awareness among school children about environment issues by way of interactive session.	Hygiene Awareness Programmes / events 'WASH' Programme in schools for awareness on Clean Drinking Water, Use of Toilets & Hand Wash
3.	Disha Career Guidance Workshop for students of nearby schools.	ENCON Awareness on Energy Conservation among school children as well as community	Health Awareness Programmes / events Various health awareness program such as Stress management, Healthy diet for nearby community
4.	Women Empowerment Training for sustainable development	-	-

Sr. No.	Programmes / Projects under		
	Education	Environment	Health
5.	SAAKAV Life skill training sessions and sensitizing teachers / Parents towards mental health needs of Adolescent Boys and Girls	Vasundhara International Film Festival Awareness on various Environmental issues through International films, Corporate Green Initiatives, Environmental Literatures etc.	-

The funds to be expended out of the total eligible funds for CSR activities in each financial year, through one or more of the above trusts / charities on CSR activities OR by undertaking CSR activities in vicinity of the various manufacturing plants and offices of the entities in the Group as specified above, as prescribed by the CSR Committee.

C. CSR COMMITTEE

The CSR activities of the Company will be monitored by the CSR Committee of the Board of Directors of Company and the Group. The Executive Director of the Company shall submit a half yearly report to the CSR Committee as well as the Group CSR Committee, within 30 days from the end of the half Financial Year, setting out details of CSR activities undertaken.

The CSR Committee of the Company can authorize the Executive 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.

For Kirloskar Oil Engines Limited


Atul C. Kirloskar
Executive Chairman

Place: Pune

Date: 17 June 2014