Escorts Kubota Limited

ESCORTS KUBOTA LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

I. PREAMBLE

After the introduction of the concept of Corporate Social Responsibility (CSR) in the Companies Act, 2013 and rules made thereunder {including any statutory modification(s) or re-enactment thereof for the time being in force} [hereinafter referred to as "the Act"], Corporate Social Responsibility ("CSR") has gained prominence from all avenues. Organizations also accepted and realized that Government alone will not be able to get success in its endeavour to uplift the society. With the rapidly changing corporate environment, more functional autonomy, operational freedom etc., Escorts Kubota Limited (Escorts) has adopted CSR as a strategic tool for overall sustainable growth.

Much before the issue of CSR became a global concern, Escorts had been aware of its CSR and was fulfilling the aspiration of the society through various social initiatives and charity. This has resulted into a harmonious relationship between Escorts and its peripheral communities.

Definition

In this Policy, unless the context otherwise requires or if something is not defined, the following words, term, expressions and derivations therefrom shall have the meanings assigned to them in the Act:

a. "Act" means the Companies Act, 2013 including rules made thereunder;

b. "Administrative overheads" means the expenses incurred by the Company for 'general management and administration' of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

c. "Board" means the Board of Directors of the Company;

d. "Company/Escorts" means Escorts Kubota Limited;

e. “Corporate Social Responsibility (CSR)” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any amendment thereto or re-enactment thereof);

f. “CSR Committee" means the Corporate Social Responsibility Committee of the Board of Directors of the Company, referred to in section 135 of the Act;

g. "CSR Policy" means this Policy, containing the approach and direction given by the Board of Directors of the Company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

h. “Net profit” means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: –

- any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and

- any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;

i. “Implementing agency” would mean and include any agency or organisation in the form of company, NGO, trust, foundation, co-operation society through which the Company undertakes its CSR projects and activities, which follows any of the following conditions:

- company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or

- a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or

- any entity established under an Act of Parliament or a State legislature; or

- a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities

j. "Ongoing Project(s)" means a multi-year project(s), if undertaken by the Company in fulfilment of its CSR expenditure having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project(s) that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board of Directors of the Company.

GUIDING PRINCIPLE

In the aforesaid backdrop, Escorts framed its CSR Policy taking into account the following measures: -

a. Welfare measures for the community at large so as to ensure the poorer and underprivileged section of the society derive the maximum benefits.

b. Contribution to the society at large by way of social and cultural development, imparting education, skill development training and social awareness especially with regard to the economically backward class for their development through generation of income and employment.

c. Environment Protection, safeguard and maintaining ecological balance.

II. OBJECTIVE

The main objective of CSR Policy is to lay down guidelines for the Company to make CSR a key business process for sustainable development of the society. It aims at enhancing welfare measures of the society based on the immediate and long term social & environmental consequences of its activities.

III. OUR APPROACH TO IMPLEMENTATION

- The investment in CSR will be project based and time framed periodic milestones for every project will be finalized at the outset.

- Project activities identified under CSR shall be implemented either by the Company or eligible Implementing Agencies who have filed eform CSR-1 and obtained a valid CSR Registration Number . Such Implementing Agencies could be made to work singly or in tandem with other agencies.

IV. CSR FUNDS

The corpus for the purpose of carrying on the aforesaid activities shall include the following:

CSR obligation:

- 2% of the average Net Profits of the Company during immediately preceding three financial years.

CSR expense – Administrative overhead:

- Administrative overheads shall not exceed 5% of total CSR expenditure of the company for the financial year.

CSR surplus - Treatment

- Surplus arising out of CSR activities carried out by the Company and such surplus will not be part of business profit of the Company;

- An amount spent in CSR activities in excess of requirement provided under Section 135(5) of the Act, such excess amount may be set off against the requirement to spend under section 135(5) of the Act up to immediate succeeding 3 (three) Financial Years subject to the conditions that:

  (i) the excess amount available for set off will not include the surplus arising out of the CSR activities, if any, in pursuance of Rule 7(2) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021; and

  (ii) the Board of Escorts to pass a resolution to that effect

Treatment of Unspent CSR amount:

Annual projects:

- The unspent CSR amount to be transferred to any fund specified in Schedule VII of the Act within 6 (six) months from the end of concerned financial year.

Ongoing projects:

- The unspent CSR amount to be transferred to a separate bank account, opened with a schedule bank, in the name of "Unspent CSR Account" within 30 (thirty) days of the end of the concerned financial year and be spent on Company's CSR obligation, within a period of 3 (three) financial years. In case the Company is unable to spend the CSR expenditure on the Ongoing CSR project within the prescribed period of 3 financial years, it would be required to transfer the amount so unspent to any fund specified in Schedule VII of the Act, within 30 (thirty) days of the end of the concerned financial year.

V. ALLOCATION OF FUNDS

The fund for the CSR will be allocated based on the provisions under the Act. Out of the total CSR eligible funds, the CSR Committee will be authorised to recommend to the Board the allocate funds for the activities mentioned herein. The Board will have the authority to approve such CSR projects and allocation of funds thereto.

VI. STAKEHOLDER IDENTIFICATION AND ENGAGEMENT

The Company will identify and map key stakeholders for all high value and strategic CSR programmes and will engage with them to seek their feedback and inputs on a periodic basis or as necessary.

VII. CSR THRUST AREAS

The commitment of the Company will be manifested by investing resources in any of the following areas:

- eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

- promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

- ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

- protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

- measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

- training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;

- contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

- Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

- Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)

- rural development projects;

- slum area development;

- Disaster management, including relief, rehabilitation and reconstruction activities

- and any other activity as may be notified by the relevant Authority under Schedule VII of the Act.

VIII. MONITORING

a. Governance Structure

In compliance with the requirements of Section 135 of the Act, the Company has constituted a robust and transparent governance structure to oversee the implementation of its CSR Policy.

b. Board-level CSR Committee

At Escorts, the CSR governance structure will be headed by its Board Level CSR Committee which will be ultimately responsible for the CSR projects undertaken. The Committee will report to the Board of Directors of Escorts.

c. Present Constitution of CSR Committee

1. Ms. Nitasha Nanda
2. Mr. Nikhil Nanda
3. Mr. Hardeep Singh
4. Ms. Tanya Dubash
5. Mr. Akira Kato
6. Ms. Reema Nanavaty

The Company Secretary of the Company will act as Secretary of the Committee.

The Board of Directors may nominate/ substitute any of its members to the Committee and the same shall be updated in the Policy without any specific approval of Board for incorporating such changes.

d. Responsibilities of the CSR Committee

- Formulate/ update the CSR Policy and recommend to the Board of Directors of Escorts for approval.
- Suggest areas of intervention to the Board of Escorts.
- Recommend to the Board for its approval, CSR projects that are in line with the CSR Policy.
- Ensure that the programmes /projects undertaken by the Company on its own or through the Implementing partners Agency are aligned with the approved CSR policy of the Company and are also aligned to Schedule VII and Section 135 of the Act
- Formulate, review and align monitoring mechanisms to track the progress of each project including reports from Implementing Partners Agency(ies) to assess the performance and effectiveness of projects supported by the Company.
- Recommend the CSR expenditure to the Board of Directors of Escorts for approval.
- Formulate and recommend to the Board, an annual action plan as per format specified in Annexure A in pursuance of its CSR policy, which shall include the matter as specified in the Act.
- Periodically update the Board on the status of the approved CSR activities.
- Ensure compliances with the provisions under Section 135 of the Companies Act, 2013 and the Policy of the Company.
- Such other responsibility as may be assigned under the Act.

e. Progress report on CSR activities

The CSR Committee shall be provided periodic progress report indicating:

- Achievement since last progress report in terms of coverage compared to the target and reasons for variance, if any.
- Year-to-date achievements 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 approved CSR allocation and reasons for variance.
- In respect of activities undertaken through Implementing Agencies periodic reporting mechanism of progress on each such activity and the amount incurred thereon.

f. Review Mechanism

The Board of Directors of Escorts will review the CSR implementation every year including the ongoing projects as per the applicable provisions of the Act.

In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, whether or not recommendation has been made by the CSR Committee of the Committee, for smooth implementation of the project within the overall permissible time period.

The Board of the Company shall satisfy itself that the funds so disbursed for CSR activities have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer (CFO) and/or the person responsible for the financial management of the Company shall certify that the funds allocated for meeting the CSR expenditure of the Company has been administered in the areas or projects as required by the Board of Directors of the Company, in accordance with the Act, per the format as prescribed in Annexure B. The Company may require that the implementing agencies of the CSR project(s) provide a funds utilization report.

Further, if the Company has an average CSR obligation of Rupees Ten crore or more (or any other amount as may be specified in the Act from time to time) in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, Company shall undertake impact assessment, through an independent agency, in respect of the CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. The CSR projects will be selected by the Company basis the nature of the projects undertaken.

In case the Company undertakes impact assessment, it can book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed 5% of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

The CSR Committee may require situational analysis, needs assessment surveys, field visits and impact assessment studies of its CSR projects to be carried out by External Agencies/ Third party Agency, if required, especially for high value or strategic CSR programmes.

Utilization Certificate along with statement of expenditure duly certified by the respective Statutory Auditor will be submitted by the organization/ Institution to whom CSR fund is allocated.

To undertake the above activities Committee may delegate the power of execution to persons/ officers of the Company.

IX. OWNERSHIP, UPKEEP AND MAINTENANCE OF ASSETS CREATED

The assets, if any, created out of CSR funds shall be held by Implementing agencies, beneficiaries of the specific CSR project or a public authority. Maintenance of assets created under CSR would be the responsibility of the concerned Section 8 Company/ Trust/ Society/ NGO's/ other recognized Association of Persons etc. implementing the CSR activities.

X. DISCLOSURE OF CSR ACTIVITIES

The CSR activities will be disclosed in the Board's Report and Annual Accounts of Escorts as per the format prescribed under the Act and its Rules.

XI. DISSEMINATION OF INFORMATION ON WEBSITE

The Company's CSR Committee composition, CSR Policy and the CSR projects approved by the Board will be available to the stakeholder on the Company's website at www.escortsgroup.com.

XII. EFFECTIVE DATE

The effective date of the policy shall be February 11, 2015.

XIII. AMENDMENT/REVISION TO THE POLICY

The Board of Directors of Escorts will review the policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.

Any subsequent amendment/ modification in the Act and/ or other applicable laws in this regard shall automatically apply to this Policy.

XIV. CONCLUSION

The above guidelines would form the framework around which the CSR activities would be undertaken.

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Corporate Identification Number L74899HR1944PLC039088

Updated on November 04, 2025

ANNUAL ACTION PLAN FOR THE CSR EXPENDITURE OF THE COMPANY FOR THE FINANCIAL YEAR

The action plan for the CSR initiatives of the Company for each financial year shall be in the following format, subject to the necessary edits, as required:

(A) Details of the CSR expenditure

S. No.	Particulars	Amount (in INR)
I.	Two percent of average net profit of the company as per section 135(5) of the Companies Act, 2013	
II.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	
III.	Amount required to be set off for the financial year	
IV.	Total CSR expenditure for the financial year (I+II-III)	
V.	Amount allocated for Administrative Overheads	
VI.	Amount allocated for Impact Assessment, if applicable	
VII.	Total estimated CSR expenditure to be spent for the financial year	

(B) Details pertaining to the CSR expenditure remaining unspent in previous years

S. No.	Preceding Financial Years	Name and nature of project	Amount transferred to Unspent CSR Account (In INR)	Amount estimated to be spent in the reporting Financial Year (In INR)	Manner of spending	Amount remaining to be spent in succeeding Financial Years (In INR)
I.						
II.						
III.						

(C) Details of the CSR projects or programmes for the financial year

S. No.	Details	1	2
I.	Name of the CSR projects or programmes		
II.	Location of CSR projects or programmes (State and District)		
III.	Duration of CSR projects or programmes		
IV.	Target group of CSR projects or programmes		

V.	Activity as per Schedule VII of the Companies Act, 2013		
VI.	Manner of Execution (Direct or through implementing agency)		
VII.	Details of Implementing Agency (Name, Nature of entity and CSR Registration Number)		
VIII.	Steps/Manner for execution of the CSR projects or programmes		
X.	Implementation Schedule including details on funds utilization		
XI.	Monitoring and Reporting Mechanism		
XII	Modalities of utilisation of funds and Confirmation on the Utilisation		
XIII.	Details of Need and Impact Assessment, if applicable, as per the projects undertaken by the Company		
XIV.	Creation of any capital or asset out of project. If yes, please specify the following: • Name of registered owner • Address of the capital asset • Location of the capital asset		
XV.	Amount allocated for the CSR projects or programmes	-	
XVI.	Amount to be spent in the current financial year	-	
XVII.	Amount available for set-off from preceding financial years	-	
XVIII.	Amount required to be set-off for the financial year	-	
XIX.	Additional important details	-	

Note: The Board of Directors of the Company, may alter or revise the Annual Action Plan at any time during the financial year, as per the recommendation of Boeing and/or its CSR Committee.

Annexure B

CERTIFICATION PURSUANT TO RULE 4(5) OF
COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

I, <<Name of the CFO >>, CFO of Escorts Kubota Limited (the "Company"), to the best of my knowledge and belief, certify that:

1. I have reviewed the Corporate Social Responsibility ("CSR") Policy of the Company and to the best of my knowledge and belief provides that the Company has allocated / disbursed the prescribed CSR Expenditure i.e. 2 (Two) per cent of the Average net profit of the Company of the last three financial years.

2. The disbursement, to the best of my knowledge and belief, is adequately appropriated for various projects, standalone or on-going, directly or through implementing agencies, as approved by the Board of the Directors of the Company and per the annual action plan of the Company.

3. I, to the best of my knowledge and belief and per utilisation report(s) received from the implementing agency(ies), affirm that the CSR funds so disbursed as mentioned above, have been utilised for the purpose and manner as approved by the Board of Directors of the Company, pursuant to Rule 4(5) of Companies (Corporate Social Responsibility Policy) Rules, 2014.

<<Name of the CFO >>

CFO

Date:

Place: