

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY OF KIRAN FOREIGN TRADE PRIVATE LIMITED

This Corporate Social Responsibility Policy (“the CSR Policy”) has been framed by KIRAN FOREIGN TRADE PRIVATE LIMITED (the Company) in accordance with the Section 135, Schedule VII of the Companies Act, 2013 and CSR Rules issued by the Ministry of Corporate Affairs.

Unless the context otherwise requires, the definitions mentioned in the notification and Companies Act 2013, shall apply to this CSR Policy.

SCOPE AND OBJECTIVE OF THIS POLICY

The purpose of this policy document is to make the stakeholders aware about:

- CSR and how such activities are conducted in the Company
- Associated practices of CSR.
- Focus areas of CSR.

Pursuant to Section 135 of the Act, CSR provisions are prescribed to stipulate greater responsibility by companies towards the society. As of date, the Company meets the eligibility criteria stipulated in Section 135 (and the Rules framed under the Act) and hence the provisions of the Act, in so far as CSR is concerned, are applicable to the Company. As per the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of any eligible company (i.e. companies meeting the requirements of Section 135 of the Act) shall, after taking into account the recommendations of the CSR Committee, approve the CSR Policy for the company and disclose the contents of such policy in its Report and the disclose the same on the website of the Company.

The management of Kiran Foreign Trade Private Limited expresses its willingness and support to the CSR concept, its legal framework and shall be abided to it.

CSR FRAMEWORK

The Company shall constitute a committee by the name “CSR Committee” comprising two Directors, as defined in the Act.

The terms of reference of the CSR Committee shall include the following:

- a) To frame and recommend to the Board of Directors, a CSR Policy, which shall indicate the activities to be undertaken by the Company towards corporate social

responsibilities. For avoidance of doubt, the CSR Committee may adopt this Policy document mutatis mutandis, or with such modifications, alterations or revisions as it may deem fit, as the CSR Policy for its purpose.

b) The following activities shall be included as part of the CSR activities:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation 4[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 art 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 8[or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, 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;
- Contribution to the Funds set up by the Government and as prescribed under Schedule VII of the Companies Act, 2013
- Rural development projects

- Such other matters as may be prescribed from time to time

Provided that CSR activities shall not include –

- Contribution of any amount directly or indirectly to any political party under Section 182 of the Companies Act, 2013.
- Activities undertaken in pursuance of normal course of business of the company.
- Programs or activities undertaken for the benefit of only of the employees of the Company and their families.
- CSR activities or programs undertaken out of India.

c) To recommend the amount of expenditure to be incurred on the activities specified.

d) To establish a monitoring mechanism so as to monitor the progress of the CSR activities. This will include recording the various details of the CSR activities and preparation of a report on the same. The details to be incorporated in the Report on CSR activities, which shall subsequently be disclosed in the Board Report.

e) To ensure a constant flow of CSR initiatives, which shall, in-turn, avoid carry forward of funds allocated for each CSR initiative.

f) To formalise an operational and organisational structure of each CSR activity.

CSR COMMITTEE

- Constitution of CSR Committee

A Corporate Social Responsibility Committee (“the CSR Committee”) has been constituted by the Board of Directors to oversee the CSR activities of the Company. The committee has been formed as per the requirements of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

Board of Directors shall be empowered to take decision for making or effecting changes in the constitution of the CSR Committee.

The composition of CSR Committee is as under:

1. SUNIL BANSAL – Chairperson
2. RAJESH KUMAR SYAL – Member

- Responsibilities of the CSR Committee

- a) To formulate & recommend to the Board of Directors, a CSR Policy indicating the activities to be undertaken as specified in Schedule VII of the Companies Act, 2013 and modify / amend the same as required;
- b) To review and approve annual budgets with respect to CSR programs;
- c) To develop and institutionalize a CSR reporting mechanism in light with Section 135, Rule 8 of the Companies Act 2013;
- d) To ensure that the corporate website displays the approved CSR policy of the company
- e) To monitor the CSR Policy, Projects and Programs from time to time.

FUNDING AND IMPLEMENTATION

- a) Pursuant to the provisions of the Act, minimum budgeted amount for a financial year shall be 2% of the average net profit of three immediately preceding three financial years needs to be allocated towards CSR activities.
The Company may allocate more fund/amount than the amount prescribed under section 135 of the Companies Act, 2013, for the CSR activities for any financial year. The Committee shall calculate the total fund for the CSR activities and recommend to the Board for the approval.
- b) CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the approved CSR activities.
- c) Kiran Foreign Trade Private Limited will ensure monitoring, coordination and supervision of the agency, if any, entrusted with the responsibility for implementation of the project.
- d) In case the company has failed to spend 2% of its Average Net Profit (INR) of the last 3 financial years, the Company is required to provide reasons for not spending the amount.
- e) The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

OPERATIONAL FRAMEWORK

The Board should ensure that the company's CSR operations are carried out either directly or through:

- a) Companies formed under Section 8 of the Act, or a registered society or registered public trust formed under Sections 12A and 80G of the Income Tax Act, 1961, by the companies themselves or in conjunction with another company.

- b) Companies formed under Section 8 of the Act, and/or registered societies and registered trusts formed by the federal or state governments.
- c) Entities created by a law passed by the legislature of a state or by a law passed by Parliament.
- d) Companies that are incorporated under Section 8 of the Act, or a registered public society or registered trust under Sections 12A and 80G of the Income Tax Act, 1961, and which have at least three years of experience in similar activities.

COMPLIANCE AND REPORTING TO BOARD

The Committee is responsible to undertake CSR activities as per the approved CSR Policy. A detail report containing the implementation schedule, total budget allocated, actual expenses incur, surplus arising, if any, result achieved, further work to do in the concern CSR activity, Recommendation for the CSR activities for next year etc. should be placed before the Board for its consideration.

MANAGEMENT COMMITMENT

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy. Our Corporate Social Responsibility policy conforms to the relevant section of the Corporate Social Responsibility, Rules made under Companies Act, 2013 and amendment(s) to be made thereto in future.

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