

RSD FINANCE LIMITED- CSR POLICY

Corporate Social Responsibility (CSR) is about how a Company directs the business processes to produce an overall positive impact on the society. It demands a continuing commitment by a business to contribute towards the social, environmental and economic development of the society. The corporate sector controls the significant portion of society's resources and therefore, it is imperative that the entities must act as a responsible corporate citizen and balance their right to grow with their responsibilities towards society and environment. We believe in integrating the social, environmental and economic concerns of the society in the culture, values and corporate goals of the Company.

Our CSR Vision

To actively contribute through sustainable measures to the Social, Economic and Environmental Development of the community in which we operate ensuring participation from the community and thereby create value for the nation.

Our Activities

The scope of the CSR activities of the Company is also in line with the Sustainable Development Goals (SDGs). The Company's CSR Policy covers the following areas but not limited to the same and may extend to other specific projects/ programs as permitted under the law from time to time.

1. Eradicating hunger, poverty and malnutrition:

- Provision of food, nutrition supplement, clothes etc. for the poor, children and other deprived sections of the society;
- Supporting nutrition in anganwadi centres and building capacities of anganwadi workers to this effect;
- Provision of shelter for homeless;
- Promoting sanitation, making available safe drinking water;
- Agriculture development and Krishi Vigyan Kendras.

2. Promoting Health care including Preventive Health care:

- Awareness programmes;
- Health check-ups;
- Provision of medicine & treatment facilities;
- Providing pre-natal & post-natal healthcare facilities;
- Prevention of female feticide through awareness creation;
- Program for preventing diseases and building immunity;
- Providing financial assistance and waivers for needy patients;
- Undertaking and supporting research on health related issues and health related education.

3. Promotion of education especially among children, women, elderly and the differently abled including:

- Non-formal education programmes.
- Supporting schools with infrastructure like benches, toilets, potable water, fans etc.
- Supporting other educational institutions.
- Offering scholarships and financial assistance to needy and meritorious students.
- Improving educational facilities in general.
- Making adults functionally literate.
- Supporting children for higher education.
- Training of teachers.
- Education for mainstreaming disabled children.

4. Employment and livelihood enhancing vocational skills and projects including tailoring, beautician, mehendi application, bee keeping, food processing and preservation, vermi-composting and other Life Skill Training and livelihood enhancement projects.

5. Ensuring environmental sustainability and ecological balance through:

- Plantation drives in schools, villages, our manufacturing units & offices/business premises and other areas in general;
- Reviving endangered plants, promoting agro-forestry;
- Protection of flora & fauna;
- Conservation of natural resources;
- Promoting awareness about environmental issues;
- Adoption of wastelands to cultivate plants;
- Promoting biodiversity;
- Animal welfare and veterinary services;
- Technical support and Knowhow for improving farming and building capacities of small farmers;
- Promoting alternate energy resources.

6. Promoting gender equality and empowering women including:

- Adult literacy for women;
- Promoting and providing credit support to women's self-help and joint liability groups;
- Training in vocations pursued by women;
- Setting up homes for women & orphans;
- Setting up old-age homes & other facilities for senior citizens;

- Setting up hostels for working and student women, day care centers for kids of working women.

7. Other Activities:

- Promotion of Sports with special focus on training for rural sports, nationally recognised sports, Paralympic sports, Olympic sports;
- Welfare for differently disabled persons;
- Setting up public libraries;
- Reducing inequalities faced by the socially and economically backward groups;
- Protection of national heritage, art, culture and handicraft; Restoration of Buildings & sites of historical importance & works of art.;
- Welfare of armed forces personnel, war widows and their dependents;
- Extending relief measures during times of natural disaster anywhere in the country;
- Undertaking and supporting rehabilitation measures post disasters;
- Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Contribution to Prime Minister's National Relief 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;
- Rural Development Projects.

8. Such other activities as the Board may consider being appropriate.

Exclusion from CSR

The following activity shall not form part of the CSR activities of the Company:-

1. The activities undertaken in pursuance of normal course of business of a Company;
2. CSR projects/programs or activities that benefit only the employees of the Company and their families;
3. Any contribution directly/indirectly to political party or any funds directed towards political parties or political causes;
4. Any CSR projects/programs or activities undertaken outside India.

Corporate Social Responsibility Committee

(a) Composition

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company which must consist of at least two or more Directors. Accordingly, the constitution of CSR Committee formed by is as follows:

Sl. No.	Name of the member	Designation in committee	Designation in RSD Finance Limited
1	Mr. Rajeev Singh Dugal	Chairperson	Managing Director
2	Mr. Sushil Kumar Khowala	Member	Director
3	Ms. Upneet Dugal	Member	Director

(b) Terms of Reference

- i. To establish and review corporate social responsibility policies;
- ii. To identify, segment and recommend the CSR projects/programs/activities to the Board of Directors;
- iii. To recommend the amount of expenditure to be incurred on the activities as identified for CSR by the Company;
- iv. To oversight the implementation of corporate social responsibility projects/programs/ activities;
- v. To review the annual budgets/expenditure with respect to corporate social responsibility programs;
- vi. To work with the management to establish and develop the Company's strategic framework and objectives with respect to corporate social responsibility matters;
- vii. Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules;
- viii. Create transparent monitoring mechanism for implementation of CSR initiatives in India;
- ix. Submit the Reports to the Board in respect of the CSR activities undertaken by the Company;
- x. Monitor CSR Policy from time to time;

- xi. Monitor activities/charter of Internal Working and Monitoring Group (WG) who are authorized to ensure that the CSR activities of the Company are implemented effectively;
- xii. To review the CSR Initiatives and Programs/projects/activities undertaken during the year;
- xiii. To review the Company's disclosure relating to corporate social responsibility matters in accordance with the requirements of the regulatory provisions;
- xiv. To obtain legal or other independent professional advice/assistance;
- xv. To form and delegate authority to any sub-committee or employee(s) of the Company or one or more members of the committee; and
- xvi. Authorize executives of the Company to attend the CSR Committee Meetings, if necessary.

(c) Board of Directors and their Role in CSR

- i. To approve the activities to be undertaken as per the CSR Policy proposed/recommended by the CSR Committee.
- ii. To ensure the programs/projects/activities undertaken by the Company are in line with the activities as listed in this policy.
- iii. To ensure that the Company spends, every financial year, at least two percent of the average net profits of the Company made during the preceding three financial years as prescribed under the Companies Act, 2013 towards CSR initiatives.
- iv. To ensure that the Boards' Report of the Company includes an annual report on CSR as specified under the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- v. The Board of Directors of the Company shall have the authority to reconstitute the CSR Committee and to revise/amend the terms of reference of the CSR Committee, as may be required.

Our Approach to Implementation

We will strive to implement the aforesaid CSR activities on our own to the extent possible. At the same time, we recognize need to work in partnership with other players also.

This would include:

1. Collaborating with various organisation, which are registered as a Trust or a section 8 company under the Companies Act, 2013 or Society or NGOs or any other form of entity incorporated in India that specialise in the aforesaid activities.

2. Contribution to various funds which are aligned with our Vision and Mission e.g.
 - Prime Minister's National Relief Fund
 - Any other fund set up by the Central Government for :
 - socio-economic development and relief.
 - for the welfare of Scheduled Castes, the Scheduled Tribes, other Backward classes, minorities and women.
3. Collaborating or pooling resources with other companies to undertake aforesaid CSR activities.

CSR Funds

The corpus for the purpose of carrying on the aforesaid activities would include the followings:

- 2% of the average Net Profit made by the Company during immediately preceding three Financial Years.
- any income arising there from.
- surplus arising out of CSR activities carried out by the company and such surplus will not be part of business profit of the company.

Monitoring

The CSR Committee will be responsible for the monitoring CSR activities and report to the Board from time to time.

1. Achievement since last progress report/ during the last quarter in terms of coverage compared to the target and reasons for variance.
2. Achievement of the year-to-date 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.
3. Actual year-to-date spends compared to the budget and reasons for variance.
4. In respect of activities undertaken through outside Trust/Society/NGO's etc. there will be mechanism of monthly reporting of progress on each such activities and the amount incurred thereon.

Disclosure of the policy

The CSR policy recommended by the CSR Committee and approved by the Board shall be displayed on the Company's website and shall be disclosed in the Board's report as well.

CSR reporting

The Annual Report of the Company include a section on CSR outlining the CSR Policy, CSR committee, CSR initiatives undertaken by Company, the CSR spend during the financial year and other information as required by the prevailing law.

Miscellaneous

This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, rules made thereunder or any other applicable enactment for the time being in force.

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