

Rajasthan State Power Finance & Financial Services Corp. Ltd.
(RSPF&FSCL)
Corporate Social Responsibility Policy

In accordance with the provisions of Section 135 of Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 the Corporate Social Responsibility (CSR) Committee of Rajasthan State Power Finance & Financial Services Corporation Limited ("the Company") was constituted by the Board of Directors of the Company at their meeting held on 31st March, 2017.

1. SHORT TITLE AND APPLICABILITY

- 1.1** This policy, which encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large, is titled as the "RSPF&FSCL CSR Policy".
- 1.2** The core elements of CSR is the continuing commitment by business to ethical principles, protection of human rights, care for the environment while improving the quality of life of all the stakeholders including the community and society at large.
- 1.3** This policy shall apply to all CSR activities/programmes/projects taken up by the RSPF&FSCL for the benefit of different segments of the society.
- 1.4** This Policy has been formulated in compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- 1.5** The "Act" Means the Companies Act, 2013.
- 1.6** Corporate Social Responsibility" means and includes but is not limited to:
- I. Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013 ('Act') or

II. Projects or programs relating to activities undertaken by the Board of Directors of a Company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the Company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.

1.7 The "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred in Section 135 of the Act.

1.8 "CSR Policy" relates to the Activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a Company.

1.9 "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:-

- (i) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise; and
- (ii) Any dividend received from other Companies in India, which are covered under and complying with the provisions of section 135 of the Act;

1.10 The words and expression used and not defined in this policy shall have the same meaning respectively assigned to them in the Act or CSR Rules.

2. CSR VISION

In alignment with the vision of the Company, RSPF&FSCL through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a Socially Responsible Corporate, with environmental concern.

3. OBJECTIVE OF RSPF&FSCL CSR POLICY

- 3.1** To directly or indirectly undertake projects or programmes or activities that benefits the communities and results over a period of time in enhancing the quality of life and economic well being of local populace.
- 3.2** To ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- 3.3** To generate, through its CSR initiatives, community goodwill for RSPF&FSCL and help reinforce a positive and socially responsible image as corporate entity.

4. FUNDING AND ALLOCATION

- 4.1** For achieving its CSR objectives through implementation of meaningful & sustainable CSR projects, programmes and activities, RSPF&FSCL will allocate at least 2% of its Average Net Profits, if any, made during immediately preceding three financial years, as its Annual CSR Budget. Average Net profit shall be assigned the meaning as per the Companies (Corporate Social Responsibility) Rules, 2014.
- 4.2** Any unspent/unutilized CSR allocation of a particular year will be carried forward to the following year, i.e. the CSR budget will be not lapsable in nature.
- 4.3** Surplus arising out of the CSR projects or programmes or activities shall not form part of the business profit of the Company.

Corpus of CSR would include the following:-

- (a) 2% of Average Net Profits made during 3 immediately preceding F.Y.*
- (b) Any income arising therefrom*
- (c) Surplus arising out of CSR Activities*
- (d) CSR Fund calculated in accordance to the section 135(5) of the Companies Act, 2013 for the year 2015-16 and 2016-17*

4.4 From the Annual CSR Budget allocation, a provision will be made towards all or specific activities as listed in Schedule VII of section 135 of the Companies Act, 2013. RSPF&FSCL will undertake any activity under CSR for the benefit of community.

5. CSR ACTIVITIES FOR IMPLEMENTATION

5.1 Activities as listed in schedule VII of the Companies Act 2013;

- (i) Eradicating hunger, poverty and malnutrition, "promoting health care including preventive health care" and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (iii) 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;
- (iv) 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;
- (v) 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;

- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- (viii) contribution to the Prime Minister's National Relief 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;
- (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Govt.;
- (x) Rural development projects; and
- (xi) Slum area development.
(For the purposes of this item, the term 'Slum Area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force)

5.2 Contribution to Chief Minister Relief Fund, GoR and in any other Scheme/ Fund / Programme initiated by the Government of Rajasthan *(Subject to if such contribution is covered under the rules of the Scheme / Fund / Programme taken up by any Govt. Deptt. for the activities of schedule VII of the Companies Act, 2013).*

5.3 No CSR project or programme or activity that benefits only the employees of the Company and their families shall be undertaken.

6. CSR COMMITTEE

6.1 RSPF&FSCL has constituted the CSR Committee comprising of 3 Directors in its Board Meeting dated 31.03.2017, which currently has the following Members:

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| 1. | Managing Director,
RSPF&FSCL | Chairman |
| 2. | Secretary, Finance (Expenditure),
GoR & Director, RSPF&FSCL | Member |
| 3. | Managing Director,
Rajasthan Financial Corporation
& Director, RSPF&FSCL | Member |

6.2 The CSR Committee constituted by the Board shall institute a transparent monitoring mechanism for implementation of the CSR project or programmes or activities undertaken by the Company.

7. MODE OF IMPLEMENTATION

The CSR programs, projects or activities, will be implemented through one or more of the following methods:

- (i) as self-executing project or programme or activity; and/or
- (ii) as project or programme or activity through a registered trust or a registered society or a Company established under Section 8 of the Companies Act, 2013 by RSPF&FSCL; and/or
- (iii) as project or programme or activity through a registered trust or a registered society or a Company established under Section 8 of the Companies Act, 2013 which has an established track record of 3 years in undertaking similar projects or programmes or activity; and/or
- (iv) in collaboration with other Companies provided these Companies undertake projects or programmes or CSR activities in such a manner that the CSR Committees of respective Companies are in a position to report separately on such projects or programmes or activities in accordance with the Companies (Corporate Social Responsibility) Rules, 2014.

8. MODALITIES OF EXECUTION

All projects or programmes or activities including expenditure thereof relating to CSR activities will be approved by the Board of Directors on the recommendations of the CSR Committee. CSR Expenditure shall include all expenditure including contribution to corpus for CSR activities approved by the Board on the recommendation of the CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

9. CSR MONITORING

The CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the CSR activities. Monitoring of projects or programmes or activities relating to the CSR will be project wise or programme-wise and benchmarked to the respective implementation schedule and funds utilization schedule. RSPF&FSCL shall reserve the sole discretion to withdraw/cancel CSR allocation relating to any project/ programme/ activity, fully or partially, and/or recall unutilized amount relating to any project/ programme/ activity, fully or partially, with or without assigning any reason(s) thereof.

10. DISCLOSURE OF CSR POLICY & REPORTING FRAMEWORK

Contents of the CSR Policy recommended by the CSR Committee and approved by the Board will be displayed on the Company's Website. The Company shall also disclose in its Board Report which is part of its Annual Report, the composition of CSR Committee, significant CSR activities and achievements, amount spent and in case of non-spent the reasons as to why the amount of CSR could not be spent in the relevant Financial Year.

11. AMENDMENTS / REVISION

RSPF&FSCL may amend/revise its CSR Policy, from time to time, in accordance with the amendments under the provisions of the Companies Act, 2013 read with Companies (Corporate Social

Responsibility) Rules, 2014 or any other applicable enactment for the time being in force or as decided by the Board of Directors of the Company.

Date: 09/08/2017
Place: Jaipur


Managing Director
RSPF&FSCL