Document Title: Policy on Corporate Social Responsibility (CSR)	Reliance Capital Limited
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Reliance Capital Limited

Policy on Corporate Social Responsibility (CSR)

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1. Introduction

Reliance Capital Limited, (hereinafter referred to as "the Company") recognizes its responsibility to contribute to the social and economic development of the communities in which it operates. This Corporate Social Responsibility (CSR) Policy outlines the Company's commitment to carrying out its CSR activities in a manner that benefits society and aligns with the principles of sustainable development. This policy is framed in accordance with Section 135 of the Companies Act, 2013, and the rules framed thereunder, as amended from time to time, and any specific guidelines prescribed by the Reserve Bank of India (RBI) for Non-Banking Financial Company - Core Investment Companies (NBFC-CICs).

2. Objective

The objectives of this policy are to:

- Define the Company's CSR vision and philosophy.
- Identify the areas in which the Company will undertake CSR activities.
- Outline the process for implementation, execution, and monitoring of CSR projects.
- Specify the roles and responsibilities of various stakeholders in the CSR process.
- Ensure compliance with the requirements of the Companies Act, 2013, related rules, and any RBI directives.
- Promote transparency and accountability in the Company's CSR activities.
- Integrate CSR into the Company's business strategy.

3. Scope

This policy applies to all CSR projects and activities undertaken by the Company.

4. Legal and Regulatory Framework

The Company's CSR activities will be governed by the following:

- Section 135 of the Companies Act, 2013, and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

- Schedule VII of the Companies Act, 2013.
- Any other applicable laws, rules, regulations, or notifications.
- RBI Master Directions and any specific guidelines issued by the RBI for NBFC-CICs.

5. CSR Activities

The Company shall undertake CSR activities in one or more of the following areas, as specified in Schedule VII of the Companies Act, 2013, and as may be further specified or permitted by the RBI:

- Eradicating hunger, poverty, and malnutrition, promoting health care, including 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 centers, 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 the quality of soil, air, and water, including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of the 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.
- Training to promote rural sports, nationally recognized sports, paralympic sports, and Olympic sports.
- Contribution to the 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, tribes, other backward classes, minorities and women.
- Rural development projects.
- Slum area development.
- Disaster management, including relief, rehabilitation, and reconstruction activities.
- Such other areas as may be prescribed under Schedule VII of the Companies Act, 2013, or as may be notified by the Ministry of Corporate Affairs or the RBI.

The Company shall give preference to the local area and areas around it where it operates.

6. CSR Committee

The Company shall constitute a Corporate Social Responsibility (CSR) Committee of the Board of Directors, in accordance with the requirements of Section 135 of the Companies Act, 2013.

The CSR Committee shall:

- Formulate and recommend to the Board, this CSR Policy, indicating the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred on the activities referred to in this policy.
- Monitor the implementation of the CSR policy from time to time.
- Prepare an annual report on the CSR activities undertaken by the Company.
- Ensure that the CSR activities are aligned with the Company's overall business strategy and objectives.

- Address any specific CSR requirements or guidelines prescribed by the RBI for NBFC-CICs.

The composition of the CSR Committee shall be as per the requirements of the Companies Act, 2013, and any other applicable regulations.

7. CSR Expenditure

- The Company shall allocate at least 2% of its average net profits of the three immediately preceding financial years towards CSR activities, in accordance with Section 135 of the Companies Act, 2013.
- The expenditure on CSR activities shall be clearly identified and accounted for separately.
- The Company may collaborate with other companies for undertaking CSR projects or programs, subject to compliance with the Companies Act, 2013, and related rules.
- The Company shall not use CSR funds for any political contributions.
- Any surplus arising out of CSR projects or programs shall not form part of the business profit of the Company.

8. Implementation

The Company will implement its CSR activities through:

- Direct implementation through Company departments or dedicated CSR teams.
- Implementation through registered trusts, societies, or non-governmental organizations (NGOs) having an established track record and expertise in the relevant areas.
- Collaboration with other companies for joint CSR projects.
- Any other mode permitted under the Companies Act, 2013, and related rules, and with the prior approval of the CSR Committee.

The Company shall ensure that the implementation process is transparent and that the projects are executed in an efficient and effective manner. The Company will also ensure that Overhead costs shall not exceed 5% of the total CSR expenditure for the financial year.

9. Monitoring and Evaluation

- The CSR Committee shall monitor the progress of CSR projects and activities on a regular basis.
- The Company shall establish a monitoring and evaluation framework to assess the impact of its CSR projects.
- The monitoring process will include periodic reviews, site visits, and feedback from stakeholders.
- Impact assessments will be conducted, where feasible, to measure the social and environmental outcomes of the projects.
- The findings of the monitoring and evaluation process will be used to improve the effectiveness of the Company's CSR programs.

10. Reporting and Disclosure

The Company shall prepare an annual report on its CSR activities, as per the requirements of the Companies Act, 2013, and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The report shall include details of:

- The CSR policy of the Company.
- The composition of the CSR Committee.
- CSR projects or programs undertaken.
- Expenditure on CSR activities.
- Reasons for failure to spend the allocated amount, if any.
- The Company shall also disclose the CSR policy, projects, and expenditures on its website, as required by law.

- Any specific reporting requirements prescribed by the RBI for NBFC-CICs shall also be complied with.

11. Roles and Responsibilities

- Board of Directors: The Board of Directors shall approve the CSR policy and oversee its implementation.
- CSR Committee: The CSR Committee shall be responsible for formulating the CSR policy, recommending the expenditure, and monitoring the implementation of the policy.
- Management: The Company's management shall be responsible for the day-to-day implementation of the CSR projects and activities, under the guidance of the CSR Committee.
- Employees: Employees are encouraged to participate in CSR activities and contribute to the Company's CSR initiatives.
- Stakeholders: The Company will engage with relevant stakeholders, including local communities, NGOs, and government agencies, in the planning and implementation of CSR projects.

12. Amendments

The Board of Directors may, from time to time, amend, modify, or update this policy, as it deems necessary, subject to the provisions of the Companies Act, 2013, and any applicable regulations or guidelines, including those issued by the RBI.