

J&K BANK CSR POLICY

Introduction

The idea of Corporate Social Responsibility has gained prominence for quite some time now. The general notion has evolved all over that the downtrodden of Society cannot be reached only by the Government. In fact, corporate sector has also a responsibility to pitch in this effort. With the result, it is felt that the Corporate Houses, Banks and other Institutions can also be involved in the endeavor to take care of these segment/s of Society. With the same realization amidst swiftly changing corporate environment, J&K Bank, the oldest and the largest commercial Institution in J&K State, has adopted Corporate Social Responsibility (CSR) as a considered means for sustainable growth. For the Bank in the present context, CSR means not only venturing of financial resources for social activity but also integration of Business processes with Social processes.

Much before the issue of CSR became an inclusive concern for the Banks and other Business Houses, J&K bank has been aware and involved in its CSR endeavors. It has been fulfilling the aspiration of the Society particularly the neglected ones within the State thereby creating a harmonious relationship between the Bank and the peripheral segments of society in particular and the Society and stake holders at large.

It is in this backdrop the J&K Bank CSR Policy is being framed which encompasses the Bank's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large and is titled as **"J&K Bank CSR Policy"**

This Policy shall apply to all CSR initiatives and activities taken up for the benefit of different segments of the society and all other causes which are socially, economically and environmentally relevant for one and all.

"J&K Bank CSR Policy" shall be in accordance with the latest CSR rules as notified by Union Ministry of Corporate Affairs on 27th February 2014 that are to be implemented from 1st April 2014. The new rules give effect to section 135 and Schedule VII of the Companies Act, 2013, which relate to CSR related spending by Companies including Banks.

CSR Vision Statement & Objective

In alignment with its VISION, J&K Bank, through its CSR activities will continue to enhance value creation in the society and the community 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. The CSR & Sustainability activities of the Bank shall be aligned with business objectives and its mandate. Hence the core requirement for each project to be undertaken under CSR would be its relevance to the objectives of the Bank and to help in improving the quality of life of all the stakeholders associated with it. ***"The main objective of the CSR Policy shall be the Bank,s continuous commitment to operate in economically, socially and environmentally sustainable manner so as to ensure upliftment of the marginalized and under-privileged sections of the society to promote inclusive socio-economic well being and growth, empowerment of communities, capacity building, environment protection, promotion of green and environmentally viable technologies, development of backward regions by specially focusing on the projects relating to the benefit of the marginalized poor."***

The Corporate Social Responsibility (CSR) of the Jammu and Kashmir Bank Limited shall seek to recognize obligations towards all the stake holders. The CSR Policy of the Bank shall not be confined to recognizing promulgation of Bank's own values and principles of philanthropy but also the values and principles of all those who have a stake in it or are affected by its operations. By supporting social cause aligned to the mission the CSR

strategy differentiates the Bank's brand and enhances its reputation. The Bank shall seek to manage social issues in the same manner as any other strategic business issues.

Bank shall ensure the philosophy of what it means to be a socially relevant organization. It shall ensure that the activities carried out in the name of CSR shall be in line with the long term and sustainable policy for the well being of the various nuances of the society. Through CSR, bank shall try to derive strength more from the ability to lead bank supposed to play prime role of financial intermediation in the overall economic development of state.

POLICY

With the objective of promoting the philanthropic activities, other social and environmental issues, the bank has drawn up this Policy embodying the broader principles for CSR activities to be undertaken at a larger scale in view of it being mandatory from 1st April 2014. The various dimensions of the policy of the Bank are enumerated as per new provisions of CSR Bill introduced in the New Companies Act 2013. As the Bank is qualifying the main provision of having net worth of Rs 500 or more , or turnover of Rs. 1000 or more or net profit of Rs 5 Crore or more, as such, the spending on CSR activities mandatorily **from 1st April 2014** shall be **2%** of average previous three years PAT (Profit After Tax)

In concurrence with the permissible provisions of the New CSR Bill, the broader activities to be covered under "J&K Bank CSR Policy" shall be as under:

- ✓ Setting up of Public libraries.
- ✓ Setting up of Homes and hostels for orphans.
- ✓ Setting up of old Age Homes
- ✓ Setting up of Day Care Centres.
- ✓ Setting up of Homes and Hostels for Women
- ✓ Training to promote Rural Sports, Nationally Recognized sports, Olympic Sports and Paralympics Sports.

- ✓ Contributions or Funds provided to technology incubators located within academic institutions which are approved by the State /Central Government.
- ✓ Works to make safe Drinking water available
- ✓ Conservation of natural Resources.
- ✓ Ensuring ecological balance.
- ✓ Protection of Flora (vegetation) and fauna, animal welfare, agro forestry.
- ✓ Rural Development Projects.
- ✓ Livelihood enhancement projects
- ✓ Promoting Healthcare and sanitation
- ✓ Measures for reducing inequalities' faced by socially and economically backward groups.
- ✓ Efforts which benefit war widows, armed forces, veterans and their dependants.
- ✓ Protection of National Heritage, Art and Culture which include restoration of buildings and sites of historical importance and works of art.

Bank shall focus on the following CSR activities for larger community welfare on Institutional arrangement basis to meet local needs and aspirations in its area of operations

Health

- To contribute towards public Health initiatives by having Institutional arrangement with concerned Institutes and other related institutes/NGOs for the larger welfare of the needy and deserving beneficiaries.
- To take up projects where child mortality can be reduced and maternal health is improved
- To provide help to Primary Health Care Centers of the State in creating better Health Care facilities etc.
- Health care for visually impaired /Deaf and Dumb and physically challenged

EDUCATION

- To contribute towards public Education by having Institutional arrangement with Universities/Colleges/Schools NGOs for the larger welfare of the needy and underprivileged class of society.
- Establishment of Science laboratories, Computer laboratories for the schools and other educational institutes with INADEQUATE INFRASTRUCTURE facilities.

SOCIO/ENVIRONMENTAL/MISCELLANEOUS

- To create infrastructure for far flung areas through environmental conservation measures like providing solar energy, establishment of eco-parks, better sanitation etc. Bank may also have an arrangement/partnership with reputed NGOs or some implementing agency to carry out such activities.
- Community Lighting/Heating through solar Power
- Support to research in sustainable development. e.g Environment preservation/pollution control etc.
- Waste & Bio-degradable & non-bio-degradable Management activities.
- Support, undertake and encourage precautionary approach to environmental challenges, promote greater environmental responsibility and diffusion of environmentally friendly technologies.
- Bank shall have sustainable Livelihood Programmes aimed at providing livelihood in a locally appropriate and environmentally sustainable manner through:
 - i. VOCATIONAL TRAINING BY PARTNERING WITH TECHNOLOGY PARKS
 - ii. AGRICULTURE DEVELOPMENT AND BETTER FARM FOCUS
- To provide direct assistance or through Prime Minister's Relief Fund or Chief Minister's Relief Fund or any other national level or state level calamity relief fund to needy who have suffered due to natural disaster and calamities.

Implementation:

- Most of the CSR programmes shall be undertaken by the Bank directly.
- Project activities identified under CSR may also be implemented with the aid of specialized agencies which would include----reputed NGOs, elected local bodies like Panchayats, Academic Institutions, Self-Help Groups, Govt./Semi.Govt/Autonomous Organizations, etc. The performance of these bodies /agencies shall be monitored by the Bank on regular basis.

Identification of Programmes at Corporate Level shall be done by means of

- a) Need identification Studies at CHQ level
- b) Receipt of proposals/requests from Government/semi-Government Agencies etc. NGOs and other relevant groups.
- c) Proactive approach by having discussions with various Institutes and stakeholders

Baseline for Project based CSR activities

J&K Bank shall work out a mechanism to have long term Sustainability of CSR projects where its action plan /project implementation will be distinguished as "Short term" "Middle Term" and long term qualified as:

Short term-----1 to 6 months
Medium term -----6 months to 12 months
Long Term-----Beyond 1 year-----
(Flagship Programmes)

Powers of Approval

- CSR activities as may be initiated/ identified from time to time at CHQ level shall be required to be put upto the CSR Committee of the Board.
- For meeting the requirements arising out of immediate & urgent situations, Chairman and Chief Executive Officer shall be authorized to approve proposals in terms of the empowerment accorded to him by the CSR Committee.
- To afford a further degree of flexibility in approval of CSR programmes, the following financial delegation is afforded:
 - a) President (concerned) **Rs.25 Thousands** in each individual case , subject to annual ceiling of **Rs.10.00 Lakhs**
 - b) Executive President (concerned) **Rs.50.00 Thousands** in each individual case/project, subject to annual ceiling of **Rs.25.00 Lakhs**
 - c) Upto **Rs.10 Lakhs with Chairman and CEO** in each individual case/project , subject to annual ceiling of **Rs.5.00 Crore**
 - d) From **Rs.10.00Lakhs** onwards to **50 Lakhs** per project , subject to annual ceiling of **Rs.10 Crore -----CSR Committee of the Board**
 - e) From 50.00 Lakhs onwards per project with the **Board of Directors** upto the Maximum extent of funds earmarked for CSR activities on annual basis.

As a guideline to distribute its annual CSR expenditure amongst the approved/notified CSR activities, Bank shall fix a maximum ceiling of 15% within the prescribed CSR Budget for a single activity /project and not more than 35% in a single segment (e.g. Healthcare/Education etc)

As delineated in CSR notification other dimensions of the Bank's CSR Policy shall be as under:

- ✓ Bank shall give preference to the local area of operation for spending the amounts earmarked for CSR activities.
- ✓ Bank shall have the discretion to set up a not-for-profit organization in the form of trust, society or non-profit company to facilitate implementation of its CSR activities. However, Bank shall ensure monitoring mechanism that the allocation to such organization is spent for intended purposes/projects only.
- ✓ Bank shall also collaborate or pool resources with other companies to undertake CSR activities within its area of operations.
- ✓ The surplus arising out of the CSR activity shall not form a part of business profits of the Bank.

Role of CSR Committee

Under the new provisions of the CSR Bill, CSR Committee

- Shall regularly conduct reviews of CSR initiatives taken by the Bank in accordance with Bank's CSR Policy (at least on half yearly basis)
- Approve CSR Projects upto the extent of powers delegated.

Reporting

Reporting as desired under the Act to be included in the Board's report shall be done as per the annexed format or as advised from time to time.

Annexure

Format for the annual report on CSR activities to be included in the Board's Report

1. A brief of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes.
2. The Composition of the CSR Committee.
3. Average Net profit of the Company for last three financial years.
4. Prescribed CSR Expenditure (2% of the amount as in item 3 above)
5. Details of CSR spent during the financial year.
 - a) Total amount to be spent during the financial year
 - b) Amount unspent, if any.
 - c) Manner in which the amount spent during the financial year is detailed below.

1	2	3	4	5	6	7	8
S.No	CSR project or activity identified	Sector in which the project is covered	Projects or programmes (1) local area or other (2) Specify the state and District where projects or programmes were taken.	Amount outlay (Budget) project or programme wise	Amount spent on the projects or programmes. Sub-heads: (1) District expenditure or programmes. (2) Overhead	Cumulative expenditure upto reporting period	Amount spent: Direct or through implementing agency
1							
2							
3							
	Total						

- Give details of implementing agency

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy , is in compliance with CSR objectives and policy of the company.

Sd/- (CEO or Managing Director or Director)	Sd/- (Chairman CSR Committee)	Sd/= (Person specified under clause (d) of sub-section (1) of section 380 of the Act) Wherever applicable
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