



Corporate Social Responsibility (CSR) policy

S.No.	Subject	Page Number
1.	Preamble	1
2.	CSR vision & mission statement	1
3.	Scope	1
4.	Governance	2
5.	Roles and Responsibilities of CSR committee	2
6.	Implementation	3
7.	CSR Budget	3
8.	Disbursement	4
9.	Monitoring, Feedback and Reporting	4
10.	CSR Programs / Projects	5
11.	CSR intervention areas	6



Corporate Social Responsibility (CSR) Policy

1. Preamble

In India, The concept of CSR is governed by clause 135 of the Companies Act, 2013, which was passed by both Houses of the Parliament, and had received the assent of the President of India on 29 August 2013. The Ministry of Corporate Affairs has notified Section 135 and Schedule VII of the Companies Act 2013 as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 to come into effect from April 1, 2014. The Act defines CSR as activities that promote poverty reduction, education, health, environmental sustainability, gender equality, and vocational skills development.

2. CSR vision & mission statement

Through the CSR projects, our bank intends to contribute in its own small way to the social and economic upliftment of needy individuals / areas, mostly in the places in which it operates.

3. Scope

CSR policy will apply to all projects / programs undertaken as part of the Bank's Corporate Social Responsibility activities. It will be developed, reviewed and updated by reference to relevant codes of Corporate Governance and International standards (or) best practices while keeping it always in line with the CSR Rules (Sec. 135 of Companies Act 2013)



4. Governance

Overall Governance of CSR and approving of the CSR policy will be the responsibility of the CSR Committee of the Board. As the Bank's CSR activities evolve further, the policy may be revised with the approval of the CSR committee of the Board.

5. Roles and Responsibilities of CSR committee

The key roles and responsibilities of the CSR Committee would be to implement the CSR policy. Broadly the roles and responsibilities are the following:

- ✓ Formulation of broad guidelines for selection of the projects, planning, execution, monitoring and evaluation
- ✓ Selection of projects in accordance with policy framework & guidelines
- ✓ Finalization of annual budgetary requirement for each project along with the targets
- ✓ Formulation of strategies for efficient implementation of projects
- ✓ Periodic reporting of all CSR Projects, as required

The CSR committee of the Board has been constituted by the Board with MD& CEO and a few other members of the Board.



6. Implementation

- ✓ CSR committee shall approve plans for implementation of identified CSR projects efficiently.
- ✓ Our Bank will try to implement the CSR projects directly (or) by forming a Trust (or) Foundation. Whenever needed may also engage specialized agencies / NGOs / Trusts / Government or Semi Government organizations / private agencies for any assignment, who have requisite expertise of carrying out the identified activities / programmes.
- ✓ Our Bank may also collaborate with other companies for undertaking identified programmes.

The implementing agency should typically have not less than three years of experience in implementing projects in the respective area. It should preferably be a **“not for profit”** organization. The implementation partner will also be screened by the Bank to ascertain the entity’s credibility and its ability to execute the proposed projects. If any CSR activity taken up for implementation is not properly carried out, then our Bank may discontinue funding the project at any time during the course of implementation.

7. CSR Budget

- ✓ Every year a budget for CSR activities shall be decided by the Board on the recommendation of the CSR Committee. Such budget shall not be less than 2% of the average net profit made by our Bank during the three immediately preceding financial years.
- ✓ An exclusive account has to be opened and the annual CSR budget amount will be transferred to the account.
- ✓ Based on the budget allocation, the CSR projects will be planned and the allocation of funds shall be decided by the CSR committee.
- ✓ The surplus arising out of the CSR projects shall not form part of the business profit of our Bank.



- ✓ Any unspent / unutilized amount of CSR fund of a particular year shall be carried forward to the following year. It will be lapsable after 2 years.
- ✓ Based upon the CSR projects the budget has to be prepared and same has to be approved by the CSR committee

8. Disbursement

The disbursement of funds will be either in tranching drawdown form or one-time payment depending on the nature and requirement of the project. The terms, conditions and timing of disbursement will be discussed and agreed to with the CSR committee and project teams and will typically form part of the Memorandum of Understanding with the entity implementing the project.

9. Monitoring, Feedback and Reporting

- ✓ To ensure effective implementation of the CSR Projects undertaken, a monitoring mechanism will be put in place.
- ✓ Our Bank shall conduct impact studies on a periodic basis, through independent professional third parties/professional institutions, especially on the strategic and high value programmes and will also try to obtain feedback from beneficiaries about the programmes.
- ✓ The progress report of CSR Projects under implementation in the format given in Annexure shall be placed before the Board on quarterly basis.
- ✓ CSR initiatives of our Bank will be reported in our Annual report.
- ✓ CSR functions of our Bank will be co-ordinated and monitored by the CSR committee for the successful implementation. The CSR committee will meet at least once in a quarter.

In order to assist the CSR committee, the department suggests to establish a special committee known as “Working Committee” and their responsibilities are given below:



- ✓ Working Committee shall build and put the policy framework in place in consultation with and under the guidance of the CSR Committee.
- ✓ Working Committee will monitor the progress of CSR projects under implementation and report the same to CSR Committee.
- ✓ Working Committee will coordinate with different Central, State Government Departments and all other stakeholders including service providers for successful implementation of CSR Projects.
- ✓ Working Committee will be responsible for mobilizing volunteers and facilitating the CSR activities in various states.
- ✓ Working Committee shall provide recommendation regarding target group, geography and what sectors or issues it wishes to address.
- ✓ Working Committee shall provide recommendation on selection of the projects, planning, execution, monitoring and evaluation.
- ✓ Further, Working Committee shall be responsible for making recommendation to update the policy in the light of change in the applicable laws/rules/ guidelines.
- ✓ The members of the Working Committee may be appointed / changed from time to time by the MD & CEO of our Bank.

10. CSR Programs / Projects

The Bank is highly supportive of the involvement of its employees in its CSR initiatives and in community activities / charities of their choice and will therefore proactively engage with employees and other key stakeholders to solicit their active involvement in the Bank's CSR programs. The CSR committee will consider and approve (in line with the guidelines given below), CSR programs / projects to be undertaken during the year.

- ✓ The Bank will ensure that its CSR projects are non – discriminatory in nature and do not have any restrictive political or religious affiliations.
- ✓ The programs / projects will be within the areas recommended / listed by the CSR committee and mentioned in the Policy.
- ✓ CSR programs / projects will be beyond business as usual.



- ✓ The Bank will actively consider programs / projects that have been identified by the employees and also those where employees are directly involved through volunteering effects.
- ✓ The Bank will consider programs / projects closely linked with the principles of sustainable development.
- ✓ Programs / Projects should not be exclusively for the benefit of employees of the company or their family members or those that are organized / conducted / undertaken exclusively in pursuance of the normal course of business.
- ✓ Any surplus generated out of the CSR activities of the Bank, will be ploughed back to the CSR initiatives of the Bank.

11. Preferred CSR intervention areas

The CSR intervention areas will be as prescribed under Section 135 of the Companies Act as amended from time to time with the preferred scope being as below:

- a) Promoting of Education
- b) Promoting Rural Sports
- c) Setting up Old age homes
- d) Catering to needs of needy and downtrodden section of society
- e) Participation in “**Swachh Bharat Abhiyan**” of Government of India
- f) Focus on the developmental needs of Girl Children
- g) Meeting infrastructural requirements of needy Government / Semi-Government educational institutions
- h) Any other area approved by CSR committee

#####