

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

For JAMMU & KASHMIR DEVELOPMENT FINANCE CORPORATION LIMITED

1. Introduction

1.1. Jammu & Kashmir Development Finance Corporation Philosophy

Our commitments towards **Corporate Social Responsibility** include but not limited to, promotion of education and healthcare, energy and climate change, and betterment of the society through respect for universal human rights and the environment, acting with integrity and accountability and operating responsibly and sustainably.

1.2. CSR in India

Corporate bodies' involvement in CSR activities is not a new concept in India. Industrial majors are engaged in social development activities since long back. However, the **Companies Act, 2013** has brought it under the legal purview. It mandates qualifying companies to constitute Corporate Social Responsibility Committee to effectively formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company, recommend the amount of expenditure to be incurred on such activities and monitor CSR Policy of the Company from time to time. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as "the CSR Rules") lay down the framework and modalities for carrying out CSR activities which are specified in Schedule VII of the Act.

2. Objective and Scope

2.1. Objective

The main objective of the CSR Policy is to lay down guidelines for **Jammu & Kashmir Development Finance Corporation Limited** (hereinafter referred to as 'the Company') to make CSR as one of the key focus areas to adhere to Company's interest in environment and society that focuses on making a positive contribution to society through effective impact and sustainable development programs.

This Policy covers the CSR activities to be undertaken by the Company and ensuring that they are in line with Schedule VII of the Act as amended from time to time as **detailed under**. It covers the strategy that defines plans for future CSR activities.

SCHEDULE VII of the Companies Act, 2013:

Activities which may be included by companies in their Corporate Social Responsibility Policies
Activities relating to:—

- (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, agro forestry, 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (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 Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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;

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(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

(x) rural development projects

(xi) slum area development.

Explanation.- 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.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

2.2. Scope & Coverage

The CSR activities of the Company shall include, but shall be limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company shall review the sectors/activities with reference to Schedule VII from time to time and make additions/ deletions/ clarifications to the above sectors/activities of the Company's CSR Policy.

3. Corporate Social Responsibility (CSR) Committee

3.1. Constitution

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 three or more Directors out of which at least one director shall be an independent director. Accordingly, the constitution of CSR Committee formed by **Jammu & Kashmir Development Finance Corporation Limited** is as follows:

S. No.	Name of the member	Designation in committee	Designation in Jammu & Kashmir Development Finance Corporation Limited
1	Commissioner/ Secretary, Industries & Commerce Department, Govt. of Jammu & Kashmir.	Chairman of CSR Committee	Director
2	Managing Director, JKDFC.	member of CSR Committee	Managing Director
3	Smt. Rashim Sood.	member of CSR Committee	Independent Director
4.	Dr. Sunil Kumar Baghel.	member of CSR Committee	Independent Director


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3.2. Functions of Committee

To effectively implement the objectives of the Company with respect to CSR and to carry out the function as laid down under sub section (3) of section 135 of the Companies Act as enumerated below:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

- (c) monitor the Corporate Social Responsibility Policy of the company from time to time
In addition to the above functions of the CSR Committee as provided under sub section (3) of section 135 of the Companies Act, 2013, the CSR committee shall perform additional function(s) as directed by the Board of Directors of the Company in order to carry out the CSR objectives of the company smoothly.

3.3. Meetings of the Committee

For smooth functioning of the Committee, the members shall meet as and when necessary/as prescribed by the policy/directions of the Board in order to discuss matters and to take such decisions as may be necessary; The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means as may be convenient.

4. CSR Spend

The Company shall spend the amount as prescribed u/s 135 of the Companies Act, 2013 towards the prescribed CSR activities of the Company. Annual Net Profit for this purpose for a year to be calculated as per Section 198 of the Companies Act, 2013.

4.2. Failure to spend the CSR Money

If the Company fails to spend the required amount in a particular financial year, it is the duty of the Committee to submit a report in writing to the Board of Directors specifying the reasons for not spending the amount, which in turn shall be reported by the Board of Directors in their Annual Report pertaining to that particular Financial Year and unless unspent amount relates to any ongoing project referred to its sub-section (6) of Section 135 of the Act transfer such unspent amount to a Fund specified in Schedule VII within a period of six months of the expiry of the Financial Year in accordance with the provisions of Sub-section (5) of Section 135 of the Act.

5. CSR Initiatives

Pursuant to Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities as recommended by the CSR Committee for each year.

6. Reporting and publication of CSR policy

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website.

7. Monitoring Mechanism

The Management of the Corporation shall ensure effective implementation and monitoring of the projects approved by the Board of Directors of the Corporation as recommended by the CSR committee. The Management may, if needed, constitute a team of employees of the Corporation in this regard.

8. Policy review and future amendment

The Board of Directors may revise/ amend the CSR Policy based on the recommendations of the CSR committee or to bring the same in line with the amendments made in the relevant provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder.


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