

Corporate Social Responsibility (CSR) Policy 2015-16

1.0 PREAMBLE

- 1.1. Section 135 of the Companies Act, 2013 and rules thereof require every company having net worth of Rs. 500 cr or more or turnover of Rs. 1000 cr or more or a net profit of Rs. 5 cr in any financial year to spend 2% of its average net profits of last three financial years towards Corporate Social Responsibility.
- 1.2. It is also provided that the Board, after taking into account recommendations of CSR Committee shall approve the Corporate Social Responsibility Policy. The company shall be required to disclose contents of such Policy in its Directors' report and also place it on the company's website, if any, in such manner as may be prescribed. If the company fails to spend such amount, the Board shall, in its Directors' Report specify the reasons for not spending the amount.
- 1.3. CSR policy encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism in this regard.

2.0. CSR VISION STATEMENT

As a Responsible Corporate Citizen PNB Gilts would endeavour to :

- ✓ Ensure an increased commitment at all levels in the organization to operate its business in an economically and socially sustainable manner, while recognising the interests of all its stakeholders.
- ✓ To directly or indirectly take up programmes that benefit the society particularly in the areas of its operations.
- ✓ To generate, through its CSR initiatives, a community goodwill for the company and help reinforce a positive & socially responsible image of PNBG's corporate entity.

3. CSR Committee

To achieve the objectives as stated above and in terms of Section 135 of the Act and rules made thereunder, the CSR Committee formed by the Board would perform the following functions :

- a. To formulate and recommend to the board, a CSR programme each financial year incorporating the activities to be undertaken by the company. Such activities will be strictly limited to those specified in section 4 hereafter.
- b. To recommend the budget for each of these activities.
- c. To monitor the implementation of the CSR programme periodically .
- d. To carry out such other functions as are assigned to it by the Board.

4. Funding and resource allocation -

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Company will allocate upto 2% of average net profits of last three financial years, as computed under Section 198 of the Companies Act, 2013, as its Annual CSR Budget or such other amount as is approved by the Board.

CSR Budget allocation may be made towards one or more of the following projects/ programs on a year on year basis:

1. Supporting activities of education or research in the field of finance/debt markets in specialized institutions i.e. NIBM, ICAI, IIM.
2. Making contributions to the NGOs in NCR and Mumbai region having track record of at least 15 years and those having recognition by authorities under section 35CC of the Income-tax Act, 1961 and working in the field of education for economically weaker sections.
3. Pooling funds with CSR activities of the group company(ies), peer company(ies) in Primary Dealer (PD) industry or FIMMDA in NCR and Mumbai region, as may be approved by the Board on the recommendation of the CSR Committee.
4. Joining the eligible initiatives of CSR by any organ of parent bank/group companies in NCR and Mumbai region as approved by the Board on recommendation of CSR Committee.
5. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
6. Any other program/project relating to the activities defined in Schedule VII of the Companies Act, 2013, as applicable for the time being and as amended from time to time.

If the allocation made for the CSR activities is not utilized for the said projects, the amount so set aside will be carried forward to the next year for its subsequent utilization and the reasons for non utilization will have to be reported in the Directors' report. Surplus arising out of CSR activity will not be part of business profits of the company.

MONITORING

- ✓ The progress of CSR programmes under implementation will be monitored by CSR Committee periodically and reported to Board in its next meeting.
- ✓ CSR initiatives of the company will also be reported in the Annual report of the company.

General

- ✓ In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, the interpretation & decision of the CSR Committee shall be final.
- ✓ Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by Government, from time to time.
- ✓ The Company reserves the right to modify, cancel, add, or amend any provisions of this Policy.