

CORPORATE SOCIAL RESPONSIBILITY POLICY



JM FINANCIAL GROUP

JM Financial Limited

JM Financial Institutional Securities Limited

JM Financial Products Limited

JM Financial Services Limited

JM Financial Investment Managers Limited

JM Financial Asset Reconstruction Company Private Limited

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1. BACKGROUND FOR FORMATION OF THIS POLICY

The provisions of Section 135 of the Companies Act, 2013 ('the Act') read with The Companies (Corporate Social Responsibility Policy) Rules, 2014 require those companies that are falling within the purview of the said Section to undertake Corporate Social Responsibility (CSR) activities and allocate a percentage of its profit before tax for such activities. Extract of the relevant provisions of the Act is attached at Annexure 1 to this document.

JM Financial Group has been committed to socially relevant community giving for several decades. The concept of CSR is consistent with the Group's philosophy.

This Policy is formulated as required under the provisions of Section 135(3) of the Act. This Policy document is prepared to outline the approach to CSR, the method for selection of the projects to be supported, the manner of making contribution, the methodology for monitoring of the projects and reporting of the CSR initiatives of JM Financial Group.

2. ACTIVITIES THAT CAN BE UNDERTAKEN FOR CSR PROJECTS AS SPECIFIED IN SCHEDULE VII TO THE ACT ARE FOLLOWING:

(i)	eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh 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, agroforestry, 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 arts and handicrafts;
(vi)	measures for the benefit of armed forces veterans, war widows and their dependents;

(vii)	training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
(viii)	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, the Scheduled Tribes, other backward classes, minorities and women;
(ix)	contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
(x)	rural development projects;
(xi)	slum area development.

3. CSR COMMITTEE AND ITS COMPOSITION:

The Board of Directors has constituted the CSR Committee consisting of three (3) Directors viz., Mr Nimesh Kampani, Mr. Keki Dadiseth and Mr. Paul Zuckerman. The CSR Committee shall always include at least one (1) Independent Director and have total strength of at least three (3) directors. An outgoing member of the CSR Committee may be replaced by any other member of the Board.

4. CSR COMMITTEE MEETINGS:

The CSR Committee shall meet as often as its members deem necessary to perform the duties and responsibilities but not less than twice in a year.

5. EXISTING CHARITABLE TRUSTS WITHIN JM FINANCIAL GROUP:

Over last three decades, JM Financial Group has been engaged in community outreach activities through following two charitable trusts. Profiles describing the activities of these trusts are attached at Annexure 2 to this document.

JM FINANCIAL FOUNDATION

JM Financial Foundation, established in the year 2001 began its activities with support to the victims of the massive earthquake that hit the Kutch region in the state of Gujarat. Its objectives cover a wide area of activities and causes. In last several years, JM Financial Foundation has supported various institutions and NGOs on a number of outreach programs in several fields ranging from education, health, support to poor, animal welfare to disaster relief.

KAMPANI CHARITABLE TRUST (KCT)

KCT was established in the year 1984 for advancement and propagation of education, medical help to the poor and any other objects which are charitable and of general public utility like maintenance of gardens, care, upkeep and food for animals and birds.

The Trust has been achieving the aforesaid objects by contributing directly to needy persons as well as supporting the activities undertaken by various institutions.

6. ANNUAL ALLOCATION FOR CSR ACTIVITIES:

The CSR Committee will recommend the amount of expenditure to be incurred by the Company on the CSR activities. The basis for such recommendation will be the profits of the Company and the percentage prescribed under the Act. Despite the allocation of funds to be spent as above, the Company may not spend the amount so allocated and specify the reasons for not spending such sum in the Board's report.

JM Financial Group may undertake the CSR activities either directly or participate through the two philanthropic arms as mentioned above over which the Company will have complete oversight.

The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

7. AREAS OF CSR PROJECTS:

JM Financial Limited is a holding company operating in the financial services industry through several subsidiary and associate companies.

The head office of the Company is in Mumbai.

8. CRITERIA FOR SELECTION OF CSR PROJECTS

JM Financial Limited shall support projects that the CSR Committee considers deserving keeping in mind the following factors, among others:

- The project is covered within the suggested areas in the Act or rules made thereunder;
- can be assessed on an ongoing basis; and
- is capable of creating long term impact.

9. MODALITIES OF EXECUTION/IMPLEMENTATION PROCESS FOR CSR ACTIVITIES:

The CSR Committee shall review the proposals presented by the CSR team and the management team for the projects to be supported, detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be allocated to each project.

CSR Committee will satisfy itself about the projects, their promoters, efficacy, implementation team, timeframe, costs etc., as well as whether it falls within the areas mentioned in the Act. Based on its deliberations, the Committee will present to the Board of Directors the projects and the amount that it recommends for support.

The Committee shall give its recommendation and approval in compliance of this Policy.

The Company may make contributions to the identified Projects directly or through JM Financial Foundation and/or Kampani Charitable Trust as per the Committee's decision.

The Company may also collaborate with other companies including JM Financial Group Companies for undertaking the CSR activities subject to fulfillment of separate reporting requirements. Further, the Company may, if approved by the Board/CSR Committee, implement the CSR activities through implementing partners/executing agencies which may include NGOs having an established track record of at least 3 years in carrying out the specific activities.

JM Financial Group may also facilitate the involvement of its employees in CSR projects and events, giving them an opportunity to engage in socially meaningful activities, thus, enabling them to realize their full potential and role as socially responsible citizens.

10. MONITORING/OVERSEEING CSR ACTIVITIES/PROJECTS:

The CSR Committee of the Company shall be responsible for monitoring the CSR Policy from time to time.

The CSR team and the management of the Company shall submit a report periodically, giving status of the approved Projects, amounts allocated, expenditure incurred and such other details as may be required by the CSR Committee/Board of Directors of the Company.

The CSR Committee shall meet as and when required to review the progress of varied CSR projects in terms of both outcome assessment and financial monitoring. The CSR Committee shall also approve the CSR report to be included in the Directors' Report of the Company every year.

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