

CORPORATE SOCIAL RESPONSIBILITY POLICY



JM FINANCIAL LIMITED

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1. BACKGROUND:

JM Financial Group (consisting of JM Financial Limited and its subsidiary/associate companies) has been committed to be a socially responsible community for giving and development activities for several decades and this is integral to the Group's philosophy and values.

The provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ('CSR Rules'), as amended from time to time, requires the companies that are falling within the purview of the said Section to undertake Corporate Social Responsibility (CSR) activities and allocate a percentage of their profit before tax to be spent on such activities.

This Policy is formulated in terms of the applicable provisions of the Act read with CSR Rules. This Policy document is prepared to outline the approach to CSR, the method for selection of the projects to be supported, manner of execution, modalities of CSR funds utilization and the methodology for monitoring and reporting of the projects and reporting by JM Financial Limited ("the Company").

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

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| (i) | eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach 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, 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
(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 Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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)	<p>a. contributions 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</p> <p>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).</p>
(x)	rural development projects;
(xi)	slum area development.
(xii)	disaster management, including relief, rehabilitation and reconstruction activities.
(xiii)	Any other activities allowed under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, as amended, from time to time

3. *ON-GOING CSR PROJECT:*

“Ongoing Project” means a project which is a multi-year project undertaken by the Company in fulfilment of its CSR obligation, having estimated timeline of more than one year but not exceeding 3 (three) years excluding the financial year in which it was commenced, and shall include a project that was initially not approved as a multi-year project, but whose duration has been extended beyond 1 (one) year and approved by the Board of Directors of the Company based on reasonable justification.

4. *CRITERIA FOR SELECTION OF CSR PROJECTS:*

The Company shall support projects that its CSR Committee considers deserving, based on the following broad factors:

- The project is covered within the suggested areas in the Act or rules made thereunder or such other areas as identified by the Committee as it may deem appropriate considering the need;
- is capable of creating long term impact; and
- any other project as may be deemed appropriate by the CSR Committee.

5. *CSR COMMITTEE AND ITS COMPOSITION:*

The CSR Committee constituted by the Board of Directors, shall consist minimum of three (3) Directors.

The CSR Committee shall always have at least one (1) Independent Director. An outgoing member of the CSR Committee may be replaced by any other member of the Board.

6. *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. Due to any unforeseen events, if it's not feasible to hold at least two meetings, then at least one meeting shall be held during the year.

7. *EXISTING CHARITABLE TRUST(S)/IMPLEMENTING AGENCY(IES) WITHIN JM FINANCIAL GROUP:*

Over last three decades, JM Financial Group has been engaged in community outreach activities through following two charitable trusts viz. JM Financial Foundation and Kampani Charitable Trust.

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.

8. FORMULATION OF ANNUAL ACTION PLAN:

Every year, the CSR Committee shall recommend to the Board of Directors of the Company for its approval, an Annual Action Plan to, inter-alia, include the following:

- list of CSR projects or programmes to be undertaken in areas or subjects specified in Schedule VII to the Act;
- manner of execution of such projects or programmes;
- direction for utilisation of funds and implementation schedule for the projects or programmes;
- monitoring and reporting mechanism for the projects or programmes; and
- details of Need and Impact Assessment, if any, for the projects undertaken by the Company.

The Board of Directors of the Company may alter such plan at any time during any financial year, based on the recommendation of the CSR Committee.

9. ANNUAL ALLOCATION FOR CSR ACTIVITIES:

The CSR Committee and the Board of Directors will note and record 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.

If for reasons explained to and noted by the CSR Committee, the funds allocated for spending as per the Annual Action Plan remain unspent, the fact and reasons for the gap in spending will be included in the report of the Board of Directors for the concerned financial year. The Company will also ensure that the applicable provisions of the Act and the Rules are followed in respect of use/transfer to specified account/s of such unspent funds.

The Company may undertake the CSR activities either directly or participate through its implementing agency, viz., JM Financial Foundation, over which the Company will have complete oversight. Profile describing the activities of the Foundation is attached as Annexure 1 to this policy document.

The surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company and shall be spent/transferred in the manner prescribed under the applicable provisions of the Act and the Rules

10. MANNER OF EXECUTION:

The Company shall, in terms of the applicable provisions of the Act and Rules, either spend the funds on the projects approved by the CSR Committee and the Board of Directors of the Company either directly or through its implementing agency (ies) duly and fulfilling the regulatory criteria like having a unique CSR Registration number and registered under Sections 12A and 80G of the Income Tax Act, 1961.

The Company can also engage domestic or/and international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per this policy as well as for capacity building of personnel for CSR, in case the same is recommended by the CSR Committee of the Board.

The Company may, if so recommended by the CSR Committee of the Board, spend CSR amount for creation or acquisition of a capital asset, to be held by -

- a company established under Section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
- beneficiaries of the of the CSR project(s), in the form of self-help groups, collectives, entities.

11. 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 plans of such projects, modalities of execution, implementation schedule, monitoring process and amount to be allocated to each project.

CSR Committee will satisfy itself about the projects, their efficacy, implementation schedule, project timeline, budget etc., as well as ensuring that the projects fall within the areas mentioned in the Act / Rules. Based on its deliberations, the Committee will recommend to the Board of Directors, the projects and the amount to be allocated for the same.

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

The Company may make contributions to the selected Projects directly or through JM Financial Foundation as recommended by CSR Committee and approved by the Board of Directors.

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 a company established under section 8 of the Act, or a registered public trust or a registered society registered under Sections 12A and 80G of the Income Tax Act, 1961 and having an established track record of at least 3 (three) years and registered as an implementing agency to carry out CSR activities.

The Company may also facilitate the voluntary involvement of its employees in CSR projects and development initiatives, offering an opportunity for them to contribute to meaningful causes, thereby facilitating their role as socially responsible citizens.

A certificate from the Chief Financial Officer certifying that the funds disbursed have been utilised for the purposes and in the manner as approved by the Board shall be placed before the Board of Directors every year.

12. MONITORING/OVERSEEING CSR ACTIVITIES/CSR PROJECTS:

The CSR Committee of the Board 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 various CSR projects in terms of both outcome assessment and financial monitoring.

13. IMPACT ASSESSMENT, IF REQUIRED:

If the CSR obligation of the Company is Rs. 10 crore or more as calculated on the basis of an average profits of the 3 immediately preceding financial years, then, pursuant to the applicable provisions of the Act and Rules made thereunder, the Company shall undertake impact assessment, through an independent agency, of its CSR projects having outlays of Rs. 1 crore or more, and which have been completed not less than 1 (one) year before undertaking the impact study. The impact assessment reports will be placed before the Board of Directors and will also be annexed to the annual report on CSR of the Company. Similarly, the projects can as far as possible be based on needs assessment undertaken designing stage.

The expenditure incurred in undertaking impact assessment is allowed to be booked towards CSR for the financial year for which the impact assessment is done, and shall not exceed 5% of the total CSR expenditure for that financial year or Rs. 50 lakh, whichever is less.

14. REVIEW/AMENDMENT IN POLICY:

Any amendment in this Policy may be carried out with the approval of the Board of Directors of the Company, based on the recommendations of CSR Committee.

In case any amendment(s), clarification(s), circular(s) and guideline(s) issued by applicable regulatory authority (ies), that is not consistent with the requirements specified under this Policy, then the provisions of such amendment(s), clarification(s), circular(s) and the guideline(s) shall prevail upon the requirements hereunder and this Policy shall stand amended accordingly effective from the date as laid down under such amendment(s), clarification(s), circular(s) and guideline(s).

Annexure I

JM FINANCIAL FOUNDATION

Introduction

At JM Financial Foundation, CSR has always been a priority, culminating into our community development programmes and initiatives. As a Foundation, our focus has always been long-term, inclusive growth in the thrust areas of education, health, livelihoods and women empowerment. We are committed to the most vulnerable, marginalized and unreached communities in the society.

JM Financial Foundation was founded on March 14, 2001 with the prime objective of providing relief to the victims of the then recent Gujarat earthquake.

Trustees

The present trustees of JM Financial Foundation are:

- ▶ Mr. Nimesh Kampani
 - ▶ Ms. Dipti Neelakantan
 - ▶ Ms. Amishi Gambhir
 - ▶ Mr. Prashant Choksi
 - ▶ Mr. Manish Sheth
 - ▶ Ms. Puja Dave
- } w.e.f February 13, 2021

Objectives of the Foundation

The objectives of JM Financial Foundation, inter alia, is to provide assistance in whatever manner whether financial, medical, food, clothing, shelter, etc. to the needy, deserving and poor people who cannot afford the same, as well as to carry out other objects of public utility.

Activities/Projects

Since our founding, we have supported over 35 most deserving organizations and their causes by way of philanthropy and CSR. Over the years, the objectives of the Foundation have also expanded with a belief in serving the bottom of the pyramid in some of the most difficult regions of the country by way of CSR that enables long-term, grassroots, inclusive and integrated rural development.