

# **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**

## DOCUMENT CONTROL/VERSION HISTORY

### A. DOCUMENT CONTROL

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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 Swachh 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;

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(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.

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### 3. CSR COMMITTEE AND ITS COMPOSITION:

The Board of Directors has constituted the CSR Committee consisting of three (3) Directors viz., Mr. V P Shetty, Mr. E A Kshirsagar and Mr. Vishal Kampani. 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 Products Limited is a registered with the RBI as a “non-deposit taking systemically important non-banking financial company (NBFC-ND-SI)”. Further, as per the RBI classification norms, the Company is classified as a Loan company.

The head office of the Company is in Mumbai and has branch offices in nine cities in India.

### **8. CRITERIA FOR SELECTION OF CSR PROJECTS**

JM Financial Products 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.

## Annexure I

### **Section 135 of the Companies Act, 2013 - Corporate Social Responsibility**

(1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

(2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

(3) The Corporate Social Responsibility Committee shall,—

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;

(b) 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.

(4) The Board of every company referred to in sub-section (1) shall,—

(a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and

(b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

(5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

*Explanation.*—For the purposes of this section “average net profit” shall be calculated in accordance with the provisions of section 198.



### **Revised Schedule VII to the Companies Act, 2013**

- (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.

**JM FINANCIAL FOUNDATION****Introduction**

At JM Financial, an essential component of our corporate social responsibility is to care for our community. All of our work flows from this fundamental commitment.

In our endeavour to make a positive contribution towards the lesser privileged communities, the philanthropic arm of JM Financial Group was founded on March 14, 2001. The prime objective then of the Foundation was to provide relief to the victims of the Gujarat earthquake, which happened on January 26, 2001.

Over the years, the objectives of the foundation have also expanded. JM Financial Foundation believes in strengthening and uplifting the lesser privileged communities by enabling them to be self-reliant by supporting a wide range of socio-economic, educational and health initiatives.

**Trustees**

The present trustees of JM Financial Foundation are:

- ▶ Mr. Nimesh Kampani
- ▶ Ms. Dipti Neelakantan
- ▶ Mr. Rajeev Chitrabhanu

**Objective of the Foundation**

The objective 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 and Projects**

The Foundation has partnered with several NGOs to work on a number of outreach initiatives. Some of the community projects and programmes are driven by the active participation of the employees of JM Financial Group.

These are broadly categorised as follows:

## □ EDUCATION

Education has been a primary focus area of our CSR activities. This includes building of classroom blocks, providing classroom furniture or stationery and payment of fees, or providing transport or funding Balwadis.

The response to all these initiatives has been overwhelming and we are now taking up more initiatives to improve access to education for the underprivileged. We have partnered with various NGOs such as Sunbeam, Project Crayons, REAP, Powai Senior Citizens' Association, Round Table and Parisar Vikas Pratishthan, in various ways to achieve our goal of promoting education.

During the year 2013-14, JM Financial Foundation has aided the following programs for promoting education:

- ▶ Nanhi Kali - A joint project between K. C. Mahindra Education Trust & Naandi Foundation, this program provides social, material and moral support to the girl child.
- ▶ The Yuva Parivartan program of Kherwadi Social Welfare Association to promote vocational skills training for the less educated.
- ▶ Supporting the Educational Programme of Vishwas, Gurgaon, to provide inclusive education services to the underprivileged and disabled children
- ▶ JM Financial Foundation has partnered with Ahmedabad University to create Venture Studio, whose objective is to promote the spirit of entrepreneurship in the young generation and provide them with opportunities to start up innovative ventures.
- ▶ Sahachari Foundation - support activities for less privileged children in the areas of education, healthcare and socio-economic upliftment.
- ▶ Bombay Bunts Association – conducts the 'Educational Aid' program every year via the distribution of scholarships to the needy and deserving students.
- ▶ Wavli Adivasi Ashram School – situated in Pali, off the Mumbai-Pune Expressway, It is a residential school which houses tribal children and offers educational and sports facilities up to class XII.

- ▶ Magic Bus Foundation - it steers the less privileged children towards a better life with better awareness, better life skills, and better opportunities.
- ▶ Ishanya Foundation - supports the various initiatives such as programs related to women empowerment, livelihood & vocational training of the youth, etc.
- ▶ Giving Back Foundation – supporting a school in Delhi, attended by young underprivileged girls, towards meals and maintenance.
- ▶ Vedanta Cultural Foundation – support towards furtherance of research work in the field of social science and to impart knowledge to a student/research scholar for a period of three years on residential basis at the Vedanta Academy.

#### □ **HEALTH**

As a part of the healthcare initiatives, a number of focused initiatives have been implemented. JM Financial Foundation has supported organizations such as Society for Rehabilitation of Crippled, Research Society for the Care, Treatment & Training of Children, AkshayaPatra to provide midday meals to children, RatnaNidhi Charitable Trust etc. to further our health care initiatives.

During the year 2013-14, JM Financial Foundation has aided the following initiatives for promoting healthcare activities:

- ▶ Provide physical, economic and social rehabilitation of physically challenged individuals, particularly the resource-less, enabling them to regain their mobility through Bhagwan Mahaveer Viklang Sahayata Samiti – largest manufacturer of the 'Jaipur Foot'.
- ▶ Free treatment to Cancer patients provided by the Tata Medical Centre Trust- situated in Kolkata.
- ▶ Narayana Hrudayalaya Charitable Trust - specializes in pediatric liver transplant program which is a very expensive procedure. The trust aims at making the procedure affordable to needy families thereby making it as a viable option that they can consider.
- ▶ Bai Jerbai Wadia Children's Hospital - as part of the upgradation of the Pediatric ICU in this hospital, JM Financial Foundation will be donating a ventilator. The upgradation will help treat additional 200

children every year, while improving the ability to care for the existing capacity of 900 children.

- ▶ Foundation for revitalization of local health techniques (FRLHT) - designs healthcare solutions that are cost-effective, safe, efficacious and accessible to rural and urban populations in India and globally by the application of traditional knowledge and modern-day science and technology.
- ▶ Providing medical relief to the needy.

#### □ **DISASTER RELIEF**

JM Financial Foundation has, on a continuous basis, endeavored to provide aid and relief to victims affected by various natural catastrophes. Some of these projects include rehabilitation of the victims of the Gujarat earthquake through the Prime Ministers Relief Fund, contribution to the corporate pool of funds for the Bihar Flood Relief initiated by the Confederation of Indian Industry, aid to people affected by way floods in Andhra Pradesh & Karnataka and also to Veerayatan, an NGO involved in flood relief and rehabilitation of schools, etc.

In the past aid was provided to the cyclone hit victims in South India through Habitat for Humanity, in the form of Emergency Shelter Kits. The Foundation also aided rehabilitation of a drought stricken village in Satara District, through 'Samasth Mahajan', by providing tankers of water for the villagers as well as fodder and water for the cattle.

#### □ **ONGOING PROGRAMMES**

The ongoing programmes include *Drishti* and *Sparsh*.

Under Project *Drishti* all glossy magazines are accumulated and sent to the Kamla Mehta School for the blind at regular intervals. The paper from these magazines is used for preparing reading and learning material in Braille.

*Sparsh* is the employee volunteering initiative at JM Financial. Employees pledge financial aid on a periodic basis towards the lesser privileged, aged members of society through the SPONSOR A GRAN

programme of Helpage India. Employees volunteer for the Akanksha Mentoring Programme wherein children from Akanksha centres are mentored and counseled on career options, self confidence, academic help, etc. Employees have come together to form 'Team Wavloli' – they visit the Wavloli Ashram School at Pali, Maharashtra and interact with the tribal children. Recently, a field trip to the Nehru Planetarium was organized for these children.

#### □ **WALKATHON**

Under the aegis of the JM Financial Foundation, our philanthropic arm, the Walkathon is our fund raiser event. It is a six-kilometer walk along the Marine Drive seafront in Mumbai.

Over the past years, hundreds of our colleagues and clients have supported the Walkathon event by participating in the walk as well as charity contribution. The contributions received for the earlier Walkathons have been disbursed towards several outreach projects focusing on health, education and disaster management.

This year, the Walkathon was held on Sunday February 9, 2014.

The donations that were received from all our clients and colleagues will be used towards charitable purposes during the course of the next financial year.

## KAMPANI CHARITABLE TRUST

### Introduction & Objectives

Kampani Charitable Trust was founded on February 1, 1983. The main objects of the Trust are; advancement and propagation of education, medical help to the poor and any other objects which are legally charitable and of general public utility like maintenance of gardens, care, upkeep and food for animals and birds etc.

### Trustees

The present trustees of Kampani Charitable Trust are:

- ▶ Mr. Nimesh Kampani
- ▶ Ms. Aruna N Kampani
- ▶ Mr. Arun T Arora

### Activities and Projects

Some of the major charity works pursued by the Trust include;

#### □ EDUCATION :

1. **Kherwadi Social Welfare Association - Yuva Parivartan Programme** – an institute which helps youth especially boys who have dropped out of school to get vocational training and thus become independent citizens.
2. **Ummeed – Child Development Centre** – a programme for children who are detected with low IQ and Autism.
3. **Prakrit Bharati Academy** – a library which is reviewed worldwide and has more than 60,000 books covering all fields of life with a membership of more than 3000 readers.

4. **Research Society for the care Treatment & Training of Children in Need of Special Care** - an age old school which trains handicapped and spastic children in vocational fields, in order to make them self-sufficient.
5. **Maitri Vidyapeeth, Shree Bhagini Mitra Mandal** - Institutions which impart basic computer knowledge to girls and to women in rural areas.
6. **Saptak** - A school dedicated mainly to the cause of Indian Classical Music which conducts musical festivals where renowned artists of India perform.
7. **K C Mahindra Education Trust A/c Nanhi Kali** - Expenses on education for 25 girls adopted by us studying in Municipal schools.
8. **Vardhaman Seva Kendra** - which helps students, by paying fees and providing them with books, stationery, uniforms, footwear etc..

□ **MEDICAL :**

1. **Jeevan Prakash and The National Association of the Blind** - helps the blind to cope up with their treatment and eye operations are done at concessional rates.
2. **Ratna Nidhi Charitable Trust and Society for Rehabilitation of the Crippled** - Institutions which organize camps for rehabilitation of handicapped and disabled children by providing them with wheel chairs, tricycles, polio calipers, crutches hearing aids etc.



3. **Shram Mandir Trust and The Society for the Eradication of Leprosy** - Which provide shelter and medical help to people inflicted with leprosy.
4. **Gowalia Tank SPJ Medical Centre and Jivan Jyot Drug Bank** - Which runs a hospital for the needy persons of our society and offers treatments and even medicines at concessional rates.
5. **Bhagwan Mahaveer Viklang Sahayata Samiti** – Institute making Jaipur Foots for the handicapped persons.

□ **OTHER OBJECTS :**

1. **Vardhaman Seva Kendra, Samasta Mahajan** – organizations which help to save animals by building sheds which house the animals and make provisions for grass and other animal feeds, medical aid, etc.
2. **Manav Seva Sangh** - a home for orphan girls and street children
3. **District Benevolent Society of Bombay (Sir Jamsetjee Jeejeebhoy Dharmashala)** - a home for the old and destitute people of our Society.