

## CORPORATE SOCIAL RESPONSIBILITY POLICY

<b>Subject</b>	Policy on Corporate Social Responsibility
<b>Issued by</b>	CSR Committee
<b>Validated by</b>	Board of Directors
<b>Date of Validation</b>	
<b>Scope</b>	Geojit Financial Services Ltd & its subsidiaries

## **1. Introduction**

The Companies Act 2013 which was passed by Parliament in August 2013 has made Corporate Social Responsibility (CSR) a regulatory requirement for Companies in India. The Act has an inclusive agenda on the Corporate Social Responsibility of Companies. Sec 135 of the Act has provisions dealing exclusively with CSR and Schedule VII of the Act contains a list of the activities that can be undertaken as part of the CSR initiative. Further, the Companies (CSR) Rules 2014 which was notified by the Ministry of Corporate affairs in Feb 2014 has given further provisions regarding CSR. CSR rules have come into force from the date of publication in the gazette and are applicable from the financial year 2014-2015

Right from inception Geojit Financial Services Ltd (GFSL) has been carrying out its business in a socially responsible manner. From providing financial literacy on savings and investments to giving contributions to philanthropic and charitable causes such as support for pursuing higher education, for treatment of chronic diseases etc, the Company has been doing its bit to promote the welfare of society. In 2005 a more focused approach was adopted in supporting social causes and since then the emphasis shifted to undertaking more long term and sustainable projects.

These policies and procedures are framed to streamline the CSR activities of the Geojit Financial Services Ltd and its subsidiaries (if any of the subsidiaries satisfy the criteria defined by the Act) to be in line with the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules 2014.

## **2. Applicability:**

- (a) The Policy shall be applicable to a Company, if during any of the 3 previous financial years, the Company had a financial status of
- a. Turnover of Rs. 1000 crores or more Or
  - b. Net worth of Rs. 500 crores or more Or
  - c. Net profit of Rs. 5 crores or more
- (b) On any of the above 3 conditions being met, the Company is obliged to spend 2% of the Average Net Profit (PBT) of 3 immediately preceding financial years of the Company on CSR. The PBT shall not include profits generated from any overseas branch of the Company whether operated as a separate Company or not and Dividends from other companies in India which comes under the CSR coverage.
- (c) The Company may also spend an amount not more than 5% of the total CSR expenditure of a financial year towards building capacities for its own employees and employees of implementing agencies through institutions with at least 3 years track record
- (d) If for 3 consecutive financial years, the Company does not fulfill any of the criteria required to be covered for CSR, the Company shall not be required to constitute a CSR Committee and

Comply with the provisions of CSR implementation, until such time it meets the specified criteria

(e) Currently Geojit Financial Services Ltd (GFSL) and Geojit Technologies (P) Ltd, a subsidiary of GFSL, fall under this criteria and therefore, the policy applies to these two companies.

### **3. Objective:**

To convey to all the stakeholders of the Company the CSR focus areas adopted by the Company and how it propose to utilize its funds to achieve results in those areas

### **4. The Company shall be committed to:**

1. Comply with the statutory CSR obligations
2. Strive to carry out CSR activities that will bring direct benefits to marginalized, disadvantaged, poor or deprived sections of the community;
3. Identify CSR activities that will bring about sustainable development
4. Encourage employees to be active participants in the CSR initiatives of the Company
5. Reach out to the larger public
6. Support/Complement Government programs/initiatives ensuring that there is no duplication
7. Carry out its business in a socially responsible manner and shall not resort to any unfair business practices.
8. Not carry over surplus from CSR activities or treat it as part of the business profits of the Company

### **5. CSR Committee**

The Board of Directors of Geojit Technologies (P) Ltd (GFSL) and Geojit Financial Services Ltd (GTL) at their its meetings held on 13<sup>th</sup> / 14<sup>th</sup> May 2014 respectively have constituted CSR Committees as per the provisions of the Companies Act 2013, consisting of the following Board Members:

For GFSL

1. C J George, Managing Director – Chairman, CSR Committee
2. A P Kurian, Independent Director - Member, CSR Committee
3. Franciska Decuyper Director - Member, CSR Committee

For GTL

1. R Bupathy., Independent Director – Chairman, CSR Committee
2. Louis Rouvaris, Director - Member, CSR Committee
3. Punnoose George, Director - Member, CSR Committee
4. A. Balakrishnan Managing Director - Member, CSR Committee

### **Responsibilities of the CSR Committee:**

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the broad activities to be undertaken by the company as specified in Schedule VII of the act but not limited to the Projects and Programs specified therein
- (b) Recommend the specific CSR initiatives to be adopted by the Company and the amount of expenditure to be budgeted for the activities
- (c) Monitor the CSR Policy of the company, its implementation and expenditures periodically
- (d) Report to the Board the reasons for not spending the amount budgeted for CSR
- (e) Provide to the Board a responsibility statement that the implementation and monitoring of CSR Policy, is in compliance with the CSR Objectives and Policy of the company.

### **6. CSR Activities:**

The Company shall undertake such CSR activities as stated by this CSR policy. In compliance with Rule 4 (1) of the Companies (Corporate Social Responsibility) Rules 2014, these activities shall be undertaken by the Company as projects or programs or activities (either new or ongoing) and will exclude activities undertaken in the normal course of its business. The activities undertaken will be in line with the activities specified in Schedule VII of the Companies Act 2013.

The Company intends to focus upon education and health.

Education: Education is considered to be the backbone of any society .It brings about powerful social change and is the key to building a society that can develop in a sustainable manner. In our society education is still unaffordable for many families and children miss out on this crucial developmental tool due to this. It is to bridge this gap, even if in a small way, that the Company wants to focus on Education while implementing its CSR activity. Geojit will work along with registered NGOs as well as Educational Institutions in this regard. While on the one side the Company will look toward facilitating basic education for children who can't afford it, it would also focus on other educational activities that help develop special skill sets that enable individuals to be equipped to take up employment in specialized fields. In this respect the long term goal would be to enable development /training of individuals in being equipped to be productively employed in the financial sector. Education also includes imparting knowledge to an individual in areas like civil sense, personality development, humanitarian values etc which result in the all round development of the individual and bring into being well developed, resourceful and responsible citizens. Projects that focus on such areas will also be considered eligible to be included under CSR of the Company.

Health: The Company aims at focusing part of its CSR activities to providing health care to those living in and around the location of its offices and are affected by chronic diseases. A chronic condition is a human health condition or disease that is persistent or otherwise long-lasting in its effects. Common chronic diseases include cancer, Alzheimer's, heart disease, HIV/AIDS etc. Changing lifestyles and food habits have increased the prevalence of these diseases. A report by Price Waterhouse Coopers predicts that the proportion of deaths from such maladies nationwide (in India) will skyrocket from 53% in 2005 to nearly 67% in 2020. For obtaining medical care in such cases people have to often shell out vast amounts towards cost of medicines, hospitalization/surgeries etc and this may be way beyond the means of the poor and deprived strata of our society. To make matters worse, a large segment of people are not covered by medical insurance. Many times such expenses drive families to revert to distress financing which impoverishes them and ultimately drives them to poverty. To make a difference in this context, at least to the society in its neighbourhood, the Company will provide health care support to such persons. The Company believes in the adage that 'a healthy society is a happier and more productive society and a key driver of economic growth'

The CSR activities to be undertaken shall be approved by the CSR Committee.

#### **7. Territory for CSR Activities**

The Company shall utilize the amount earmarked for CSR activities only in India and the Company shall give preference to the local areas in and around its Head Office and also in States where it has large operations.

#### **8. Implementation**

##### a) Mode of Implementation

The Company shall execute its CSR activities directly, through registered NGO's (with at least 3 years track record), through Government agencies and/or in collaboration with its subsidiary companies.

##### b) CSR Management Committee:

The Managing Director shall constitute a CSR Management Committee for identifying CSR projects and coordinating the CSR activities approved by the CSR Committee. The Committee shall be headed by the Managing Director and shall meet once a month to review and plan the activities.

The CSR Management Committee shall be mainly responsible for

1. Identifying projects within the broad themes of promoting education and supporting health
2. Monitoring all CSR activities closely.
3. Liaising with NGOs and government.
4. Reporting the outcomes transparently and authentically to the CSR Committee
5. Plan for long-term, sustainable CSR initiatives.
6. Support the CSR audit process

#### **9. Audit of Expenditure**

The Company shall audit the amount of CSR expenditure in line with the activities or programs specified in this Policy on a quarterly basis and the report shall be presented to the CSR Committee.

#### **10. Monitoring and Reporting**

The CSR Committee shall monitor the CSR expenditure on a half yearly basis and report to the Board of Directors on half yearly basis. Apart from the above, the Directors' Report of the Company shall include an annual report on CSR containing the particulars in the prescribed format.

#### **11. Display of the CSR Policy in the website of the Company**

The Board of Directors shall, approve the CSR policy, after taking recommendations of the CSR committee. The contents of the policy shall then be displayed on the Company's website.

#### **12. Validity and authority for modification/ amendments**

This CSR Policy approved by the Board of the Company is valid from 1<sup>st</sup> April, 2014 and will be in force till such time it is modified or amended by the Board of Directors on recommendation of the CSR Committee.