



CORPORATE SOCIAL RESPONSIBILITY POLICY OF GEOJIT FINANCIAL SERVICES LTD.

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1. Introduction:

Corporate Social Responsibility (CSR) has been a long-established commitment at Geojit Financial Services Ltd (GFSL). Since its inception in 1987, the company has been focused on conducting business in a socially responsible manner and being a catalyst for positive change in the community. The company's contribution to social sector development includes pioneering interventions in the fields of education, health, financial literacy, environment conservation and the like. Since 2005, a more streamlined focus has been adopted to support social causes through long-term and sustainable projects. The regulatory mandate of 2014 followed by the one in 2021 have helped to further structure the social activities of the company and optimize resources to create a better world.

The CSR policy acts as a self-regulating mechanism for the company's CSR activities by ensuring adherence to laws, ethical standards, and international best practices in this regard. This policy document articulates the CSR policy of Geojit Financial Services Limited and aligns it with the legal framework provided by Section 135 of the Companies Act, 2013, Sec.21 of the Companies Amendment Act, 2019 and the related Rules in The Companies (Corporate Social Responsibility Policy) Rules 2014 and The Companies (Corporate Social Responsibility Policy) Amendment Rules 2021

2. Scope:

As a Company that has a net profit of above Rs.5 crores consistently for the last many years, the CSR Policy as envisaged under the Act is currently applicable to Geojit Financial Services Ltd (GFSL) and its subsidiary, Geojit Technologies (P) Ltd. (GTPL). The policy would pertain to all activities undertaken by these companies towards fulfilling its corporate social responsibility objectives. However, this collaboration for undertaking CSR activities will be in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with the prescribed CSR Rules.

3. CSR Vision Statement & Ideology:

Our CSR ideology is to empower communities with a special focus on supporting children to set them on the path of sustainable growth. Through our sustained efforts, we seek to innovatively use and optimize resources to strengthen the weakest links of the societal strata, to draw them into the cycle of growth, development and empowerment.

3.1 Seven Foundation pillars:

In keeping with our motto, 'Empowering humanity', the seven foundational pillars for our activities are as follows:

1. Comply with the statutory CSR obligations
2. Strive to carry out CSR activities that will bring direct benefits to the marginalized, disadvantaged, poor and 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 not resort to any unfair business practices.

4. Governance:

Overall governance of CSR and approving of the CSR Policy and projects will be the responsibility of the Board of the Company. The CSR Committee of the Board will articulate the scope of CSR activities of the Company in compliance with the CSR Policy. The CSR Council consisting of nominated employees of the Company shall oversee the implementation of projects by the Company.

4.1 CSR Committee:

The CSR committee comprise of three or more Directors including at least one independent Director. The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects of the company.

4.2 Duties and Responsibilities of the CSR Committee of the Board:

1. Formulate and recommend to the Board a CSR Policy which shall indicate the 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;
2. Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
 - a) the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b) the manner of execution of such projects or programs, whether by itself or through another entity
 - c) the modalities of utilization of funds and implementation schedules for the projects or programs;
 - d) monitoring and reporting mechanism for the projects or programs; and
 - e) details of need and impact assessment, if any, for the projects undertaken by the company;
3. The Committee may recommend engaging International Organizations for designing, monitoring and evaluation of the CSR projects or programs as well as for capacity building of the Company's personnel for CSR.
4. The Committee may recommend collaborating with other companies for undertaking CSR activities

4.3 Duties and Responsibilities of the Board:

1. The Board shall after taking into account the recommendations made by the CSR Committee

- (i) approve the CSR Policy for the company,
 - (ii) disclose contents of such Policy in its report and
 - (iii) place it on the company's website
2. Ensure that the activities as are included in the CSR Policy of the company are undertaken by the company.
3. The Board shall ensure that the company spends, in every financial year, at least 2% of the average net profits of the company made during the 3 immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy;
4. If the company fails to spend such amount, the Board shall, in its annual report, specify the reasons for not spending the amount, unless the unspent amount relates to any ongoing project, and transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year
5. In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

5. Budget:

1. From April 1st, 2014, in line with the Companies Act 2013, GFSL contributes at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years, towards CSR initiatives. "Net profit" means the net profit of the company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, but does not include (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise and (ii) any dividend received from other companies in India, which are covered under section 135 of the Act:
2. The CSR Budget shall be utilized for carrying out Projects / Programs relating to activities specified in Schedule VII to the Act including multi – year Projects / Programs of not more than 3 years duration excluding the Financial year in which it was commenced. It shall also include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification; but shall not include:
 - (i) activities undertaken in pursuance of normal course of business of the company;
 - (ii) any activity undertaken by the company outside India except training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - (iv) activities benefitting employees of the company
 - (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

5.1. CSR Expenditure:

1. The Board shall ensure that the administrative overheads shall not exceed 5% percent of total CSR expenditure of the company for the financial year. Administrative Expenses means expenses incurred by the company for ‘general management and administration’ of CSR functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or program.
2. Any surplus arising out of the CSR activities shall not form part of the business profit of the company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of the CSR policy and the annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
3. In case the company spends an amount in excess of the CSR budget, such excess amount may be set off against the requirement to spend up to immediate succeeding three financial years subject to the conditions that –
 - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any,
 - (ii) the Board of the company shall pass a resolution to that effect.
4. The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –
 - (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and having CSR Registration Number
 - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - (c) a public authority:

Note: Any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of 180 days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than 90 days with the approval of the Board based on reasonable justification.

5.2. Unspent Amount:

5.2 (1) Related to Ongoing Projects:

- a) Any amount remaining unspent pursuant to any ongoing project, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the “Unspent Corporate Social Responsibility Account”

- b) Such amount shall be spent by the company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

5.2(2) Related to Other Projects

- a) if the company fails to spend the CSR budget of the year, the Board shall, in its report, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Until a fund is specified in Schedule VII for the purpose of transfer of unspent amounts, the unspent CSR amount if any, shall be transferred by the company to any fund included in Schedule VII of the Act

6. Impact Assessment:

1. The Company shall, on exceeding the average CSR obligation in the 3 immediately preceding financial years, by 10 crore rupees or more, undertake impact assessment, through an independent agency, of its CSR projects having outlays of 1 crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
2. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
3. The expenditure towards the impact assessment may be booked in the expenditure towards CSR for that financial year, which shall not exceed 5% percent of the total CSR expenditure for that financial year or 50 lakh rupees, whichever is less

7. Implementation:

1. The Company shall undertake CSR activities (new and ongoing) in line with the activities specified in Schedule VII of the Companies Act 2013, by itself or through another entity having track record in CSR implementation as per the rules made u/s.135 of Companies Act, 2013.
2. The Board of a company shall satisfy itself that the CSR funds have been utilized for the purposes and in the manner as approved by it and that the Chief Financial Officer or the person responsible for financial management has certified to that effect.
3. In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period. However, the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justifications to that effect.

4. The Company shall utilize the amount earmarked for CSR activities only in India
5. The Company shall give preference to the local areas in and around its Head Office and its branch offices for CSR implementation
6. Where the Projects/Programs are implemented by the Company itself, a nominated CSR Council consisting of company employees shall oversee the implementation
7. The Chief Financial Officer shall certify to the Board that funds disbursed for CSR activities are utilized in the manner approved by Board of Directors.

8. Implementation Partners:

CSR initiatives will be implemented either directly by the Company through its employees or through implementing partners which include Geojit Foundation and NGOs having an established track record in carrying out CSR activities. The selection of the implementation partner will be based on the company's internal screening criteria to ascertain the entity's credibility and its ability to execute the proposed projects.

The following minimum criteria will be ensured while selecting the implementation partner for programme execution

- a) The entity is a Company established by the Company either singly or along with another Company under section 8 of the Companies Act, 2013 or the Company is established by the Central Government or State Government
- b) The entity is a registered public trust or a registered society registered under section 12A and 80G of the Income Tax Act, 1961 (43 of 1961)
- c) The entity is established under an Act of Parliament or a State legislature
- d) The entity has an established track record of at least three years in undertaking similar activities.
- e) The entity engaged for Projects on or after 1st April 2021 has the unique CSR Registration number from the Central Government
- f) The entity has a permanent office / address in India
- g) The entity has submitted a detailed project proposal and budget which has been approved by the CSR Committee.
- h) The company may engage international organizations for designing, monitoring and evaluation of its CSR projects or programs, as well as for capacity building of their own personnel for CSR
- i) The company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs.

9. Monitoring:

The CSR Council shall convene periodically to assess the progress of the approved CSR projects. The Head of CSR Council shall keep the CSR Committee posted on the progress and budget outgo.

1. The CSR Committee shall take half yearly review of the CSR strategy and implementation progress and may recommend new focus areas and projects as and when required to the Board.
2. The Board of Directors shall review the progress of CSR activities at least half yearly.
3. The activities of Geojit Foundation shall be overseen by the Trustees of the Foundation.

10. Disclosure:

1. The Company shall include in its annual report, commencing with the annual report for the year ending March 31, 2021, the disclosures as prescribed under Section 135 of the Companies Act, 2013, Sec.21 of the Companies Amendment Act, 2019 and the related Rules in The Companies (Corporate Social Responsibility Policy) Rules 2014 and The Companies (Corporate Social Responsibility Policy) Amendment Rules 2021. The above information shall also be displayed on the Bank's website.
2. The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, the CSR Policy and the Projects approved by the Board on the Company's website, for public access

11. Some Focus Areas for CSR Projects/Programs:

11.1 Education & Skill Development:

(Schedule VII (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects)

Education is the building block of a nation and can be instrumental in transforming the vast and young population of our country to a demographic asset. Our developing country has long strides to make in equipping its future with education. In India, there are approximately 20 million children, between the ages of 3-6, that are not attending preschool. Out of 100 students, 29 per cent of girls and boys drop out of school before completing the full cycle of elementary education (UNICEF India). This trend in education is primarily because of lack of basic infrastructure, qualified early childhood educators and appropriate learning material.

In order to bridge this gap, the Company wants to focus on Education in its CSR activities. While on the one side the Company will look towards facilitating basic education for children from financially/physically/mentally challenged backgrounds, 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 to be productively employed in the economy.

11.2 Health:

(Schedule VII (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation [including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water)

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 healthcare challenge in India spans across verticals, including access to affordable healthcare; awareness of health issues & available facilities; child malnutrition, which impairs the capacity of a child to lead a healthy and productive life. Addressing these challenges is essential to achieve the objective of inclusive growth.

Additionally, in India, almost 90% of the financially backward citizens are not covered by health insurance. In the context of a large insurance gap, often healthcare expenses drive families to resort to distress financing which impoverishes them. To make a difference in this context, the Company will provide health care support to financially backward individuals.

11.3 Social Inclusion:

(Schedule VII (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)

Social inclusion is defined as the process of improving the ability, opportunity and dignity of the marginalized and disadvantaged such as the differently abled people and senior citizens. As per the Ministry of Statistics, 8.6% of the population in India are senior citizens above the age of 60 and 2.21 % are differently abled - with 2.3% in rural and 2% in urban areas. The differently abled citizens face various challenges in their daily lives for accessibility, employment, education etc. In this context, Corporates can play a significant role for the upliftment of this population either directly or indirectly. Considering this, the Company intends to support institutions engaged in their upliftment so that they can lead a better quality of life.

The nuclear lifestyle and longer life span have resulted in older people becoming vulnerable, deprived and isolated. According to a 2016 report by the ministry for statistics, India has 104 million elderly ie; people above age 60 constitute about 8.5% of the population (2011 census). Compared to other states, the proportion of aged population in Kerala is higher, one of the fastest growing group in India. Currently, 42 lakh people of Kerala are 60 and above, of which 13% are 80 years and over. The 'Old' Dependency Ratio of India as per 2011 census is 142/1000. But in Kerala, it is 196/1000 due to higher life expectancy. The old-age dependency ratio shows an increasing trend in Kerala and is highest among Indian States (Elderly in India 2016, Ministry of Statistics and Program Implementation, GOI). As the elderly need support mechanisms in the form of help-lines, assistance, old age homes, health and legal services, skill-development, training etc., Geojit aims to address the gap and provide necessary care for elderly citizens.

11.4 Environment:

(Schedule VII (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])

When the economy prospers, the pace of urbanization, industrialization and use of resources will witness a steady rise and India. This has been evident as issues like environmental pollution, water scarcity and rising temperatures have caught national attention, calling for immediate action to adopt a more sustainable economic model. Of the world's most polluted 30 cities, 22 are in India, according to research by IQ AirVisual.

It is therefore a critical need to protect our flora and fauna and reduce the harm that is done to our ecosystem. The Company understands this acute need and plans to support environmental protection activities

11.5 Disaster Management:

(Schedule VII (xii) disaster management, including relief, rehabilitation and reconstruction activities)

India is vulnerable to natural disasters due to its unique geo-climatic conditions. The cycle of natural calamities impacts millions across the country leaving behind heavy loss of lives, property and livelihoods. The last 4 years from 2018 witnessed a lot of natural disasters like floods two years in a row and then the pandemic covid-19, all causing severe damage to life and property of living beings. It brought in new challenges unforeseen until then.

Preparedness in disaster management helps a lot in systematically overcoming the challenges. Therefore it is essential that ongoing research is conducted to come up with solutions that can bring about relief at the times of disasters. It is also essential that proper rehabilitation of the victims and necessary reconstruction activities are carried out in a time bound manner. The recent disasters have proven that corporate can contribute a lot in minimising the hardship. Geojit has been helping the community's efforts to mitigate such calamities with immediate relief as well as long-term rehabilitation such as in the case of the Chennai (2015) and Kerala Floods (2018 & 2019) and the latest Covid-19. While immediate relief was provided in the form of food, clothing and medical help, the long-term rehabilitation efforts are streamlined towards shelter and livelihood rebuilding.

12. Amendments to the Policy

This CSR Policy approved by the Board of the Company is valid from 1st April 2021 and will be in force till such time it is modified or amended by the Board of Directors on recommendation of the CSR Committee.

I. CSR COMMITTEE MEMBERS OF THE BOARD FOR THE YEAR 2021-22

1. R.Bupathy, Chairman and Independent Director on the Board
2. C J George, Managing Director and Director on the Board
3. Punnoose George, Director on the Board

II. ANNUAL ACTION PLAN FOR THE YEAR 2021-22

1. The list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
2. the manner of execution of such projects or programs, whether by itself or through another entity
3. the modalities of utilization of funds and implementation schedules for the projects or programs;
4. monitoring and reporting mechanism for the projects or programs; and
5. details of need and impact assessment, if any, for the projects undertaken by the company:

III. DISPLAY IN THE COMPANY WEBSITE

1. Composition of the CSR Committee
2. CSR Policy
3. Projects approved by the Board for the FY 2021-22