



JANA HOLDINGS LIMITED

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

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1. Introduction

Jana Holdings Limited (JHL) is a wholly owned subsidiary of Jana Capital Limited. JHL received the Certificate of Registration under Section 45-IA(5) as a Type I NBFC ND Non-Operative Financial Holding Company ("NOFHC") from the Reserve Bank of India on 27th January 2017 as per the guidelines for licensing of new banks in the private sector issued by the Reserve Bank of India. JHL holds its investment in Jana Small Finance Bank (formerly known as 'Janalakshmi Financial Services Limited').

2. Scope and applicability

This policy shall be applicable to all CSR initiatives and activities undertaken by Jana Holdings Limited either directly or through entities as mentioned in rule 4 of the Companies (Corporate Social Responsibility) Amendment Rules 2022 for the benefit of different segments of the society

3. Objective and Guiding Principles

The objective of the policy is to define JHL Corporate Social Responsibility (CSR) approach in alignment with section 135 of the Companies Act, 2013 read with applicable rules as amended from time and such amendments shall always deemed to be incorporated in this policy unless they are inapplicable to JHL.

The guiding principles of this policy are to reach out to underprivileged and underserved communities to address fundamental challenges in our society, thereby generating opportunities of better livelihood and building a more inclusive society. We shall mainly focus on the following areas which are aligned to Schedule VII to the Companies Act, 2013:

- Education and skill development
- Environmental sustainability including water and sanitation, green energy, afforestation
- Livelihood
- Health & Nutrition

4. Governance Structure

4.1. Board of Directors:

In line with the provisions of Section 135 of the Act, JHLs Board of Directors will be responsible for the following:

- Approve and review the CSR policy of the Company;
- Make sure the Company spends, in every financial year, at least 2% of its average net profit during the three preceding financial years, in pursuance of this policy;
- Approve projects, programs, activities and contained in the annual action plan with respective budget in accordance with Schedule VII of the Companies Act, 2013;
- Define manner of execution / implementation, modalities of utilisation of funds and monitoring and reporting mechanism;
- Make disclosures in the Board report as per clause (o) of sub-section (3) of section 134 including particulars specified in Annexures to the CSR rules.

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4.2. CSR committee

As per Section 135(9) of the Companies Amendment Act, 2020 notified on 28th September 2020 effective from 22nd January 2021 provides that, if the amount to be spent by a company under Section 135(5) for CSR activity, does not exceed fifty lakh rupees, then the Company is not required to constitute the Corporate Social Responsibility Committee and the functions of such Committee provided under this section shall be discharged by the Board. Accordingly, the CSR committee was dissolved by the Board on March 4th, 2021.

5. Implementation

(1) CSR Projects will be undertaken based on the recommendation of the Board of Directors to the best possible extent, within the defined Focus / Thrust Areas.

(2) The Board shall ensure that the CSR activities are undertaken by the company itself or through-

(a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or

(b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or

(c) any entity established under an Act of Parliament or a State legislature; or

(d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

(3) Every entity, covered above, who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 01st day of April 2021 and obtain a unique CSR Registration Number:

Provided that the provisions of this sub-rule shall not affect the CSR projects or programmes approved prior to the 01st day of April 2021.

(4) The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per the CSR policy as well as for capacity building of their own personnel for CSR.

(6) The Board of JHL shall satisfy itself/ or be satisfied that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management, in the absence of the Chief Financial Officer shall certify to the effect.

(8) In case of ongoing project, the Board of JHL 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.

6. Monitoring process of CSR activities

- a. To ensure effective implementation of the CSR activity at each location, a monitoring mechanism will be put in place by the Board of Directors through CSR Management team.
- b. Annual action plan will be formulated by the Board of Directors with respect to the CSR projects undertaken by the Company.
- c. The Board of Directors will monitor and review on a periodical basis the progress of CSR activities undertaken / completed.
- d. In order to ensure transparency and communication with all stakeholders, the Board of Directors will document the details of the Company's CSR initiatives, CSR expenditure, CSR unspent amount and ensure that the same are reported in the Annual Report on CSR Activities forming part of Board's Report of the Company .

7. Annual action plan

The Annual action plan will be formulated by the Board of Directors. The annual action plan in pursuance of its CSR policy, shall include the following, namely:-

- a. the list of CSR projects or programmes 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 programmes as specified in sub-rule (1) of rule 4;
- c. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d. monitoring and reporting mechanism for the projects or programmes; and
- e. details of need and impact assessment, if any, for the projects undertaken by the company:

The Board may alter such plan at any time during the financial year, based on the reasonable justification to that effect.

8. Budget, Allocation and CSR Expenditure

- a. For achieving the CSR objectives through implementation of meaningful and sustainable CSR Projects, the Board of Directors will allocate for its Annual CSR Budget, 2% or more of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with the relevant provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- b. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- c. Any surplus arising out of the CSR activities shall not form part of the business profit of JHL and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of JHL or transfer such surplus

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amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

d. Any amount remaining unspent pursuant to any ongoing project, undertaken by JHL in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of 30 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, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility 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.

e. In case JHL spends an amount in excess of at least 2% of the average net profits of the Company made during the three immediately preceding years (as per sub-section (5) of section 135), such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 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, in pursuance of sub-rule (2) of Rule 7 of the Companies (Corporate Social Responsibility) Amendment Rules, 2021.
- II. the Board of the company shall pass a resolution to that effect.

f. The CSR amount may be spent by JHL for creation or acquisition of a capital asset, which shall 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 said CSR project, in the form of self-help groups, collectives, entities; or
- a public authority:

Provided that if any capital asset created by the Company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

9. CSR reporting and disclosure

a. Annual Report on CSR

Annual Report on CSR shall form part of the Board's Report .

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b. Impact Assessment

i. In case JHL has an average CSR obligation of ten crore rupees or more in pursuance of sub section (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

ii. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

iii. In case JHL undertakes an impact assessment, then it may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

c. Disclosure

JHL shall mandatorily disclose the CSR Policy and Projects approved by the Board on its website for public access. JHL as dissolved its CSR Committee, Hence disclosing of Composition of CSR Committee is not applicable to the Company.

10. Effective Date

This policy shall be effective from date of Board Approval

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