

**Brahmayya & Co.,**  
Chartered Accountants

Khivraj Mansion,  
10/2, Kasturba Road,  
Bengaluru- 560 001

**M M Nissim & Co LLP**  
Chartered Accountants

Barodawala Mansion,  
B-wing, 3rd Floor, 81,  
Dr. Annie Besant Road  
Worli, Mumbai - 400 018

**Independent Auditor's Report**  
**To the Members of Jana Small Finance Bank Limited**  
**Report on the Audit of the Financial Statements**

**Opinion**

1. We have audited the accompanying financial statements of Jana Small Finance Bank Limited (the "Bank") which comprise the Balance Sheet as at March 31, 2024, the statement of Profit and Loss Account, the statement of Cash Flows for the year then ended, and notes to the Financial Statements including a summary of significant accounting policies and other explanatory information ("the Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ("the Act") and the circulars and guidelines issued by Reserve Bank of India, in the manner so required for banking companies and give a true and fair view in conformity with accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act read with Companies (Accounting Standards) Rules, 2021, as applicable to banks, of the state of affairs of the Bank as at March 31, 2024, and its profit and its cash flows for the year ended on that date.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters.

**Identification and Provisioning of Non-performing Advances (NPA):**

Total NPA as at March 31, 2024: ₹ 494.33 Crores  
Provision for NPA as at March 31, 2024: ₹ 364.31 Crores  
(Refer Schedule 18.7(a))

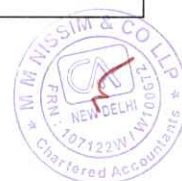


| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <p>The Bank is required to comply with the Master Circular dated April 01, 2023 issued by the Reserve Bank of India ("RBI") on "Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances" (the "IRAC norms") and amendments thereto, which prescribe the guidelines for identification and classification of Non-performing Advances and the minimum provision required for such assets.</p> <p>The Bank is also required to apply its judgement to determine the identification and provision required against NPAs by applying quantitative as well as qualitative factors. The risk of identification of NPAs is affected by factors like stress and liquidity concerns in certain sectors.</p> <p>The provision against advances is based on criteria such as past due status, out of order status etc. The provision in respect of such NPAs are made based on ageing and classification of NPAs, recovery estimates, value of security, nature of loan products and other qualitative factors and is subject to minimum provisioning levels prescribed by the RBI and approved policy of the bank in this regard. In addition to this, for restructured accounts, provision is made for erosion/ diminution in fair value of restructured loans, in accordance with the RBI guidelines. Further, NPA classification is made borrower wise whereby if one facility of the borrower becomes NPA then all</p> | <ul style="list-style-type: none"> <li>• Tested the design and operating effectiveness of key controls (including application controls) over approval, recording, monitoring, and recovery of loans, monitoring overdue/stressed accounts, identification of NPA, provision for NPA, and valuation of security including collateral. Testing of Application controls includes testing of automated controls, reports and system reconciliations.</li> <li>• Evaluated the governance process and tested controls over calculations of provision on non-performing advances, basis of provisioning in accordance with the Board approved policy.</li> <li>• Selected the borrowers based on quantitative and qualitative risk factors for their assessment of appropriate classification as NPA including computation of overdue ageing to assess its correct classification and provision amount as per the IRACP norms and Bank policy.</li> </ul> <p>Performed other substantive procedures including but not limited to the following:</p> <ul style="list-style-type: none"> <li>❖ Selected sample of performing loans and assessed them independently as to whether these should be classified as NPA;</li> <li>❖ For sample selected, examined the security valuation, financial statements and other qualitative information of the borrowers;</li> <li>❖ Considered the accounts reported by the Bank and other Banks as Special Mention Accounts ("SMA") in RBI's Central Repository of Information on Large Credits (CRILC) to identify stress;</li> </ul> |



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| <p>facilities of such a borrower will be treated as NPA.</p> <p>We have identified 'Identification of NPA and Provisioning on Advances' as a key audit matter in view of the significant level of estimation involved, as well as the stringent compliances laid down by the RBI in this regard.</p> | <ul style="list-style-type: none"> <li>❖ Performed inquiries with the credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which needs to be considered as NPA;</li> <li>❖ Assessed the appropriateness of asset classification and adequacy of related provisioning by performing procedures such as computation of overdue ageing, assessment of borrower level, NPA identification and verification of applicable provision rates as per IRACP norms and Bank's Policy on test check basis; and</li> <li>❖ Assessed the adequacy of disclosures against the relevant accounting standards and RBI requirements relating to NPAs.</li> </ul> |
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| <b>Information Technology ("IT") Systems and Controls impacting Financial Reporting</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| <b>Key Audit Matter</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>How our audit addressed the key audit matter</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>The Bank has a complex IT architecture to support its day-to-day business operations. High volume of transactions are processed and recorded on single or multiple applications.</p> <p>The reliability and security of IT systems plays a key role in the business operations of the Bank. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner.</p> <p>Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and</p> | <p>Our procedures with respect to this matter included the following:</p> <p>In assessing the controls over the IT systems of the Bank, we involved our technology specialists to obtain an understanding of the IT environment, IT infrastructure and IT systems. We evaluated and tested relevant IT general controls over the "in-scope" IT systems and IT dependencies identified as relevant for our audit of the financial statements and financial reporting process of the Bank. On such "in-scope" IT systems, we have tested key IT general controls with respect to the following domains:</p> <ul style="list-style-type: none"> <li>• Program change management, which includes that program changes are moved to the production environment as per defined procedures and relevant segregation of environment is ensured.</li> </ul> |



consistently for reliable financial reporting.

We have identified 'IT systems and controls' ("in-scope" IT systems) as key audit matter because of the high-level automation, significant number of systems being used by the management and the complexity of the IT architecture and its impact on the financial reporting system.

- User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating systems and databases in the production environment were granted only to authorized personnel.
- Program development, which includes controls over IT application development or implementation and related infrastructure, which are relied upon for financial reporting.
- IT operations, which includes job scheduling, monitoring and backup and recovery.

We also evaluated the design and tested the operating effectiveness of relevant key IT dependencies within the key business process, which included testing automated controls, automated calculations/ accounting procedures, interfaces, segregation of duties and system generated reports, as applicable.

We communicated with those charged with governance and management and tested a combination of compensating controls or remediated controls and/or performed alternative audit procedures, where necessary.

#### Other Information

5. The Bank's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Financial Statements and our auditor's report thereon. the Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.



In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements:**

6. The Bank's Board of Directors are responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, and the provisions of Section 29 of the Banking Regulations Act, 1949 and circulars, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the Financial Statements, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management and Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

8. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.



9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has internal financial controls with reference to the Financial Statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Bank.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's



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report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other legal and regulatory requirements**

13. In our opinion, the Balance Sheet and the Statement of Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act.
14. As required by sub-section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:
  - (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
  - (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
  - (c) during the course of our audit, we have visited 20 branches to examine the books of account and other records maintained at the branch and performed other relevant audit procedures. Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally at the Bank's Head Office located in Bengaluru, as all the necessary records and data required for the purposes of our audit are available there.
15. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books, except for the matters stated in paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules");
  - (c) The Balance Sheet, the Statement of Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Accounting Standards) Rules 2021, to the extent they are not inconsistent with the guidelines prescribed by RBI;



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- (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 15(b) above on reporting under Section 143(3)(b) and paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Rules;
- (g) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Bank and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Bank has disclosed the impact of pending litigations on its financial position in its Financial Statements - Refer Schedule 18.13 to the Financial Statements;
  - ii. The Bank did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank;
  - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the 18.22(aa) no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the 18.22(aa), no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.



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- v. The Bank has not declared any dividend during the year; and
- vi. Based on our examination, which included test checks, the Bank has used various accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility, which have operated throughout the year for all relevant transactions recorded in the software, except that the audit trail feature was not enabled throughout the year for masters in one accounting software and for databases (also, refer Schedule 18.22 (u) to the financial statements of the Bank). Based on our procedures performed, we did not notice any instance of the audit trail feature being tampered with. In respect of the aforesaid masters and databases, in the absence of audit trail for the said period, the question of our commenting on whether the audit trail was tampered with, does not arise.
16. In our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 197 of the Act are not applicable to the Bank by virtue of Section 35B(2A) of the Banking Regulation Act, 1949. Accordingly, the reporting under Section 197(16) of the Act regarding payment/ provision for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act, is not applicable.

For **Brahmayya & Co.,**  
Chartered Accountants  
(Firm Registration No. 000515S)

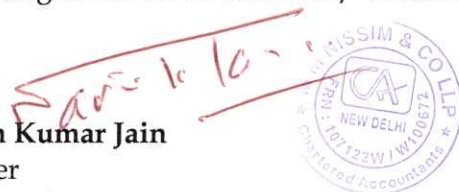


**G. Srinivas**  
Partner  
Membership No. 086761  
UDIN: 24086761BKCIZE3466  
Place: Bengaluru  
Date: April 29, 2024



For **M M Nissim & Co LLP**  
Chartered Accountants  
(Firm Registration No. 107122W/ W100672)

**Navin Kumar Jain**  
Partner  
Membership No. 090847  
UDIN: 24090847BKFEY7024  
Place: Bengaluru  
Date: April 29, 2024



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**Annexure A to Independent Auditor's Report**

Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the members of Jana Small Finance Bank Limited on the Financial Statements for the year ended March 31, 2024

**Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("Act")**

1. We have audited the internal financial controls with reference to Financial Statements of Jana Small Finance Bank Limited ("the Bank") as of March 31, 2024, in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

2. The Banks's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Banks's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Banks's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.



4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Banks's internal financial controls system with reference to Financial Statements.

#### **Meaning of Internal Financial Controls with reference to financial statements**

6. A Banks's internal financial controls with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Banks's internal financial controls with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the Financial Statements.

#### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

7. Because of the inherent limitations of internal financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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## Opinion

In our opinion, the Bank has, in all material respects, an adequate internal financial controls system with reference to Financial statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Brahmayya & Co.,**  
Chartered Accountants  
(Firm Registration No. 000515S)



**G. Srinivas**  
Partner  
Membership No. 086761  
UDIN: 24086761BKCIIZE3466  
Place: Bengaluru  
Date: April 29, 2024



For **M M Nissim & Co LLP**  
Chartered Accountants  
(Firm Registration No. 107122W/ W100672)



**Navin Kumar Jain**  
Partner  
Membership No. 090847  
UDIN: 24090847BKFEY7024  
Place: Bengaluru  
Date: April 29, 2024

**JANA SMALL FINANCE BANK LIMITED**  
**Balance Sheet as at March 31, 2024**

|                                                        |          | (₹ in 000's)        |                     |
|--------------------------------------------------------|----------|---------------------|---------------------|
|                                                        | Schedule | As at<br>31.03.2024 | As at<br>31.03.2023 |
| <b>CAPITAL AND LIABILITIES</b>                         |          |                     |                     |
| Capital                                                | 1        | 10,45,903           | 32,49,787           |
| Employee stock option reserve                          |          | 1,05,992            | 2,01,872            |
| Reserves and surplus                                   | 2        | 3,46,19,093         | 1,45,20,893         |
| Deposits                                               | 3        | 22,57,12,488        | 16,33,40,158        |
| Borrowings                                             | 4        | 5,21,14,591         | 6,27,74,600         |
| Other liabilities and provisions                       | 5        | 1,34,99,758         | 1,23,49,586         |
| <b>TOTAL</b>                                           |          | <b>32,70,97,825</b> | <b>25,64,36,896</b> |
| <b>ASSETS</b>                                          |          |                     |                     |
| Cash and balances with Reserve Bank of India           | 6        | 1,02,55,890         | 1,01,09,394         |
| Balances with banks and money at call and short notice | 7        | 1,02,85,361         | 1,07,63,690         |
| Investments                                            | 8        | 6,73,76,897         | 5,22,12,244         |
| Advances                                               | 9        | 23,11,12,739        | 17,75,95,554        |
| Fixed assets                                           | 10       | 14,15,910           | 12,77,487           |
| Other assets                                           | 11       | 66,51,028           | 44,78,527           |
| <b>TOTAL</b>                                           |          | <b>32,70,97,825</b> | <b>25,64,36,896</b> |
| Contingent liabilities                                 | 12       | 26,35,000           | 7,71,752            |
| Bills for collection                                   |          | -                   | -                   |

Significant accounting policies and notes to the financial statements

17 & 18

The schedules referred to above form an integral part of the Financial Statements

As per our report of even date

**For M M Nissim & Co LLP**

**Chartered Accountants**

ICAI Firm Registration No.107122W/W100672

Navin Kumar Jain  
Partner

Membership Number: 090847

Bengaluru, April 29, 2024



**For and on behalf of the Board of Directors**

Krishnan Subramania Raman  
Executive Director  
DIN: 10380292

R Ramaseshan  
Independent Director  
DIN: 00200373

Lakshmi R N  
Company Secretary

Ajay Kanwal  
Managing Director & CEO  
DIN: 07886434

Abhilash Sandur  
Chief Financial Officer

**For Brahmayya & Co.,**

**Chartered Accountants**

ICAI Firm Registration No:000515S

G. Srinivas  
Partner

Membership No: 086761

Bengaluru, April 29, 2024



**JANA SMALL FINANCE BANK LIMITED**  
**Profit and Loss Account for the year ended March 31, 2024**

(₹ in 000's)

| PARTICULARS                                | Schedule | Year ended<br>31.03.2024 | Year ended<br>31.03.2023 |
|--------------------------------------------|----------|--------------------------|--------------------------|
| <b>I. INCOME</b>                           |          |                          |                          |
| Interest earned                            | 13       | 4,01,30,453              | 3,07,50,103              |
| Other income                               | 14       | 67,10,110                | 62,48,647                |
| <b>TOTAL</b>                               |          | <b>4,68,40,563</b>       | <b>3,69,98,750</b>       |
| <b>II. EXPENDITURE</b>                     |          |                          |                          |
| Interest expended                          | 15       | 1,88,59,047              | 1,41,49,901              |
| Operating expenses                         | 16       | 1,60,48,397              | 1,28,45,104              |
| Provisions and contingencies               |          | 52,37,716                | 74,44,032                |
| <b>TOTAL</b>                               |          | <b>4,01,45,160</b>       | <b>3,44,39,037</b>       |
| <b>III. PROFIT/(LOSS)</b>                  |          |                          |                          |
| Net profit for the year                    |          | 66,95,403                | 25,59,713                |
| Balance in Profit/(loss) brought forward   |          | (3,90,78,736)            | (4,08,30,298)            |
| <b>TOTAL</b>                               |          | <b>(3,23,83,333)</b>     | <b>(3,82,70,585)</b>     |
| <b>IV. APPROPRIATIONS</b>                  |          |                          |                          |
| Transfer to Statutory Reserve              |          | 16,73,851                | 6,39,928                 |
| Transfer to Capital Reserve                |          | -                        | 9,363                    |
| Transfer to Investment Reserve Account     |          | -                        | 89                       |
| Transfer to Investment Fluctuation Reserve |          | 2,00,000                 | 1,58,771                 |
| Balance carried over to Balance Sheet      |          | (3,42,57,184)            | (3,90,78,736)            |
| <b>V. EARNINGS PER EQUITY SHARE</b>        |          |                          |                          |
| (Face value of per share ₹ 10)             |          |                          |                          |
| Basic (₹)                                  |          | 90.85                    | 47.47                    |
| Diluted (₹)                                |          | 90.72                    | 42.64                    |

Significant accounting policies and notes to the financial 17 & 18  
The schedules referred to above form an integral part of the Financial Statements

As per our report of even date

**For M M Nissim & Co LLP**  
**Chartered Accountants**

ICAI Firm Registration No.107122W/W100672

Navin Kumar Jain

Partner

Membership Number: 090847

Bengaluru, April 29, 2024

**For Brahmayya & Co.,**  
**Chartered Accountants**

ICAI Firm Registration No:0005155

G. Srinivas

Partner

Membership No: 086761

Bengaluru, April 29, 2024

**For and on behalf of the Board of Directors**

Krishnan Subramania Raman

Executive Director

DIN: 10380292

R. Ramaseshan

Independent Director

DIN: 00200373

Lakshmi R N

Company Secretary

Ajay Kanwal

Managing Director & CEO

DIN: 07886434

Abhilash Sandur

Chief Financial Officer



**JANA SMALL FINANCE BANK LIMITED**  
Cash Flow Statement for the period ended March 31, 2024

(₹ in 000's)

|           | Particulars                                                              | Year ended<br>31.03.2024 | Year ended<br>31.03.2023 |
|-----------|--------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>A.</b> | <b>Cash flow from operating activities</b>                               |                          |                          |
|           | Net profit before taxes                                                  | 51,43,528                | 25,59,713                |
|           | Adjustments for:                                                         |                          |                          |
|           | Depreciation on fixed assets                                             | 6,19,098                 | 6,86,888                 |
|           | Loss on sale of fixed assets                                             | 5,806                    | 9,747                    |
|           | Employee stock option expenses                                           | 1,08,268                 | 45,977                   |
|           | Provision for non performing assets                                      | 27,37,762                | 4,56,878                 |
|           | Bad debts written off                                                    | 31,87,885                | 63,89,553                |
|           | Provision for standard assets (including standard restructured accounts) | (5,15,222)               | 5,95,272                 |
|           | Premium amortisation on HTM investments                                  | 39,433                   | 31,300                   |
|           | <b>Operating profit before working capital changes (i)</b>               | <b>1,13,26,558</b>       | <b>1,07,75,328</b>       |
|           | <b>Movement in working capital</b>                                       |                          |                          |
|           | (Increase)/Decrease in investments                                       | (81,66,553)              | 24,96,046                |
|           | (Increase)/Decrease in advances                                          | (5,94,42,832)            | (5,43,75,239)            |
|           | Increase/(Decrease) in deposits                                          | 6,23,72,330              | 2,79,75,246              |
|           | (Increase)/Decrease in other assets                                      | 11,05,058                | (3,04,560)               |
|           | (Increase)/Decrease in lien marked fixed deposits                        | (65,282)                 | (1,82,476)               |
|           | Increase/(Decrease) in other liabilities and provisions                  | 16,65,394                | 23,37,450                |
|           | <b>Net change in working capital (ii)</b>                                | <b>(25,31,885)</b>       | <b>(2,20,53,533)</b>     |
|           | <b>Direct taxes (paid)/refund (iii)</b>                                  | <b>(17,25,684)</b>       | <b>(93,625)</b>          |
|           | <b>Net cash flow from operating activities (i)+(ii)+(iii) (A)</b>        | <b>70,68,989</b>         | <b>(1,13,71,830)</b>     |
| <b>B.</b> | <b>Cash flow used in investing activities</b>                            |                          |                          |
|           | Purchase of fixed assets                                                 | (7,69,133)               | (2,60,455)               |
|           | Proceeds from sale of fixed assets                                       | 5,806                    | 2,803                    |
|           | (Increase)/Decrease of held-to-maturity securities                       | (70,37,533)              | (40,86,984)              |
|           | <b>Net cash (used in) investing activities (B)</b>                       | <b>(78,00,860)</b>       | <b>(43,44,636)</b>       |



**JANA SMALL FINANCE BANK LIMITED**  
**Cash Flow Statement for the period ended March 31, 2024**

(₹ in 000's)

|    | Particulars                                                                     | Year ended<br>31.03.2024 | Year ended<br>31.03.2023 |
|----|---------------------------------------------------------------------------------|--------------------------|--------------------------|
| C. | <b>Cash Flow from financing activities</b>                                      |                          |                          |
|    | Proceeds from issue of equity shares                                            | 4,96,116                 | 35,671                   |
|    | Proceeds from issue of compulsorily convertible preference shares               | (27,00,000)              | 12,00,000                |
|    | Securities premium received (Net of issue expenses)                             | 1,31,98,649              | 21,24,201                |
|    | Increase / (decrease) in other borrowings                                       | (1,06,60,009)            | 1,76,76,280              |
|    | <b>Net cash used in financing activities (C)</b>                                | <b>3,34,756</b>          | <b>2,10,36,152</b>       |
|    | <b>Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)</b>         | <b>(3,97,115)</b>        | <b>53,19,686</b>         |
|    | Cash and cash equivalents as at beginning of the period/year (refer note 2 & 3) | 2,06,68,822              | 1,53,49,136              |
|    | Cash and cash equivalents as at end of the year (refer note 2 & 3)              | 2,02,71,707              | 2,06,68,822              |

**Notes:**

1. The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statements specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014 and Companies (Accounting Standards) Rules, 2021.
2. Cash and Cash Equivalents comprises of 'Cash & Balances with Reserve Bank of India (Schedule 6)' and 'Balances with Banks and Money at Call and Short Notice (Schedule 7)'.
3. Cash and Cash Equivalents excludes lien marked Deposits of ₹ 26.95 crore and ₹ 20.43 crores respectively as on March 31, 2024 and March 31, 2023.

As per our report of even date

**For M M Nissim & Co LLP**  
**Chartered Accountants**

ICAI Firm Registration No.107122W/W100672

Navin Kumar Jain  
Partner

Membership Number: 090847  
Bengaluru, April 29, 2024



**For and on behalf of the Board of Directors**

*ak. S. Raman*  
Krishnan Subramania Raman  
Executive Director  
DIN: 10380292

*Ramaseshan*  
R. Ramaseshan  
Independent Director  
DIN: 00200373

*Lakshmi R N*  
Lakshmi R N  
Company Secretary

*Ajay Kanwal*  
Ajay Kanwal  
Managing Director & CEO  
DIN: 07886434

*Abhilash Sandur*  
Abhilash Sandur  
Chief Financial Officer

**For Brahmayya & Co.,**  
**Chartered Accountants**

ICAI Firm Registration No:0005155

G. Srinivas  
Partner

Membership No: 086761

Bengaluru, April 29, 2024



Bengaluru, April 29, 2024



**JANA SMALL FINANCE BANK LIMITED**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2024**

(₹ in 000's)

| PARTICULARS                                                                                                                | As at<br>31.03.2024 | As at<br>31.03.2023 |
|----------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>SCHEDULE 1 - CAPITAL</b>                                                                                                |                     |                     |
| <b>Authorised Capital</b>                                                                                                  |                     |                     |
| <b>Equity</b>                                                                                                              |                     |                     |
| 13,50,00,000 (March 31, 2023: 10,00,00,000) Equity Shares of ₹ 10 each                                                     | 13,50,000           | 10,00,000           |
| <b>Preference</b>                                                                                                          |                     |                     |
| 45,00,00,000 (March 31, 2023: 45,00,00,000) Preference Shares of ₹ 10 each                                                 | 45,00,000           | 45,00,000           |
| <b>Issued, Subscribed, Called up and Paid-Up Capital</b>                                                                   |                     |                     |
| <b>Equity</b>                                                                                                              |                     |                     |
| 10,45,90,275 (March 31, 2023: 5,49,78,703) Equity Shares of ₹ 10 each fully paid up                                        | 10,45,903           | 5,49,787            |
| <b>Preference</b>                                                                                                          |                     |                     |
| Nil (31 March 2023: 27,00,00,000) 16% Non-Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each fully paid up | -                   | 27,00,000           |
| <b>TOTAL</b>                                                                                                               | <b>10,45,903</b>    | <b>32,49,787</b>    |
| <b>SCHEDULE 2 - RESERVES AND SURPLUS</b>                                                                                   |                     |                     |
| <b>I. STATUTORY RESERVE</b>                                                                                                |                     |                     |
| Opening balance                                                                                                            | 18,90,956           | 12,51,028           |
| Add: Additions during the year                                                                                             | 16,73,851           | 6,39,928            |
| Less: Deductions during the year                                                                                           | -                   | -                   |
| <b>TOTAL</b>                                                                                                               | <b>35,64,807</b>    | <b>18,90,956</b>    |
| <b>II. CAPITAL RESERVE</b>                                                                                                 |                     |                     |
| Opening balance                                                                                                            | 2,09,437            | 2,00,074            |
| Add: Additions during the year                                                                                             | -                   | 9,363               |
| Less: Deductions during the year                                                                                           | -                   | -                   |
| <b>TOTAL</b>                                                                                                               | <b>2,09,437</b>     | <b>2,09,437</b>     |
| <b>III. CAPITAL REDEMPTION RESERVE</b>                                                                                     |                     |                     |
| Opening balance                                                                                                            | -                   | -                   |
| Add: Additions during the year                                                                                             | 2                   | -                   |
| Less: Deductions during the year                                                                                           | -                   | -                   |
| <b>TOTAL</b>                                                                                                               | <b>2</b>            | -                   |
| <b>IV. SHARE PREMIUM</b>                                                                                                   |                     |                     |
| Opening balance                                                                                                            | 5,09,75,221         | 4,88,45,491         |
| Add: Additions during the year                                                                                             | 1,36,09,426         | 21,37,580           |
| Less: Deductions during the year                                                                                           | (3,77,369)          | (7,850)             |
| <b>TOTAL</b>                                                                                                               | <b>6,42,07,278</b>  | <b>5,09,75,221</b>  |



## (₹ in 000's)



**JANA SMALL FINANCE BANK LIMITED**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2024**

(₹ in 000's)

| PARTICULARS                                                                                 | As at<br>31.03.2024 | As at<br>31.03.2023 |
|---------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>SCHEDULE 4 - BORROWINGS</b>                                                              |                     |                     |
| <b>I. Borrowings in India</b>                                                               |                     |                     |
| a. Reserve Bank of India                                                                    | 80,00,000           | 80,00,000           |
| b. Other banks*                                                                             | 23,20,000           | 30,80,000           |
| c. Other institutions and agencies^                                                         | 4,17,94,591         | 5,16,94,600         |
| <b>II. Borrowings outside India</b>                                                         | -                   | -                   |
| <b>TOTAL (I and II)</b>                                                                     | <b>5,21,14,591</b>  | <b>6,27,74,600</b>  |
| Secured Borrowings included in (I)(c) above is Nil (March 31, 2023: ₹ Nil)                  |                     |                     |
| *Includes Sub-ordinated debt (Tier II capital) ₹ 225 crores (March 31, 2023: ₹ 303 crores)  |                     |                     |
| ^ Includes sub-ordinated debt (Tier II capital) ₹ 125 crores (March 31, 2023: ₹ 127 crores) |                     |                     |
| <b>SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS</b>                                        |                     |                     |
| I. Bills payable                                                                            | 38,32,178           | 49,59,028           |
| II. Inter office adjustments (net)                                                          | -                   | -                   |
| III. Interest accrued                                                                       | 45,14,768           | 30,86,486           |
| IV. Others [including provisions, refer note 18.22 (f) (iii)]                               | 43,11,426           | 29,47,464           |
| V. Standard Asset- General Provision                                                        | 8,41,386            | 13,56,608           |
| <b>TOTAL (I to V)</b>                                                                       | <b>1,34,99,758</b>  | <b>1,23,49,586</b>  |
| <b>SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA</b>                            |                     |                     |
| I. Cash in hand                                                                             | 6,03,705            | 4,99,000            |
| II. Balances with Reserve Bank of India                                                     |                     |                     |
| a. In Current account                                                                       | 82,02,185           | 57,10,394           |
| b. In Other accounts                                                                        | 14,50,000           | 39,00,000           |
| <b>TOTAL (I to II)</b>                                                                      | <b>1,02,55,890</b>  | <b>1,01,09,394</b>  |
| <b>SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE</b>                  |                     |                     |
| I. In India                                                                                 |                     |                     |
| i) Balances with banks                                                                      |                     |                     |
| a) In Current accounts                                                                      | 70,164              | 41,364              |
| b) In Other deposit accounts*                                                               | 2,69,543            | 17,27,549           |
| ii) Money at call and short notice                                                          |                     |                     |
| a) With banks                                                                               | 2,40,000            | -                   |
| b) With other institutions                                                                  | 97,05,654           | 89,94,777           |
| c) Lending under reverse repo (Reserve Bank of India)                                       | -                   | -                   |
| <b>TOTAL (i to ii)</b>                                                                      | <b>1,02,85,361</b>  | <b>1,07,63,690</b>  |



**JANA SMALL FINANCE BANK LIMITED**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2024**

(₹ in 000's)

| PARTICULARS                         | As at<br>31.03.2024 | As at<br>31.03.2023 |
|-------------------------------------|---------------------|---------------------|
| II. Outside India                   |                     |                     |
| i) In Current accounts              | -                   | -                   |
| ii) In Other deposit accounts       | -                   | -                   |
| iii) Money at call and short notice | -                   | -                   |
| <b>TOTAL (i to iii)</b>             | -                   | -                   |
| <b>GRAND TOTAL (I to II)</b>        | <b>1,02,85,361</b>  | <b>1,07,63,690</b>  |

\* As of March 31, 2024, Includes deposit with Banks of ₹ 26.95 crores lien marked towards guarantee issued by other banks on behalf of the Bank (March 31, 2023: ₹ 20.43 crores).

**SCHEDULE 8 - INVESTMENTS**

**I. Investments in India (net of provisions)**

|                                                              |                    |                    |
|--------------------------------------------------------------|--------------------|--------------------|
| i) Government securities                                     | 6,23,46,308        | 4,92,77,437        |
| ii) Other approved securities                                | -                  | -                  |
| iii) Shares                                                  | -                  | -                  |
| iv) Debentures and bonds                                     | -                  | -                  |
| v) Subsidiaries and/or joint ventures                        | -                  | -                  |
| vi) Others (Security Receipts and Pass Through Certificates) | 50,30,589          | 29,34,807          |
| <b>TOTAL</b>                                                 | <b>6,73,76,897</b> | <b>5,22,12,244</b> |

**II. Investments Outside India**

|                              |                    |                    |
|------------------------------|--------------------|--------------------|
| <b>TOTAL</b>                 | -                  | -                  |
| <b>GRAND TOTAL (I to II)</b> | <b>6,73,76,897</b> | <b>5,22,12,244</b> |

**III. Investments**

|                                            |                    |                    |
|--------------------------------------------|--------------------|--------------------|
| i) Gross value of investments              |                    |                    |
| a) In India                                | 6,87,53,511        | 5,22,12,244        |
| b) Outside India                           | -                  | -                  |
| <b>Total</b>                               | <b>6,87,53,511</b> | <b>5,22,12,244</b> |
| ii) Depreciation/provision for investments |                    |                    |
| a) In India                                | 13,76,614          | -                  |
| b) Outside India                           | -                  | -                  |
| <b>Total</b>                               | <b>13,76,614</b>   | -                  |
| iii) Net value of investments              |                    |                    |
| a) In India                                | 6,73,76,897        | 5,22,12,244        |
| b) Outside India                           | -                  | -                  |
| <b>Total</b>                               | <b>6,73,76,897</b> | <b>5,22,12,244</b> |

**SCHEDULE 9 - ADVANCES (Net of Provisions)**

|                                                            |                     |                     |
|------------------------------------------------------------|---------------------|---------------------|
| A. i) Bills purchased and discounted                       | 28,68,100           | 65,934              |
| ii) Cash credits, overdrafts and loans repayable on demand | 1,08,47,502         | 73,11,866           |
| iii) Term loans                                            | 21,73,97,137        | 17,02,17,754        |
| <b>TOTAL</b>                                               | <b>23,11,12,739</b> | <b>17,75,95,554</b> |



**JANA SMALL FINANCE BANK LIMITED**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2024**

(₹ in 000's)

| PARTICULARS                                                                                                                                                     | As at<br>31.03.2024 | As at<br>31.03.2023 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>B. i) Secured by tangible assets *</b>                                                                                                                       | 13,40,95,490        | 9,44,53,471         |
| ii) Covered by bank/government guarantees                                                                                                                       | 14,19,968           | 36,00,952           |
| iii) Unsecured                                                                                                                                                  | 9,55,97,281         | 7,95,41,131         |
| <b>TOTAL</b>                                                                                                                                                    | <b>23,11,12,739</b> | <b>17,75,95,554</b> |
| <b>* Including advance against book debt</b>                                                                                                                    |                     |                     |
| <b>C. I ADVANCES IN INDIA</b>                                                                                                                                   |                     |                     |
| i) Priority sector*                                                                                                                                             | 18,51,46,472        | 14,22,88,724        |
| ii) Public sector                                                                                                                                               | -                   | -                   |
| iii) Banks                                                                                                                                                      | -                   | -                   |
| iv) Others                                                                                                                                                      | 4,59,66,267         | 3,53,06,830         |
| * Priority sectors includes ₹ 6,050 crores (March 31, 2023: ₹ 3,575 crores), in respect of which the Bank has sold Priority Sector Lending Certificates (PSLC). |                     |                     |
| <b>C. II ADVANCES OUTSIDE INDIA</b>                                                                                                                             | -                   | -                   |
| <b>TOTAL</b>                                                                                                                                                    | <b>23,11,12,739</b> | <b>17,75,95,554</b> |
| <b>SCHEDULE 10 - FIXED ASSETS</b>                                                                                                                               |                     |                     |
| <b>I. Premises</b>                                                                                                                                              | -                   | -                   |
| i) Cost as at the end of the preceding year                                                                                                                     | -                   | -                   |
| ii) Additions during the year                                                                                                                                   | -                   | -                   |
| iii) Deductions during the year                                                                                                                                 | -                   | -                   |
| iv) Depreciation to date                                                                                                                                        | -                   | -                   |
| v) Capital Work in Progress                                                                                                                                     | -                   | -                   |
| <b>TOTAL</b>                                                                                                                                                    | -                   | -                   |
| <b>II. Other fixed assets (including furniture and fixtures)</b>                                                                                                |                     |                     |
| i) Cost as at the end of the preceding year                                                                                                                     | 63,38,555           | 66,86,187           |
| ii) Additions during the year                                                                                                                                   | 8,71,330            | 4,05,301            |
|                                                                                                                                                                 | <b>72,09,885</b>    | <b>70,91,488</b>    |
| iii) Deductions during the year                                                                                                                                 | (3,29,344)          | (7,52,933)          |
| iv) Depreciation to date                                                                                                                                        | (54,94,072)         | (51,12,513)         |
| v) Capital Work in Progress                                                                                                                                     | 29,441              | 51,445              |
| <b>TOTAL</b>                                                                                                                                                    | <b>14,15,910</b>    | <b>12,77,487</b>    |
| <b>GRAND TOTAL (I and II)</b>                                                                                                                                   | <b>14,15,910</b>    | <b>12,77,487</b>    |
| <b>SCHEDULE 11 - OTHER ASSETS</b>                                                                                                                               |                     |                     |
| I. Inter office adjustments (net)                                                                                                                               | -                   | -                   |
| II. Interest accrued                                                                                                                                            | 25,93,985           | 22,63,038           |
| III. Tax paid in advance / tax deducted at source (net of provisions)                                                                                           | 24,29,853           | 7,04,169            |
| IV. Stationery and stamps                                                                                                                                       | -                   | -                   |
| V. Non Banking Assets acquired in satisfaction of claims                                                                                                        | -                   | -                   |
| VI. Others*                                                                                                                                                     | 16,27,190           | 15,11,320           |
| * Includes deposit with RIDF and other funds of ₹ 0.99 crores (March 31, 2023: ₹ 1.75 crores)                                                                   |                     |                     |
| <b>TOTAL</b>                                                                                                                                                    | <b>66,51,028</b>    | <b>44,78,527</b>    |
| <b>SCHEDULE 12 - CONTINGENT LIABILITIES</b>                                                                                                                     |                     |                     |
| I. Claims against the bank not acknowledged as debts                                                                                                            | 3,41,939            | 5,59,662            |
| II. Liability for partly paid investments                                                                                                                       | -                   | -                   |
| III. Liability on account of outstanding forward exchange contracts                                                                                             | -                   | -                   |
| IV. Liability on account of outstanding derivative contracts                                                                                                    | -                   | -                   |
| V. Guarantees given on behalf of constituents                                                                                                                   |                     |                     |
| a) In India                                                                                                                                                     | 19,40,436           | 26,500              |
| b) Outside India                                                                                                                                                | -                   | -                   |
| VI. Acceptances, endorsements and other obligations                                                                                                             | -                   | -                   |
| VII. Other items for which the Bank is contingently liable                                                                                                      | 3,52,625            | 1,85,590            |
| <b>TOTAL</b>                                                                                                                                                    | <b>26,35,000</b>    | <b>7,71,752</b>     |



**JANA SMALL FINANCE BANK LIMITED**

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2024**

(₹ in 000's)

| PARTICULARS                                                                                                                                                                                                                                   | Year ended<br>31.03.2024 | Year ended<br>31.03.2023 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>SCHEDULE 13 - INTEREST EARNED</b>                                                                                                                                                                                                          |                          |                          |
| I. Interest/discount on advances/bills*                                                                                                                                                                                                       | 3,60,66,750              | 2,72,16,067              |
| II. Income on investments                                                                                                                                                                                                                     | 35,83,881                | 32,52,084                |
| III. Interest on balances with Reserve Bank of India and other inter-bank funds                                                                                                                                                               | 4,79,421                 | 2,81,580                 |
| IV. Others                                                                                                                                                                                                                                    | 401                      | 372                      |
| * Includes interest recoveries from technically written off accounts                                                                                                                                                                          |                          |                          |
| <b>TOTAL</b>                                                                                                                                                                                                                                  | <b>4,01,30,453</b>       | <b>3,07,50,103</b>       |
| <b>SCHEDULE 14 - OTHER INCOME</b>                                                                                                                                                                                                             |                          |                          |
| I. Commission, exchange and brokerage                                                                                                                                                                                                         | 48,61,952                | 30,84,026                |
| II. Profit / (loss) on sale of investments (net)                                                                                                                                                                                              | 92,603                   | 29,597                   |
| III. Profit / (loss) on revaluation of investments (net)                                                                                                                                                                                      | -                        | -                        |
| IV. Profit / (loss) on sale of land, buildings and other assets(net)                                                                                                                                                                          | (5,806)                  | (9,747)                  |
| V. Profit on exchange / derivative transactions (net)                                                                                                                                                                                         | -                        | -                        |
| VI. Income earned by way of dividends from subsidiaries/joint ventures abroad/in India                                                                                                                                                        | -                        | -                        |
| VII. Miscellaneous income <sup>#</sup> [refer note 18.22(f)(i)]                                                                                                                                                                               |                          |                          |
| # Includes Profit on sale of assets to ARCs ₹ 85.31 crores (March 31, 2023: ₹ 186.59), PSLC income ₹ 51.63 crores (March 31, 2023: ₹ 49.52 crores), and recoveries from written off accounts ₹ 36.21 crores (March 31, 2023: ₹ 70.65 crores). | 17,61,361                | 31,44,771                |
| <b>TOTAL</b>                                                                                                                                                                                                                                  | <b>67,10,110</b>         | <b>62,48,647</b>         |
| <b>SCHEDULE 15 - INTEREST EXPENDED</b>                                                                                                                                                                                                        |                          |                          |
| I. Interest on deposits                                                                                                                                                                                                                       | 1,45,79,785              | 1,00,24,054              |
| II. Interest on Reserve Bank of India/inter-bank borrowings                                                                                                                                                                                   | 3,72,379                 | 3,48,547                 |
| III. Other Interest (Including interest on debentures and other borrowings)                                                                                                                                                                   | 39,06,883                | 37,77,300                |
| <b>TOTAL</b>                                                                                                                                                                                                                                  | <b>1,88,59,047</b>       | <b>1,41,49,901</b>       |
| <b>SCHEDULE 16 - OPERATING EXPENSES</b>                                                                                                                                                                                                       |                          |                          |
| I. Payments to and provisions for employees (refer note 18.4 and 18.14)                                                                                                                                                                       | 97,46,693                | 77,75,785                |
| II. Rent, taxes and lighting [refer note 18.22(q)]                                                                                                                                                                                            | 11,35,681                | 9,77,058                 |
| III. Printing and stationery                                                                                                                                                                                                                  | 1,36,370                 | 95,176                   |
| IV. Advertisement and publicity                                                                                                                                                                                                               | 3,51,276                 | 2,11,581                 |
| V. Depreciation on bank's property                                                                                                                                                                                                            | 6,19,098                 | 6,86,888                 |
| VI. Director's Fees, allowances and expenses [refer note 18.15(C)]                                                                                                                                                                            | 12,393                   | 6,377                    |
| VII. Auditors' fees and expenses [refer note 18.22 (m)]                                                                                                                                                                                       | 13,729                   | 12,418                   |
| VIII. Law charges                                                                                                                                                                                                                             | 1,60,502                 | 1,03,051                 |
| IX. Postage, telegram, telephone etc.                                                                                                                                                                                                         | 1,95,555                 | 1,75,952                 |
| X. Repairs and maintenance                                                                                                                                                                                                                    | 3,55,188                 | 2,82,192                 |
| XI. Insurance                                                                                                                                                                                                                                 | 2,05,914                 | 1,74,244                 |
| XII. Other expenditure                                                                                                                                                                                                                        | 31,15,998                | 23,44,382                |
| (a). Travel and conveyance                                                                                                                                                                                                                    | 6,46,376                 | 4,78,288                 |
| (b). Professional fees (includes cost of outsourced technology support services)                                                                                                                                                              | 20,10,246                | 14,79,645                |
| (c). Others (refer note 18.22 (f) (ii))                                                                                                                                                                                                       | 4,59,376                 | 3,86,449                 |
| <b>TOTAL</b>                                                                                                                                                                                                                                  | <b>1,60,48,397</b>       | <b>1,28,45,104</b>       |



## JANA SMALL FINANCE BANK LIMITED

Schedule to the Financial Statements for the year ended March 31, 2024

### SCHEDULE - 17

**Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2024**

#### **1. CORPORATE INFORMATION:**

Jana Small Finance Bank Limited (Formerly known as Janalakshmi Financial Services Limited - the "Company"), headquartered in Bangalore, engaged in providing a wide range of banking and financial services. Originally incorporated on July 24, 2006, the Company registered as a Non-Banking Financial Company (NBFC) with the Reserve Bank of India on March 4, 2008. The Company got classified as a NBFC-MFI effective from September 5, 2013. The Company became a public limited company under the provisions of Companies Act, 2013, with effect from August 10, 2015.

Pursuant to the resolution passed by the shareholders at the Extraordinary General Meeting (EGM) held on January 12, 2018 and the issue of small finance bank license by Reserve Bank of India (RBI) on April 28, 2017 under section 22(1) of the Banking Regulation Act, 1949 "Janalakshmi Financial Services Limited" (the "Company") converted itself into a Small Finance Bank with effect from March 28, 2018. Accordingly, the name of the Company was changed to Jana Small Finance Bank Limited (the "Bank").

The Bank has received scheduled Bank status with effect from 16 July, 2019 vide publication in the Gazette of India (Part III - Section 4) dated July 27 - August 02, 2019. Accordingly, Jana Small Finance Bank Limited is included in the second schedule of the Reserve Bank of India Act, 1934.

#### **2. BASIS OF PREPARATION:**

The Bank's financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and on-going concern basis, unless otherwise stated and in conformity with Generally Accepted Accounting Principles (GAAP), which comprise applicable statutory provisions, regulatory norms/guidelines prescribed by the Reserve Bank of India (RBI), Banking Regulation Act 1949, Accounting Standards specified under Section 133 of Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules 2021, in so far as they apply to the banks and the current practices prevalent within the banking industry in India.

#### ***Use of Estimates:***

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision in the accounting estimates is recognized prospectively in the current and future periods.

#### **3. REVENUE RECOGNITION:**

i. Interest income on loans, advances and investments is recognized in the Profit and Loss Account on accrual basis except income on advances, investments and other assets classified as Non-Performing Assets (NPAs), which is recognized upon realization, as per the prudential norms prescribed by the RBI. Unrealized Interest on NPA is reversed in the Profit and Loss Account and is recognized only on receipt basis. Further, charges and penal interest on advances is recognized on receipt basis.



## JANA SMALL FINANCE BANK LIMITED

Schedule to the Financial Statements for the year ended March 31, 2024

### **SCHEDULE - 17**

#### **Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2024**

- ii. Income on non-coupon bearing discounted instruments is recognized over the tenure of the instruments so as to provide a constant periodic rate of return.
- iii. Processing fees on loan, direct assignment and securitisation is recognised upfront when it becomes due.
- iv. Dividend is accounted on an accrual basis where the right to receive the dividend is established.
- v. Interest incomes on deposits with banks and financial institutions is recognized on a time proportion basis taking into account the amount outstanding and the implicit rate of interest.
- vi. PSLC related income and expenses is recognised as and when they become due.
- vii. All other fees are accounted for as and when they become due.

#### **4. INVESTMENTS:**

##### ***Classification:***

In accordance with RBI guidelines, investments are classified into three categories, viz. Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT). Under each of these categories, investments are further classified under six groups – Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investments in Subsidiaries / Joint Ventures and Other Investments.

The transactions in Securities are accounted on "Settlement Date" of accounting except in the case of equity shares where trade date accounting is followed.

##### ***Basis of classification:***

- i. Investments that the Bank intends to hold till maturity are classified under "Held to Maturity (HTM)" category.
- ii. Investments that are held for resale within 90 days from the date of purchase are classified as "Held for Trading (HFT)".
- iii. Investments, which are not classified in the above two categories, are classified as "Available for Sale (AFS)". Further, as per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are reclassified as AFS securities.
- iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.

##### ***Transfer between categories:***

Transfer of investments from one category to the other is done in accordance with RBI guidelines. Transfer of securities from AFS / HFT category to HTM category is made at the lower of book value or market value. In the case of transfer of securities from HTM to AFS / HFT category, the investments held under HTM at a discount are transferred to AFS / HFT category at the acquisition price and investments placed in the HTM category at a premium are transferred to AFS/ HFT at the amortized cost. After transfer, these securities are re-valued and resultant depreciation, if any, is provided.

Transfer of investments from AFS to HFT or vice- a- versa is done at the book value. Depreciation carried, if any, on such investments is also transferred from one category to another.

##### ***Acquisition Cost:***

Broken period interest if any, paid on acquisition of investments is debited to Profit and Loss Account. Broken period interest received on sale of securities is recognized as interest income.



## JANA SMALL FINANCE BANK LIMITED

Schedule to the Financial Statements for the year ended March 31, 2024

### **SCHEDULE - 17**

**Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2024**

#### ***Valuation:***

Investments classified under AFS and HFT categories are marked to market individually and depreciation/appreciation is aggregated for each group and net depreciation in each group is provided and net appreciation is ignored.

Traded investments (if any) are valued based on the trades / quotes on the recognised stock exchanges or prices published by Financial Benchmarks India Pvt Ltd. (FBIL) with Fixed Income Money Market and Derivatives Association (FIMMDA) as the calculating agent.

The market value of unquoted government of India securities, state government securities etc. which are directly issued by the government of India is computed as per the prices published by FBIL with FIMMDA as the calculating agent.

Unquoted equity shares are valued at the break-up value, if the latest Balance sheet is available or at ₹ 1 for each company as per the RBI guidelines.

Units of mutual funds are valued at the latest repurchase price / net asset value declared by the mutual fund.

Treasury bills, commercial papers and certificate of deposits being discounted instruments, are valued at carrying cost.

Net depreciation in the value, if any, compared to the acquisition cost, in any of the groups, is charged to the Profit and Loss Account. The net appreciation, if any, in any of the groups is not recognised except to the extent of depreciation provided earlier.

Investments classified under HTM category are carried at their acquisition cost and not marked to market. Any premium on acquisition is amortised over the remaining maturity period of the security on a constant yield-to-maturity basis. Such amortisation of premium is adjusted against interest income under the head "Income from investments". Any diminution, other than the temporary, in the value of investments in HTM category is provided for.

Security receipts (SR) are valued as per the net asset value provided by the issuing Asset Reconstruction Company from time to time.

Non-performing investments are identified and provision are made thereon based on the RBI guidelines. The provision on such non-performing investments are not set off against the appreciation in respect of other performing investments. Interest on non-performing investments is not recognized in the Profit and Loss Account until received.

#### ***Disposal of Investments:***

Profit / Loss on sale of investments is taken to Profit and Loss Account. However in case of profit on sale of investments in "Held to Maturity" category, an equivalent amount of profit (net of applicable taxes and amount required to be transferred to statutory reserves) is appropriated to Capital Reserve in accordance with RBI guidelines. Cost of investments is based on the weighted average cost method.



**SCHEDULE - 17**

**Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2024**

***Repurchase and reverse repurchase transactions:***

In accordance with the RBI guidelines, repurchase (Repo) and reverse repurchase (Reverse Repo) transactions in government securities and corporate debt securities are reflected as borrowing and lending transactions respectively. Borrowing cost on repo transactions is accounted as interest expense and revenue on reverse repo transactions is accounted as interest income.

**5. ADVANCES CLASSIFICATION AND PROVISIONING:**

***Classification:***

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of specific provisions made towards NPAs. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Provisions for NPA is made at rates as prescribed by the RBI and as per Bank's internal credit policy and same is charged to the Profit and Loss Account under Provisions and Contingencies.

Non-performing advances are written-off in accordance with Bank's policies. Principal amount recovered against debts written-off are recognised in the Profit and Loss account as "Miscellaneous income" under Other Income (Schedule 14).

The Bank considers a restructured account as one where the Bank, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower concessions that the Bank would not otherwise consider. Restructuring would normally involve modification of terms of the advances/securities, which would generally include, among others, alteration of repayment period/ repayable amount/ the amount of instalments/ rate of interest (due to reasons other than competitive reasons). Restructured accounts are classified as such by the Bank only upon approval and implementation of the restructuring package. Necessary provision including diminution in the fair value of a restructured account is made and classification thereof is as per the extant RBI guidelines.

The Bank maintains a general provision on standard advances at the rates prescribed by the RBI. Provision made against standard assets is included in "Other liabilities & provisions" (Schedule 5).

The Bank transfers advances through inter-bank participation. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances. In case of participation with non-risk sharing, the aggregate amount of participation is classified as borrowings.

The Bank vide RBI circular FIDD.CO.Plan.BC.23/04.09.01/2015-16 dated April 07, 2016 trades in Priority Sector portfolio by selling or buying Priority Sector Lending Certificates (PSLCs). There is no transfer of risk on loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' and the fee received for the sale of PSLCs is treated as 'Miscellaneous Income'.



## JANA SMALL FINANCE BANK LIMITED

Schedule to the Financial Statements for the year ended March 31, 2024

### SCHEDULE - 17

**Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2024**

#### ***Floating Provisions:***

Provisions made, if any, in excess of the Bank's policy for specific loan loss provisions for non-performing assets and regulatory general provisions are categorised as floating provisions. Creation of floating provisions is considered by the Bank up to a level approved by the Board of Directors In accordance with the RBI guidelines, floating provisions are used up to a level approved by the Board only for contingencies under extraordinary circumstances and for making specific provisions for impaired accounts as per these guidelines or any regulatory guidance / instructions. Floating provisions, if any, are shown under "Other liabilities and Provisions" (Schedule 5).

#### **6. SECURITISATION AND TRANSFER OF ASSETS:**

Assets transferred through securitisation and direct assignment of cash flows are de-recognised when they are sold (true On sale of stressed assets, if the sale is at a price below the net book value (i.e., funded outstanding less specific provisions held), the shortfall is charged to the Profit and Loss Account and if the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year when the sum of cash received by way of initial consideration and / or redemption or transfer of security receipts issued by SC/RC exceeds the net book value of the loan at the time of transfer.

In respect of stressed assets sold under an asset securitisation, where the investment by the bank in security receipts (SRs) backed by the assets sold by it is more than 10 percent of such SRs, provisions held are higher of the provisions required in terms of net asset value declared by the Securitisation Company ('SC') / Reconstruction Company ('RC') and provisions as per the extant norms applicable to the underlying loans, notionally treating the book value of these SRs as the corresponding stressed loans assuming the loans remained in the books of the Bank.

The Bank invests in Pass Through Certificates (PTCs) issued by other Special Purpose Vehicles (SPVs). These are accounted at acquisition cost and are classified as investments. The Bank also buys loans through the direct assignment route which are classified as advances. These are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised based on effective interest rate method.

Bank recognizes Excess Interest Spread (EIS) only on cash basis and Over Collateralization, if any, is included in the Gross Advances and it is provided for as per the provisioning norms of RBI.

Direct Assignment portfolio bought by the Bank, if any, are classified as advances. These are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the tenor of the loans.

#### **7. FIXED ASSETS AND DEPRECIATION:**

Fixed Assets are stated at cost less accumulated depreciation as adjusted for impairment, if any. Cost includes cost of purchase inclusive of freight, duties, incidental expenses and all other directly attributable expenditures towards acquisition and installation of assets before it is ready for commercial use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit / functioning capability from / of such assets. Specific grant received for acquisition of fixed assets are reduced from the cost of the asset.

Depreciation on fixed asset is charged over the estimated useful life on a straight line basis after retaining a residual value of 0.01%, except for leasehold improvements and software which are fully depreciated.



**JANA SMALL FINANCE BANK LIMITED**

Schedule to the Financial Statements for the year ended March 31, 2024

**SCHEDULE - 17****Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2024**

The Bank is following the estimated useful life as stated in the Part C of Schedule II of Companies Act, 2013 which is as below:

| Type of Asset                                         | Useful Life                                     |
|-------------------------------------------------------|-------------------------------------------------|
| Computers including desktops and electronic equipment | 3 Years                                         |
| Servers and networks                                  | 6 Years                                         |
| Furniture and fixtures                                | 10 Years                                        |
| Electrical installation                               | 10 Years                                        |
| Motor vehicles                                        | 8 Years                                         |
| Office equipment                                      | 5 Years                                         |
| Leasehold improvements                                | Remaining primary lease period as per agreement |

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use.

The estimated useful life of the intangible assets are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Software is depreciated fully over the useful life of the software based on the license validity or five years whichever is earlier.

Fixed assets purchased during the year are depreciated on the basis of actual number of days the asset has been put to use in the year. Fixed assets disposed off during the year are depreciated up to the date of disposal.

Profit or losses arising from the retirement or disposal of a Fixed / Intangible Asset are determined as the difference between the net disposal proceeds and the carrying amount of fixed/ intangible assets and recognized as income or expense in the Profit and Loss Account. Profit on sale of premises, if any, is transferred to Capital Reserve as per the RBI guidelines.

**8. IMPAIRMENT OF ASSETS (Other than loans and advances):**

In accordance with AS-28- Impairment of assets, Bank assesses at each Balance Sheet date whether there is any indication of impairment of assets based on internal / external factors. Impairment loss, if any, is provided in the Profit and Loss Account to the extent of carrying amount of assets exceeds their estimated recoverable amount, which is higher of an asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Profit and Loss Account, to the extent the amount was previously charged to the Profit and Loss Account.



## JANA SMALL FINANCE BANK LIMITED

Schedule to the Financial Statements for the year ended March 31, 2024

### **SCHEDULE - 17**

**Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2024**

#### **9. FOREIGN CURRENCY TRANSACTIONS:**

(i) Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

All exchange differences are recognized as income or as expenses in the period in which they arise.

#### **10. EMPLOYEE BENEFITS:**

##### ***Defined contribution plan:***

Retirement benefits in the form of provident fund and employee state insurance scheme are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

##### ***Defined benefit plan and compensated absences:***

Liability for defined benefit gratuity plan and accumulated compensated absences is determined by estimating the present value of amount of benefit that employees have earned in return for their service in the current and prior periods. The Bank accounts for its liability for unfunded compensated absences and funded gratuity based on actuarial valuation, as at the Balance Sheet date, determined annually by an independent actuary using the Projected Unit Credit Method. The Bank makes contribution to Gratuity Funds managed by life insurance companies. Actuarial gains and losses are recognized in full in the Profit and Loss Account for the period and are not deferred.

##### ***Short term employee benefits:***

Short term employee benefits expected to be paid in consideration for the services rendered by the employees is recognized during the period when the employee renders service.

#### **11. INCOME TAXES:**

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - Accounting for Taxes on Income respectively.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. In case of unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each Balance Sheet date and appropriately adjusted to reflect the amount that is reasonably / virtually certain to be realized.



## JANA SMALL FINANCE BANK LIMITED

Schedule to the Financial Statements for the year ended March 31, 2024

### SCHEDULE - 17

**Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2024**

#### **12. EARNINGS PER SHARE:**

Bank reports basic and diluted earnings per share in accordance with Accounting Standard - 20, Earnings Per Share. Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of exercise of employee stock options and restricted stock units, bonus issue, bonus element in a rights issue to existing shareholders and share split.

Diluted earnings per share reflects the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and the dilutive potential equity shares (stock options, restricted stock units and convertible preference shares) outstanding during the year, except where the results are anti-dilutive.

#### **13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

In accordance with AS 29 - Provisions, Contingent Liabilities and Contingent Assets, the Bank creates a provision when there is a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resource would be required to settle the obligation, the provision is reversed.

A disclosure for contingent liability is made when there is:

- i) A possible obligation arising from the past events, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the bank; or
- ii) A present obligation arising from a past event which is not recognized as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made.

When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.



## JANA SMALL FINANCE BANK LIMITED

Schedule to the Financial Statements for the year ended March 31, 2024

### **SCHEDULE - 17**

**Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2024**

#### **14. ACCOUNTING FOR LEASE:**

##### ***Operating Lease:***

Leases, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased term are classified as operating leases in accordance with Accounting Standard 19, Leases. Lease rentals on assets under operating lease is charged off to the Profit and Loss Account on a straight-line basis in accordance with the AS-19.

##### ***Finance Lease:***

Leases under which the Bank assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets taken on finance lease are initially capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of liability for each period.

##### ***Asset given on finance lease***

In case of assets given under finance lease, leased assets are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the internal rate of return. The principal amount received reduces the net investment in the lease and interest is recognised as revenue.

#### **15. CASH AND CASH EQUIVALENTS:**

Cash and cash equivalents include cash in hand, balances with Reserve Bank of India, balances with other banks/institutions and money at call and short notice.

#### **16. CASH FLOW STATEMENT:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Bank are segregated.

#### **17. SHARE ISSUE EXPENSES:**

Share issue expenses are adjusted against Share Premium Account in terms of Section 52 of the Companies Act, 2013.



## JANA SMALL FINANCE BANK LIMITED

Schedule to the Financial Statements for the year ended March 31, 2024

### SCHEDULE - 17

**Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2024**

#### **18. SEGMENT INFORMATION:**

The disclosure relating to segment information is in accordance with Accounting Standard-17, Segment Reporting and as per the guidelines issued by RBI. Bank has classified its business into following for segment reporting:

(a) **Treasury** includes all investment portfolios, Profit / Loss on sale of Investments, equities, income from money market operations.

(b) **Corporate / Wholesale Banking** includes all advances to companies and statutory bodies, which are not included under Retail Banking.

(c) **Retail Banking** includes lending to and deposits from retail customers and identified earnings and expenses of the segment.

(d) **Other Banking Operations** includes all other operations not covered under Treasury, Corporate / Wholesale Banking and Retail Banking.

Unallocated includes Capital and Reserves and other unallocable assets, liabilities, income and expenses.

#### **19. CORPORATE SOCIAL RESPONSIBILITY:**

Expenditure incurred towards corporate social responsibility are recognised as and when becomes due.

#### **20. EMPLOYEE STOCK OPTION PLAN AND RESTRICTED STOCK UNITS:**

Designated Employees of the Bank receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The Bank has adopted fair value method for options granted from April 1, 2021, the fair value of options has been estimated on the dates of each grant using the Black-Scholes model. All the options granted if any prior to April 01, 2021 are valued at intrinsic value method. Compensation cost is measured by the excess, if any, of the intrinsic value of the underlying stock over the exercise price as determined under the option plan. The compensation cost is amortised on a straight-line basis over the vesting period of the option with a corresponding credit to Employee Stock Options Reserve. On exercise of the stock options, corresponding balance in Employee Stock Options Reserve is transferred to Share Premium Account

#### **21. BORROWING COST:**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.



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**Schedule 18 - Notes forming part of the Financial Statements for the year ended March 31, 2024**

**1 Capital**

**1.1 Capital Adequacy Ratio (CAR)**

The following table sets forth, for the year indicated, computation of capital adequacy as per the operating guidelines.

| Particulars                                                                           | March 31, 2024   | March 31, 2023   |
|---------------------------------------------------------------------------------------|------------------|------------------|
| Common equity tier 1 capital                                                          | 3,322.43         | 1,437.48         |
| Tier 1 capital                                                                        | 3,322.43         | 1,707.48         |
| Tier 2 capital                                                                        | 235.11           | 333.47           |
| <b>Total capital (Tier 1 + Tier 2)</b>                                                | <b>3,557.54</b>  | <b>2,040.95</b>  |
| <b>Total Risk Weighted Assets (RWAs)</b>                                              | <b>17,517.59</b> | <b>13,112.36</b> |
| Common equity tier 1 capital ratio (%) (Common equity tier 1 as a percentage of RWAs) | 18.97%           | 10.96%           |
| Tier 1 capital ratio (%) (Tier 1 Capital as a percentage of RWAs)                     | 18.97%           | 13.02%           |
| Tier 2 capital ratio (%) (Tier 2 Capital as a percentage of RWAs)                     | 1.34%            | 2.55%            |
| <b>Capital to RWAs ratio (%) (CRAR) (Total Capital as a percentage of RWAs)</b>       | <b>20.31%</b>    | <b>15.57%</b>    |
| <b>Leverage Ratio</b>                                                                 | <b>10.14%</b>    | <b>6.65%</b>     |
| Percentage of the shareholding of Government of India                                 | -                | -                |
| Amount of tier 2 capital raised through debt capital instruments during the year      | -                | -                |

During the year the Bank has repaid subordinated debt (Tier 2 capital) amounting to ₹ 80 crores (March 31, 2023: ₹ 26 crores), Subordinated debt (Tier 2 capital) outstanding as at March 31, 2024 is ₹ 350 crores (March 31, 2023: ₹ 430 crores).

1. The Capital Adequacy Ratio (CAR) has been computed in accordance with RBI Circular No. RBI/2016-17/81 DBR.NBD.No. 26/16.13.218/2016-17 dated October 6, 2016 on Operating Guidelines for Small Finance Banks. As per the said circular, prudential regulatory framework will largely be drawn from the Basel standards for capital requirements and Basel II standardized approach for credit risk. Further, the RBI vide its Circular No. DBR.NBD.No.4502/16.13.218/2017-18 dated November 08, 2017 has provided an exemption to all Small Finance Banks whereby no separate capital charge is prescribed for market risk and operational risk.

2. The Bank has applied 100% risk weight on advances charged as security against grandfathered borrowings on the date of conversion into a Small Finance Bank.

3. Sub-ordinated debt inclusion in Tier 2 capital has been limited to 50% of Tier 1 capital.

In accordance with the RBI guidelines, banks are required to make Pillar 3 disclosures under the Basel II Framework and Net Stable Funding Ratio (NSFR) Disclosures. These disclosures are available on the Bank's website at the following link: <https://www.janabank.com/regulatory-disclosures/>. These disclosures have not been subjected to audit by the statutory auditors of the Bank.

**1.2 Capital Infusion**

During the year ended March 31, 2024, the Bank has issued equity shares having face value of ₹ 10 each for cash pursuant to preferential allotment of 24,39,607 equity shares at ₹ 414 each aggregating to ₹ 100.99 crores and 1,48,50,632 equity shares pursuant to rights issue at ₹ 302.98 each aggregating to ₹ 449.94 crores (March 31, 2023: ₹ 25.00 crores and ₹ 191.77 crores respectively)

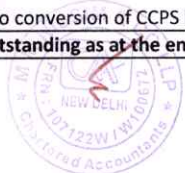
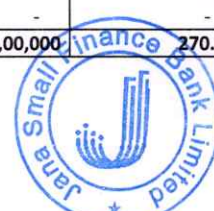
During the year ended March 31, 2024, the Bank has issued 12,41,54,044 compulsorily convertible cumulative preference shares aggregating to ₹ 124.15 crores having face value of ₹ 10 each (March 31, 2023: 120.00 crores). Full amount of CCPS outstanding converted to 2,10,47,842 equity shares aggregating to ₹ 394.15 crores.

Further, during the year ended the Bank has allotted 1,14,071 equity shares (March 31, 2023: 5,718) respectively with respect of stock options exercised aggregating to ₹ 3.46 crores (March 31, 2023: ₹ 0.56 crores).

Details of movement in the paid up share capital are as below :

| Particulars                                                                       | March 31, 2024       |               | March 31, 2023       |              |
|-----------------------------------------------------------------------------------|----------------------|---------------|----------------------|--------------|
|                                                                                   | No. of Equity shares | Amount        | No. of Equity shares | Amount       |
| Equity shares as at the beginning of the year                                     | 5,49,78,703          | 54.98         | 5,14,11,564          | 51.41        |
| Addition pursuant to stock option exercised                                       | 1,14,071             | 0.11          | 5,718                | 0.01         |
| Addition pursuant to conversion of CCPS into equity                               | 2,10,47,842          | 21.05         | -                    | -            |
| Addition pursuant to rights issue of equity shares issued during the year         | 1,48,50,632          | 14.85         | 33,03,306            | 3.30         |
| Addition pursuant to Initial public offer of equity shares issued during the year | 1,11,59,420          | 11.16         | -                    | -            |
| Addition pursuant to preferential issue of equity shares issued during the year   | 24,39,607            | 2.44          | 2,58,115             | 0.26         |
| <b>Equity shares outstanding as at the end of the year</b>                        | <b>10,45,90,275</b>  | <b>104.59</b> | <b>5,49,78,703</b>   | <b>54.98</b> |

| Particulars                                                        | March 31, 2024           |             | March 31, 2023           |               |
|--------------------------------------------------------------------|--------------------------|-------------|--------------------------|---------------|
|                                                                    | No. of Preference shares | Amount      | No. of Preference shares | Amount        |
| Preference shares as at the beginning of the year                  | 27,00,00,000             | 270.00      | 15,00,00,000             | 150.00        |
| Addition pursuant to Preference shares issued during the year      | 12,41,54,044             | 124.15      | 12,00,00,000             | 120.00        |
| Deduction pursuant to conversion of CCPS into Equity Share Capital | (39,41,54,044)           | (394.15)    | -                        | -             |
| <b>Preference shares outstanding as at the end of the year</b>     | <b>-</b>                 | <b>0.00</b> | <b>27,00,00,000</b>      | <b>270.00</b> |



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**2. Earnings per equity share**

| Particulars                                                                          | March 31, 2024 | March 31, 2023 |
|--------------------------------------------------------------------------------------|----------------|----------------|
| Net profit after tax (₹ in crores)                                                   | 669.54         | 255.97         |
| Weighted average number of equity shares in computing the basic earnings per share   | 7,36,97,018    | 5,39,19,271    |
| <b>Basic earnings per share ₹</b>                                                    | <b>90.85</b>   | <b>47.47</b>   |
| Weighted average number of equity shares in computing the diluted earnings per share | 7,38,02,550    | 6,00,34,836    |
| <b>Diluted earnings per share ₹</b>                                                  | <b>90.72</b>   | <b>42.64</b>   |
| Nominal value per share ₹                                                            | 10.00          | 10.00          |

1. Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
2. Diluted earnings per equity share is computed by dividing net profit or loss for the year attributable to equity shareholders by weighted average number of equity shares including potential equity shares outstanding as at the end of the year, except when results are anti dilutive.
3. The dilutive impact is on account of stock options granted to employees and Non-Cumulative Compulsorily Convertible Preference Shares.

**3. Reserves**

**3(a) Statutory Reserve**

The Bank has transferred ₹ 167.39 crores (March 31, 2023: ₹ 63.99 crores) to statutory reserves pursuant to the requirements of Section 17 of the Banking Regulation Act, 1949 and RBI guidelines dated September 23, 2000.

**3(b) Capital Reserve**

The Bank has transferred ₹ 0.00 crores (March 31, 2023: ₹ 0.94 crores) to capital reserves, being the profit from sale of HTM investments, net of taxes and appropriation to statutory reserve, as per the RBI regulations.

**3(c) Share premium account**

During the year share premium account balance increased by ₹ 1360.94 crores pursuant to issue of shares (March 31, 2023: ₹ 213.76 crores). Bank has adjusted the share issue expenses amounting to ₹ 37.74 crores (March 31, 2023: ₹ 0.79 crores) from securities premium account in terms of section 52 (2) (c) of the Companies Act, 2013.

**3(d) Investment Reserve**

The Bank has transferred ₹ 0.00 crores (March 31, 2023: ₹ 0.01 crores) to Investment Reserve, being the excess depreciation provisions created on 'AFS' or 'HFT' categories of investment than the required amount for the year, as per the RBI regulations.

**3(e) Investment Fluctuation Reserve**

As per RBI master direction, Banks were required to create an IFR with effect from 2018-19 to reach a level of 2% of HFT and AFS portfolio within a period of three years, where feasible. IFR shall be created by transferring an amount not less than the lower of the following:

- (i) Net profit on sale of investments during the year
- (ii) Net profit for the year less mandatory appropriations

The Bank has transferred ₹ 20.00 crores for the year ended March 31, 2024 (March 31, 2023: ₹ 15.88 crores) to investment fluctuation reserves.

**3(f) General Reserve**

The Bank has transferred ₹ 17.07 crores (March 31, 2023: Nil) to general reserves from employer stock option outstanding account, due to surrendered, lapse and repricing of stock option during the year ended March 31, 2024.

**3(g) Capital Redemption Reserve**

The Bank has transferred ₹ 0.00 crores (value less than 5,000) (March 31, 2023: Nil) to capital redemption reserves pursuant to the requirements of Section 55 of the Companies Act, 2013.

**3(h) Drawdown of Reserves**

During the year ended March 31, 2024; there were no drawdown from reserves (March 31, 2023 : Nil).



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**4. Employees Stock Option Plan Scheme**

The Bank has share- based payment schemes for it's employees. Schemes in operations during the year are Employee stock option plan scheme 2017, Employee stock option plan scheme 2018, Restrictive Stock Units Scheme 2017 and Restrictive Stock Units Scheme 2018.

The details of the Employee Stock Option Plan Schemes (ESOP) and Restrictive Stock Unit Scheme (RSU) during the year ended March 31, 2024

| Particulars                                                          | ESOP 2017                                                                                                                                                                                                                                                                 | ESOP 2018     | RSU 2017                                                                                                                                                                                                                                                                  | RSU 2018             |
|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Grant date                                                           | Various dates                                                                                                                                                                                                                                                             | Various dates | Various dates                                                                                                                                                                                                                                                             | Various dates        |
| Total options under the plan                                         | 30,58,781                                                                                                                                                                                                                                                                 | 22,75,736     | Sub-set of ESOP 2017                                                                                                                                                                                                                                                      | Sub-set of ESOP 2018 |
| Number of options granted during the year                            | 11,37,326                                                                                                                                                                                                                                                                 | 9,23,410      | 13,121                                                                                                                                                                                                                                                                    | 15,307               |
| Method of settlement                                                 | Equity                                                                                                                                                                                                                                                                    | Equity        | Equity                                                                                                                                                                                                                                                                    | Equity               |
| Vesting                                                              | 25% after one year from the date of grant<br>25% after two years from the date of grant<br>25% after three years from the date of grant<br>Balance 25% after four years from the date of grant                                                                            |               | One year from the date of grant                                                                                                                                                                                                                                           |                      |
| Exercisable period                                                   | The Exercise period shall be subject to a maximum period of 5 years commencing from, the date of vesting of such Option or 2 years from the date of Listing, whichever is later.                                                                                          |               | The Exercise period shall be subject to a maximum period of 5 years commencing from, the date of vesting of such Option or 2 years from the date of Listing, whichever is later.                                                                                          |                      |
| Vesting conditions                                                   | Continued employment/ service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be<br><br>The NRC shall have the power to accelerate Vesting of all Unvested Options of an Employee who is considered a Good Leaver. |               | Continued employment/ service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be<br><br>The NRC shall have the power to accelerate Vesting of all Unvested Options of an Employee who is considered a Good Leaver. |                      |
| Exercise price per option for the options granted during the year(₹) | 302.98                                                                                                                                                                                                                                                                    |               | 10.00                                                                                                                                                                                                                                                                     |                      |



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The details of the Employee Stock Option Plan Schemes (ESOP) and Restrictive Stock Unit Scheme (RSU) during the year ended March 31, 2023

| Particulars                                                          | ESOP 2017                                                                                                                                                                                                                                                                 | ESOP 2018     | RSU 2017                                                                                                                                                                                                                                                                  | RSU 2018             |
|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Grant date                                                           | Various dates                                                                                                                                                                                                                                                             | Various dates | Various dates                                                                                                                                                                                                                                                             | Various dates        |
| Total options under the plan                                         | 18,67,579                                                                                                                                                                                                                                                                 | 20,23,697     | Sub-set of ESOP 2017                                                                                                                                                                                                                                                      | Sub-set of ESOP 2018 |
| Number of options granted during the year                            | 4,546                                                                                                                                                                                                                                                                     | 4,70,215      | 16,088                                                                                                                                                                                                                                                                    | 16,349               |
| Method of settlement                                                 | Equity                                                                                                                                                                                                                                                                    | Equity        | Equity                                                                                                                                                                                                                                                                    | Equity               |
| Vesting                                                              | 25% after one year from the date of grant<br>25% after two years from the date of grant<br>25% after three years from the date of grant<br>Balance 25% after four years from the date of grant                                                                            |               | One year from the date of grant                                                                                                                                                                                                                                           |                      |
| Exercisable period                                                   | The Exercise period shall be subject to a maximum period of 5 years commencing from, the date of vesting of such Option or 2 years from the date of Listing, whichever is later.                                                                                          |               | The Exercise period shall be subject to a maximum period of 5 years commencing from, the date of vesting of such Option or 2 years from the date of Listing, whichever is later.                                                                                          |                      |
| Vesting conditions                                                   | Continued employment/ service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be<br><br>The NRC shall have the power to accelerate Vesting of all Unvested Options of an Employee who is considered a Good Leaver. |               | Continued employment/ service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be<br><br>The NRC shall have the power to accelerate Vesting of all Unvested Options of an Employee who is considered a Good Leaver. |                      |
| Exercise price per option for the options granted during the year(₹) | 960.59, 968.56 and 580.55                                                                                                                                                                                                                                                 |               | 10.00                                                                                                                                                                                                                                                                     |                      |

The following are the outstanding options as at year ended March 31, 2024:

| Particulars                                                        | As at and for the year ended March 31, 2024 |           |                 |                 |
|--------------------------------------------------------------------|---------------------------------------------|-----------|-----------------|-----------------|
|                                                                    | ESOP 2017                                   | ESOP 2018 | ESOP 2017 (RSU) | ESOP 2018 (RSU) |
| Total Options granted and outstanding at the beginning of the year | 12,15,817                                   | 6,79,060  | 94,969          | 27,599          |
| Add: Options granted during the year                               | 11,37,326                                   | 9,23,410  | 13,121          | 15,307          |
| Less: Options forfeited / lapsed during the year                   | 82,569                                      | 96,584    | -               | 936             |
| Less : Options exercised during the year                           | -                                           | -         | 94,969          | 19,102          |
| Less : Options surrendered during the year                         | 10,81,032                                   | 5,88,095  | -               | -               |
| Options Outstanding as at end of the year                          | 11,89,542                                   | 9,17,791  | 13,121          | 22,868          |
| - Vested                                                           | 81,571                                      | 25,843    | -               | 7,942           |
| - Yet to vest                                                      | 11,07,971                                   | 8,91,948  | 13,121          | 14,926          |

The following are the outstanding options as at year ended March 31, 2023:

| Particulars                                                        | As at and for the year ended March 31, 2023 |           |                 |                 |
|--------------------------------------------------------------------|---------------------------------------------|-----------|-----------------|-----------------|
|                                                                    | ESOP 2017                                   | ESOP 2018 | ESOP 2017 (RSU) | ESOP 2018 (RSU) |
| Total Options granted and outstanding at the beginning of the year | 14,60,064                                   | 3,24,958  | 79,922          | 20,115          |
| Add: Options granted during the year                               | 4,546                                       | 4,70,215  | 16,088          | 16,349          |
| Less: Options forfeited / lapsed during the year                   | 2,48,793                                    | 1,16,113  | 1,041           | 3,147           |
| Less : Options exercised during the year                           | -                                           | -         | -               | 5,718           |
| Options Outstanding as at end of the year                          | 12,15,817                                   | 6,79,060  | 94,969          | 27,599          |
| - Vested                                                           | 7,63,621                                    | 1,52,487  | 78,881          | 12,573          |
| - Yet to vest                                                      | 4,52,196                                    | 5,26,573  | 16,088          | 15,026          |

Effect of fair value method of accounting - share based payment plans in the Profit and Loss Account and on its financial position:

| Particulars                         | For the year ended<br>March 31, 2024 | For the year ended<br>March 31, 2023 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Employee Stock Option expenditure   | 10.44                                | 2.68                                 |
| Restrictive Stock Units expenditure | 0.39                                 | 1.92                                 |
| <b>Total</b>                        | <b>10.83</b>                         | <b>4.60</b>                          |



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| Particulars                                                              | March 31, 2024 | March 31, 2023 |
|--------------------------------------------------------------------------|----------------|----------------|
| Amount of Employee stock options and restrictive stock units outstanding | 10.60          | 20.19          |

The key assumptions used in Black Scholes model for calculating value of options as on the date of the grant are from April 1, 2023 to March 31, 2024

| Particulars                                             | ESOP 2017 & 2018 | ESOP (RSU) 2017 & 2018 |
|---------------------------------------------------------|------------------|------------------------|
| <b>Variables</b>                                        |                  |                        |
| 1. Risk free interest rate                              | 6.92% - 7.10%    | 6.96% - 7.01%          |
| 2. Expected life (in years)                             | 5.0              | 3.5                    |
| 3. Expected volatility                                  | 41.85%-45.55%    | 39.11%-40.36%          |
| 4. Dividend yield                                       | 0.00%            | 0.00%                  |
| 5. The weighted average fair value of options granted ₹ | 152.84           | 348.46                 |

The key assumptions used in Black Scholes model for calculating value of options as on the date of the grant are from April 1, 2022 to March 31, 2023

| Particulars                                             | ESOP 2017 & 2018 and ESOP (RSU) 2017 & 2018 |
|---------------------------------------------------------|---------------------------------------------|
| <b>Variables</b>                                        |                                             |
| 1. Risk free interest rate                              | 5.79% - 7.14%                               |
| 2. Expected life (in years)                             | 3.75 & 1                                    |
| 3. Expected volatility                                  | 40.56% - 44.71%                             |
| 4. Dividend yield                                       | 0.00%                                       |
| 5. The weighted average fair value of options granted ₹ | 317.46                                      |

As per SEBI guidelines, the accounting for share based payments can be done either under the 'Intrinsic Value' basis or 'Fair Value' basis. As per the approval of Board the Bank was following 'Intrinsic Value' method for accounting of share based payments upto March 31, 2023 for shares granted to Whole Time Directors / Chief Executive Officer/ Other Material Risk Takers of the Bank. During the current financial year, pursuant to RBI's advisory the Bank has changed it's policy on accounting for share based payments, refer to Note 18.22(t) for effect of change in accounting policy.

The guidance note issued by the Institute of Chartered Accountants of India requires the disclosure of pro forma net results and Earnings Per Share (EPS) both basic and diluted, had the Company adopted the fair value method amortizing the stock compensation expense thereon over the vesting period, the reported profit would have been lower by ₹ 10.04 crores for the year ended March 31, 2023. The basic and diluted EPS for the year previous ended March 31, 2023 would have been ₹ 45.61 and ₹ 40.97 respectively. During the current financial year, the Bank had followed the fair value method for amortisation of share based payments, hence this disclosure for the year ending March 31, 2024 is not applicable.

The expected life of the stock option is based on historical data and current expectation and is not necessarily indicative of the pattern that may occur. The expected volatility reflects the assumption that the historical volatility of a comparable listed entity for 5 years period ended on the date of the grant is indication of future trends which may not necessarily be the actual outcome.



5. Investments

5(a) Composition of Investment Portfolio

As at March 31, 2024

|                                                      | Investments in India  |        |                      |                                    |                                 |                            | Investments outside India |                                    |        |                                 |                   |
|------------------------------------------------------|-----------------------|--------|----------------------|------------------------------------|---------------------------------|----------------------------|---------------------------|------------------------------------|--------|---------------------------------|-------------------|
|                                                      | Government Securities | Shares | Debentures and Bonds | Subsidiaries and/or joint ventures | Others (Security Receipts, PTC) | Total investments in India | Government securities     | Subsidiaries and/or joint ventures | Others | Total Investments outside India | Total Investments |
| <b>Held to Maturity</b>                              |                       |        |                      |                                    |                                 |                            |                           |                                    |        |                                 |                   |
| Gross                                                | 4,052.23              |        |                      |                                    |                                 | 4,052.23                   |                           |                                    |        |                                 | -                 |
| Less: Provision for non-performing investments (NPI) |                       |        |                      |                                    |                                 |                            |                           |                                    |        |                                 | -                 |
| <b>Net</b>                                           | 4,052.23              | -      | -                    | -                                  | -                               | 4,052.23                   | -                         | -                                  | -      | -                               | -                 |
| <b>Available for Sale</b>                            |                       |        |                      |                                    |                                 |                            |                           |                                    |        |                                 |                   |
| Gross                                                | 2,182.40              |        |                      |                                    | 640.72                          | 2,823.12                   |                           |                                    |        |                                 | -                 |
| Less: Provision for depreciation and NPI             |                       |        |                      |                                    | (137.66)                        | (137.66)                   |                           |                                    |        |                                 | -                 |
| <b>Net</b>                                           | 2,182.40              | -      | -                    | -                                  | 503.06                          | 2,685.46                   | -                         | -                                  | -      | -                               | -                 |
| <b>Held for Trading</b>                              |                       |        |                      |                                    |                                 |                            |                           |                                    |        |                                 |                   |
| Gross                                                |                       |        |                      |                                    |                                 | -                          |                           |                                    |        |                                 | -                 |
| Less: Provision for depreciation and NPI             |                       |        |                      |                                    |                                 | -                          |                           |                                    |        |                                 | -                 |
| <b>Net</b>                                           | -                     | -      | -                    | -                                  | -                               | -                          | -                         | -                                  | -      | -                               | -                 |
| <b>Total Investments</b>                             | 6,234.63              | -      | -                    | -                                  | 640.72                          | 6,875.35                   | -                         | -                                  | -      | -                               | -                 |
| Less: Provision for non-performing investments       | -                     | -      | -                    | -                                  | (137.66)                        | (137.66)                   | -                         | -                                  | -      | -                               | -                 |
| Less: Provision for depreciation and NPI             | -                     | -      | -                    | -                                  | -                               | -                          | -                         | -                                  | -      | -                               | -                 |
| <b>Net</b>                                           | 6,234.63              | -      | -                    | -                                  | 503.06                          | 6,737.69                   | -                         | -                                  | -      | -                               | -                 |

As at March 31, 2023

|                                                      | Investments in India  |        |                      |                                    |                                 |                            | Investments outside India |                                    |        |                                 |                   |
|------------------------------------------------------|-----------------------|--------|----------------------|------------------------------------|---------------------------------|----------------------------|---------------------------|------------------------------------|--------|---------------------------------|-------------------|
|                                                      | Government Securities | Shares | Debentures and Bonds | Subsidiaries and/or joint ventures | Others (Security Receipts, PTC) | Total investments in India | Government securities     | Subsidiaries and/or joint ventures | Others | Total Investments outside India | Total Investments |
| <b>Held to Maturity</b>                              |                       |        |                      |                                    |                                 |                            |                           |                                    |        |                                 |                   |
| Gross                                                | 3,348.48              | -      | -                    | -                                  |                                 | 3,348.48                   |                           |                                    |        |                                 | -                 |
| Less: Provision for non-performing investments (NPI) |                       |        |                      |                                    |                                 | -                          |                           |                                    |        |                                 | -                 |
| <b>Net</b>                                           | 3,348.48              | -      | -                    | -                                  | -                               | 3,348.48                   | -                         | -                                  | -      | -                               | -                 |
| <b>Available for Sale</b>                            |                       |        |                      |                                    |                                 |                            |                           |                                    |        |                                 |                   |
| Gross                                                | 1,579.27              |        |                      |                                    | 293.48                          | 1,872.75                   |                           |                                    |        |                                 | -                 |
| Less: Provision for depreciation and NPI             |                       |        |                      |                                    |                                 | -                          |                           |                                    |        |                                 | -                 |
| <b>Net</b>                                           | 1,579.27              | -      | -                    | -                                  | 293.48                          | 1,872.75                   | -                         | -                                  | -      | -                               | -                 |
| <b>Held for Trading</b>                              |                       |        |                      |                                    |                                 |                            |                           |                                    |        |                                 |                   |
| Gross                                                |                       |        |                      |                                    |                                 | -                          |                           |                                    |        |                                 | -                 |
| Less: Provision for depreciation and NPI             |                       |        |                      |                                    |                                 | -                          |                           |                                    |        |                                 | -                 |
| <b>Net</b>                                           | -                     | -      | -                    | -                                  | -                               | -                          | -                         | -                                  | -      | -                               | -                 |
| <b>Total Investments</b>                             | 4,927.74              | -      | -                    | -                                  | 293.48                          | 5,221.22                   | -                         | -                                  | -      | -                               | -                 |
| Less: Provision for non-performing investments       | -                     | -      | -                    | -                                  | -                               | -                          | -                         | -                                  | -      | -                               | -                 |
| Less: Provision for depreciation and NPI             | -                     | -      | -                    | -                                  | -                               | -                          | -                         | -                                  | -      | -                               | -                 |
| <b>Net</b>                                           | 4,927.74              | -      | -                    | -                                  | 293.48                          | 5,221.22                   | -                         | -                                  | -      | -                               | -                 |

5(b) Government Securities Lending (GSL) transaction

The Bank has not done any Government Security Lending transactions during the year ended March 31, 2024, based on Reserve Bank of India (Government Securities Lending) Directions, 2023 effective from December 27, 2023



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**5(c) Movement of provision for depreciation and Investment Fluctuation Reserve**

| Particulars                                                                                                         | March 31, 2024 | March 31, 2023 |
|---------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| <b>i) Movement of provisions held towards depreciation on investments</b>                                           |                |                |
| a) Opening balance                                                                                                  | -              | 0.01           |
| b) Add: Provision made during the year                                                                              | 137.66         | -              |
| c) Less: Write-off /write back of excess provision during the year                                                  | -              | 0.01           |
| d) Closing balance                                                                                                  | 137.66         | -              |
| <b>ii) Movement of Investment Fluctuation Reserve (IFR)</b>                                                         |                |                |
| a) Opening balance                                                                                                  | 37.69          | 21.81          |
| b) Add: Amount transferred during the year                                                                          | 20.00          | 15.88          |
| c) Less: Drawdown                                                                                                   | -              | -              |
| d) Closing balance                                                                                                  | 57.69          | 37.69          |
| <b>ii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current Category</b> | 2.15%          | 2.01%          |

**5(d) Sale and Transfers to/from HTM Category**

During the year ended March 31, 2024, the Bank has transferred ₹ 380.00 crores of securities from held-to-maturity (HTM) category to available-for-sale (AFS) category.

During the year ended March 31, 2024, the Bank has not undertaken any transactions for sale of HTM securities. The above sale is excluding sale to RBI under pre-announced open market operation auctions and repurchase of government securities by Government of India, as permitted by RBI guidelines.

During the year ended March 31, 2023, the Bank has not transferred securities from held-to-maturity (HTM) category to available-for-sale (AFS) category.

During the year ended March 31, 2023, the Bank has undertaken 15 transactions for sale of securities with a net book value of ₹ 131.71 crores, which was 4.48 % of the HTM portfolio at April 1, 2022. The above sale is excluding sale to RBI under pre-announced open market operation auctions and repurchase of government securities by Government of India, as permitted by RBI guidelines.

In accordance with the RBI guidelines, sales from, and transfers to / from, HTM category exclude the following from the 5% cap:

1. One-time transfer of securities permitted to be undertaken by banks at the beginning of the accounting year with approval of the Board of Directors;
2. Sales to the RBI under pre-announced open market operation auctions;
3. Repurchase of Government securities by Government of India from banks;
4. Additional shifting of securities explicitly permitted by the RBI from time to time;
5. Repurchase of state development loans by respective state governments under buy back /switch operations; and
6. Direct sales from HTM for bringing down SLR holdings in the HTM category.

**5(e) Non-SLR investment Portfolio**

The NPA in non-SLR investment is given below -

| Particulars                         | March 31, 2024 | March 31, 2023 |
|-------------------------------------|----------------|----------------|
| a) Opening balance                  | -              | -              |
| b) Add: Addition during the year    | -              | -              |
| c) Less: reductions during the year | -              | -              |
| d) Closing balance                  | -              | -              |
| e) Total Provision held             | -              | -              |

**(ii) Issuer-wise composition of non-SLR investments**

As on March 31, 2024, the Bank held below non-SLR Investments.

| Issuer                                | Amount        | Extent of private placement# | Extent of "below investment graded" securities# | Extent of "unrated" securities# | Extent of "unlisted" securities# |
|---------------------------------------|---------------|------------------------------|-------------------------------------------------|---------------------------------|----------------------------------|
| 1.Public sector undertakings          | -             | -                            | -                                               | -                               | -                                |
| 2.Financial institutions              | -             | -                            | -                                               | -                               | -                                |
| 3.Banks                               | -             | -                            | -                                               | -                               | -                                |
| 4.Private corporates                  | -             | -                            | -                                               | -                               | -                                |
| 5.Subsidiaries / Joint ventures       | -             | -                            | -                                               | -                               | -                                |
| 6.Others (Security Receipts and PTC)  | 640.72        | -                            | -                                               | -                               | 640.72                           |
| 7.Provision held towards depreciation | (137.66)      | -                            | -                                               | -                               | (137.66)                         |
| <b>Total</b>                          | <b>503.06</b> | <b>-</b>                     | <b>-</b>                                        | <b>-</b>                        | <b>503.06</b>                    |

# Amounts reported under these columns above are not mutually exclusive



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During the previous year ended March 31, 2023, the Bank held below non-SLR Investments.

# Amounts reported under these columns above are not mutually exclusive

Details of repo / reverse repo deals (in face value terms) (Including LAF and TREPS) done during the year ended March 31, 2024.

Details of repo / reverse repo deals (in face value terms) (Including LAF and TREPS) done during the year ended March 31, 2023.

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**6. Derivatives**

Disclosure with respect to outstanding Cross Currency Interest Rate Swap (CCIRS)

**a) Forward rate agreement/ Interest rate swap/ Cross Currency Interest Rate Swap**

The bank has not entered into any forward rate agreement, Interest rate swaps or Cross Currency Interest Rate Swap agreement during the year ended March 31, 2024 and previous year ended March 31, 2023.

**b) Exchange Traded Interest Rate Derivatives**

The bank has not entered into any exchange traded interest rate derivatives during the year ended March 31, 2024 and previous year ended March 31, 2023.

**c) Disclosures on Risk Exposure in Derivatives**
**(i) Qualitative Disclosure**
**(ii) Quantitative Disclosure**

The bank has not entered into any derivative instruments for trading / speculative purposes either in Foreign Exchange or domestic treasury operations during the year ended March 31, 2024 and previous year ended March 31, 2023.

**d) Credit default swaps**

The Bank has not transacted in credit default swaps during the year ended March 31, 2024 and previous year ended March 31, 2023.

**7. Asset Quality**
**7(a) Classification of advances and provisions held**

As at March 31, 2024

| Particulars                                                                                   | Standard                | Non-Performing |          |      | Total Non-performing Advances | Total     |
|-----------------------------------------------------------------------------------------------|-------------------------|----------------|----------|------|-------------------------------|-----------|
|                                                                                               | Total Standard Advances | Sub-standard   | Doubtful | Loss |                               |           |
| <b>Gross Standard Advances and NPAs</b>                                                       |                         |                |          |      |                               |           |
| Opening Balance                                                                               | 17,291.55               | 694.01         | 15.15    | 0.03 | 709.19                        | 18,000.74 |
| Add: Additions during the year#                                                               |                         |                |          |      | 1,110.96                      |           |
| Less: Reductions during the year#*                                                            |                         |                |          |      | (1,325.82)                    |           |
| Closing balance                                                                               | 22,981.26               | 390.26         | 104.07   | -    | 494.33                        | 23,475.59 |
| Reductions in Gross NPAs due to:*                                                             |                         |                |          |      |                               |           |
| i) Upgradation                                                                                |                         |                |          |      | 197.34                        |           |
| ii) Recoveries (excluding recoveries from upgraded accounts, including accounts sold to ARCs) |                         |                |          |      | 809.69                        |           |
| iii) Technical/ Prudential Write-offs                                                         |                         |                |          |      | 259.04                        |           |
| iv) Write-offs other than those under (iii) above                                             |                         |                |          |      | 59.75                         |           |
| <b>Provisions (excluding Floating Provisions)</b>                                             |                         |                |          |      |                               |           |
| Opening balance of provisions held                                                            | 135.66                  | 234.69         | 6.47     | 0.03 | 241.19                        | 376.85    |
| Add: Fresh provisions made during the year <sup>s</sup>                                       |                         |                |          |      | 592.56                        |           |
| Less: Excess provision reversed/ Write-offs                                                   |                         |                |          |      | (469.44)                      |           |
| Closing balance of provisions held                                                            | 84.14                   | 284.24         | 80.07    | -    | 364.31                        | 448.45    |
| <b>Net NPAs</b>                                                                               |                         |                |          |      |                               |           |
| Opening Balance                                                                               |                         | 459.32         | 8.68     | -    | 468.00                        |           |
| Add: Fresh additions during the year                                                          |                         |                |          |      | 870.73                        |           |
| Less: Reductions during the year*                                                             |                         |                |          |      | (1,208.71)                    |           |
| Closing Balance                                                                               |                         | 106.02         | 24.00    | -    | 130.02                        |           |



**JANA SMALL FINANCE BANK LIMITED**  
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*(All amounts are in Indian Rupees in Crores unless otherwise stated)*

As at March 31, 2023

| Particulars                                                  | Standard                | Non-Performing |          |      | Total Non-performing Advances | Total     |
|--------------------------------------------------------------|-------------------------|----------------|----------|------|-------------------------------|-----------|
|                                                              | Total Standard Advances | Sub-standard   | Doubtful | Loss |                               |           |
| <b>Gross Standard Advances and NPAs</b>                      |                         |                |          |      |                               |           |
| Opening Balance                                              | 12,493.42               | 744.44         | 12.46    | -    | 756.90                        | 13,250.32 |
| Add: Additions during the year#                              |                         |                |          |      | 1,311.14                      |           |
| Less: Reductions during the year#*                           |                         |                |          |      | (1,358.85)                    |           |
| Closing balance                                              | 17,291.55               | 694.01         | 15.15    | 0.03 | 709.19                        | 18,000.74 |
| Reductions in Gross NPAs due to:*                            |                         |                |          |      |                               |           |
| i) Upgradation                                               |                         |                |          |      | 160.11                        |           |
| ii) Recoveries (excluding recoveries from upgraded accounts) |                         |                |          |      | 559.78                        |           |
| iii) Technical/ Prudential Write-offs                        |                         |                |          |      | 607.73                        |           |
| iv) Write-offs other than those under (iii) above            |                         |                |          |      | 31.23                         |           |
| <b>Provisions (excluding Floating Provisions)</b>            |                         |                |          |      |                               |           |
| Opening balance of provisions held                           | 76.13                   | 232.88         | 10.77    | -    | 243.65                        | 319.78    |
| Add: Fresh provisions made during the year <sup>\$</sup>     |                         |                |          |      | 684.64                        |           |
| Less: Excess provision reversed/ Write-offs                  |                         |                |          |      | 687.10                        |           |
| Closing balance of provisions held                           | 135.66                  | 234.69         | 6.47     | 0.03 | 241.19                        | 376.85    |
| <b>Net NPAs</b>                                              |                         |                |          |      |                               |           |
| Opening Balance                                              |                         | 511.56         | 1.69     | -    | 513.25                        |           |
| Add: Fresh additions during the year                         |                         |                |          |      | 956.74                        |           |
| Less: Reductions during the year*                            |                         |                |          |      | (1,001.99)                    |           |
| Closing Balance                                              |                         | 459.32         | 8.68     | -    | 468.00                        |           |

# Additions and reductions does not include accounts which turned NPA during a particular month and subsequently moved out of NPA in the same month.

\* Balancing figure

\$ Represent provision made during the year (including write offs) as per the Profit & Loss account.

**Floating Provision as at March 31, 2024**

| Particulars                                     | Standard                | Non-Performing |          |      | Total Non-performing Advances | Total |
|-------------------------------------------------|-------------------------|----------------|----------|------|-------------------------------|-------|
|                                                 | Total Standard Advances | Sub-standard   | Doubtful | Loss |                               |       |
| Opening Balance                                 |                         |                |          |      |                               | -     |
| Add: Additional provisions made during the year |                         |                |          |      |                               | -     |
| Less: Amount drawn down during the year         |                         |                |          |      |                               | -     |
| Closing balance of floating provisions          |                         |                |          |      |                               | -     |

**Floating Provision as at March 31, 2023**

| Particulars                                     | Standard                | Non-Performing |          |      | Total Non-performing Advances | Total |
|-------------------------------------------------|-------------------------|----------------|----------|------|-------------------------------|-------|
|                                                 | Total Standard Advances | Sub-standard   | Doubtful | Loss |                               |       |
| Opening Balance                                 |                         |                |          |      |                               | -     |
| Add: Additional provisions made during the year |                         |                |          |      |                               | -     |
| Less: Amount drawn down during the year         |                         |                |          |      |                               | -     |
| Closing balance of floating provisions          |                         |                |          |      |                               | -     |



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**Technical or prudential write offs**

**Movement in the stock of technical and prudentially written-off accounts and recoveries made thereon is as given below:**

Technical or prudential write-offs refer to the amount of non-performing assets which are outstanding in the books of the branches, but have been written-off (fully or partially) at the head office level.

| Particulars                                                                     | March 31, 2024 | March 31, 2023  |
|---------------------------------------------------------------------------------|----------------|-----------------|
| Opening balance of technical / prudential write-offs accounts                   | 682.81         | 3,136.63        |
| Add: Technical / Prudential write-offs during the year                          | 259.04         | 607.73          |
| <b>Sub - Total (A)</b>                                                          | <b>941.85</b>  | <b>3,744.36</b> |
| Recoveries made from technical/ prudential written off accounts during the year | 26.45          | 70.65           |
| Actual Write-offs during the year                                               | 19.44          | 175.19          |
| Sale to technical write off accounts to ARCs                                    | 530.63         | 2,815.71        |
| <b>Sub - Total (B)</b>                                                          | <b>576.52</b>  | <b>3,061.55</b> |
| <b>Closing balance (A-B)</b>                                                    | <b>365.33</b>  | <b>682.81</b>   |

| Ratios (in per cent)                                     | March 31, 2024 | March 31, 2023 |
|----------------------------------------------------------|----------------|----------------|
| Gross NPA to Assets Under Management (AUM)               | 2.00%          | 3.71%          |
| Net NPA to Net Assets Under Management (AUM)             | 0.53%          | 2.48%          |
| Gross NPA to Gross Advances                              | 2.11%          | 3.94%          |
| Net NPA to Net Advances                                  | 0.56%          | 2.64%          |
| Provision coverage ratio (Including Technical write off) | 96.82%         | 88.88%         |
| Provision coverage ratio (Excluding Technical write off) | 73.70%         | 34.01%         |

**7(b) Sector-wise advances**

| Sector                                                               | March 31, 2024             |               |                                                           |
|----------------------------------------------------------------------|----------------------------|---------------|-----------------------------------------------------------|
|                                                                      | Outstanding Total Advances | Gross NPAs    | Percentage of Gross NPAs to Total Advances in that sector |
| <b>A . Priority Sector</b>                                           |                            |               |                                                           |
| 1. Agriculture and allied activities                                 | 5,150.48                   | 184.92        | 3.59%                                                     |
| 2. Advances to industries sector eligible as priority sector lending | 1,774.11                   | 14.94         | 0.84%                                                     |
| 3. Services                                                          | 4,293.48                   | 58.02         | 1.35%                                                     |
| (i) Retail Trade                                                     | 1,685.21                   | 26.40         | 1.57%                                                     |
| 4. Personal loans*                                                   | 7,631.09                   | 185.77        | 2.43%                                                     |
| <b>Sub total (A)#</b>                                                | <b>18,849.16</b>           | <b>443.65</b> | <b>2.35%</b>                                              |
| <b>B. Non Priority Sector</b>                                        |                            |               |                                                           |
| 1. Agriculture and allied activities                                 | 0.04                       | 0.01          | 25.00%                                                    |
| 2. Industry                                                          | 101.83                     | 0.77          | 0.76%                                                     |
| 3. Services                                                          | 1,861.93                   | 27.15         | 1.46%                                                     |
| (i) NBFCs                                                            | 1,018.52                   | -             | 0.00%                                                     |
| 4. Personal loans*                                                   | 2,662.63                   | 22.75         | 0.85%                                                     |
| <b>Sub total (B)</b>                                                 | <b>4,626.43</b>            | <b>50.68</b>  | <b>1.10%</b>                                              |
| <b>Total (A+B)</b>                                                   | <b>23,475.59</b>           | <b>494.33</b> | <b>2.11%</b>                                              |

\*Personal loan includes housing loans

# Priority sectors includes ₹ 6,050 crores, in respect of which the Bank has sold Priority Sector Lending Certificates (PSLC).

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system/reports, which has been furnished by the Management and has been relied upon by the auditors.



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| Sector                                                               | March 31, 2023                |               |                                                                    |
|----------------------------------------------------------------------|-------------------------------|---------------|--------------------------------------------------------------------|
|                                                                      | Outstanding<br>Total Advances | Gross NPAs    | Percentage of<br>Gross NPAs to<br>Total Advances in<br>that sector |
| <b>A . Priority Sector</b>                                           |                               |               |                                                                    |
| 1. Agriculture and allied activities                                 | 4,190.01                      | 125.32        | 2.99%                                                              |
| 2. Advances to industries sector eligible as priority sector lending | 1,269.96                      | 15.85         | 1.25%                                                              |
| (i) Food Processing                                                  | 139.21                        | 1.86          | 1.34%                                                              |
| (ii) Textiles                                                        | 169.92                        | 1.13          | 0.67%                                                              |
| 3. Services                                                          | 3,172.53                      | 67.85         | 2.14%                                                              |
| (i) Retail Trade                                                     | 1,459.51                      | 17.52         | 1.20%                                                              |
| <b>4. Personal loans*</b>                                            | 5,821.13                      | 444.04        | 7.63%                                                              |
| Sub total (A)#                                                       | <b>14,453.63</b>              | <b>653.06</b> | <b>4.52%</b>                                                       |
|                                                                      |                               |               |                                                                    |
| <b>B. Non Priority Sector</b>                                        |                               |               |                                                                    |
| 1. Agriculture and allied activities                                 | 0.17                          | 0.15          | 88.24%                                                             |
| 2. Industry                                                          | 48.29                         | 0.63          | 1.30%                                                              |
| 3. Services                                                          | 1,771.16                      | 37.50         | 2.12%                                                              |
| (i) NBFCs                                                            | 1,284.04                      | -             | 0.00%                                                              |
| (ii) Retail Trade                                                    | -                             | -             |                                                                    |
| <b>4. Personal loans*</b>                                            | 1,727.49                      | 17.85         | 1.03%                                                              |
| Sub total (B)                                                        | <b>3,547.11</b>               | <b>56.13</b>  | <b>1.58%</b>                                                       |
| <b>Total (A+B)</b>                                                   | <b>18,000.74</b>              | <b>709.19</b> | <b>3.94%</b>                                                       |

\*Personal loan includes housing loans

# Priority sectors includes ₹ 3,575 crores, in respect of which the Bank has sold Priority Sector Lending Certificates (PSLC).

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system/reports, which has been furnished by the Management and has been relied upon by the auditors.

**7(c) Overseas Assets, NPAs and Revenue**

The Bank does not hold any overseas assets / NPA as at March 31, 2024 and no overseas operations were undertaken during the year ended March 31, 2024 hence revenue from overseas operation is Nil. (March 31, 2023: Nil)

**7(d) Details of Resolution Plan implemented under Prudential Framework for Resolution of Stressed Assets**

There were no accounts that have been restructured under prudential framework on resolution of stressed assets as per the circular no. RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated June 07, 2019 during the year ended March 31, 2024. (March 31, 2023: Nil).

**7(e) Divergence in the asset classification and provisioning**

RBI vide its circular DBR.BP.BC.No.63/21.04.018/2016-17 dated April 18, 2017 and Notification dated April 01, 2019, has directed banks shall make suitable disclosures, if either or both of the following conditions are satisfied:

(a) the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period, and

(b) the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period.

The Bank has been subjected to annual financial inspection (AFI) by the RBI during the financial year 2022-23 with respect to financial year 2021-22. There has been no material divergence observed by the RBI on the Bank's asset classification and provisioning under the prudential norms on income recognition asset classification and provisioning that require such disclosures.



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**7(f) Details of Non Performing Financial Assets Purchased / Sold**

Details of loans transferred excluding through Inter-Bank Participation Certificate (IBPC) during the year ended March 31, 2024 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

The Bank has not purchased any non performing financial assets during the year ended March 31, 2024.

During the year ended March 31, 2024 the Bank has sold non performing assets as below.

| Particulars Non-Performing Assets sold                                                | To ARCs  | To permitted transferees | To other transferees (please specify) |
|---------------------------------------------------------------------------------------|----------|--------------------------|---------------------------------------|
| No. of accounts                                                                       | 3,72,175 | -                        | -                                     |
| Aggregate principal outstanding of loans transferred                                  | 1,341.49 | -                        | -                                     |
| Weighted average residual tenor of the loans transferred                              | 3.23     | -                        | -                                     |
| Net book value of loans transferred (at the time of transfer)                         | 602.68   | -                        | -                                     |
| Aggregate consideration                                                               | 603.71   | -                        | -                                     |
| Additional consideration realized in respect of accounts transferred in earlier years | -        | -                        | -                                     |
| Quantum of Excess provision reversed to Profit and Loss Account                       | -        | -                        | -                                     |

During the year ended March 31, 2023 the Bank has sold non performing assets as below.

| Particulars Non-Performing Assets sold                                                | To ARCs | To permitted transferees | To other transferees (please specify) |
|---------------------------------------------------------------------------------------|---------|--------------------------|---------------------------------------|
| No. of accounts                                                                       | 2,102   | -                        | -                                     |
| Aggregate principal outstanding of loans transferred                                  | 305.41  | -                        | -                                     |
| Weighted average residual tenor of the loans transferred                              | 13.49   | -                        | -                                     |
| Net book value of loans transferred (at the time of transfer)                         | 241.41  | -                        | -                                     |
| Aggregate consideration                                                               | 254.28  | -                        | -                                     |
| Additional consideration realized in respect of accounts transferred in earlier years | -       | -                        | -                                     |
| Quantum of Excess provision reversed to Profit and Loss Account                       | -       | -                        | -                                     |

The Bank has not purchased / transferred any Special Mention Account (SMA) and loan not in default.

The Bank has not acquired any loans through assignment.

The Bank has not acquired any stressed loan.

Details of ratings of Security Receipts (SRs) outstanding are given below

| Rating                | Rating Agency | Recovery Rating | Gross Outstanding of SR as on March 31, 2024 | Gross Outstanding of SR as on March 31, 2023 |
|-----------------------|---------------|-----------------|----------------------------------------------|----------------------------------------------|
| RR1                   | Infomercials  | 100% to 150%    | 144.74                                       | 175.19                                       |
| RR1                   | ICRA          | 100% to 150%    | 20.96                                        | -                                            |
| RR1+                  | Infomercials  | More than 150%  | 236.54                                       | -                                            |
| Under planning period |               |                 | 218.87                                       | 101.42                                       |

**7(g) Fraud accounts**

| Particulars                                                                   | March 31, 2024 | March 31, 2023 |
|-------------------------------------------------------------------------------|----------------|----------------|
| Number of cases Reported                                                      | 421            | 891            |
| Opening Balance                                                               | 1.53           | 1.73           |
| Amount of Fraud                                                               | 1.23           | 2.29           |
| Recovery / Write off of provision                                             | (1.34)         | (2.49)         |
| <b>Closing Balance</b>                                                        | <b>1.42</b>    | <b>1.53</b>    |
| Unamortised provision debited from 'other reserves' as at the end of the year | Nil            | Nil            |



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**7(h) Disclosure under Resolution Framework for COVID-19 related stress**

The disclosure requirements as required by RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 5, 2021 (Resolution Framework 2.0) as at March 31, 2023 is given below for the half year ending March 31, 2024:

| Type of Borrower | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year i.e September 30, 2023 (A) | Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2024 | Of (A) amount written off during the half-year# | Of (A) amount paid by the borrowers during the half year^ | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Personal Loans   | 21.36                                                                                                                                                                     | 3.10                                                                                   | -                                               | 2.44                                                      | 15.82                                                                                                                                  |
| Corporate Loans* | -                                                                                                                                                                         | -                                                                                      | -                                               | -                                                         | -                                                                                                                                      |
| of which, MSMEs  | -                                                                                                                                                                         | -                                                                                      | -                                               | -                                                         | -                                                                                                                                      |
| Others           | 19.02                                                                                                                                                                     | 5.59                                                                                   | -                                               | 4.58                                                      | 8.85                                                                                                                                   |
| <b>Total</b>     | <b>40.38</b>                                                                                                                                                              | <b>8.69</b>                                                                            | <b>-</b>                                        | <b>7.02</b>                                               | <b>24.67</b>                                                                                                                           |

The disclosure requirements as required by RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 5, 2021 (Resolution Framework 2.0) as at March 31, 2023 is given below for the half year ending March 31, 2023:

| Type of Borrower | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year i.e September 30, 2022 (A) | Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2023 | Of (A) amount written off during the half-year# | Of (A) amount paid by the borrowers during the half year^ | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Personal Loans   | 54.36                                                                                                                                                                     | 13.70                                                                                  | 0.04                                            | 9.21                                                      | 31.45                                                                                                                                  |
| Corporate Loans* | -                                                                                                                                                                         | -                                                                                      | -                                               | -                                                         | -                                                                                                                                      |
| of which, MSMEs  | -                                                                                                                                                                         | -                                                                                      | -                                               | -                                                         | -                                                                                                                                      |
| Others           | 123.43                                                                                                                                                                    | 38.22                                                                                  | 0.15                                            | 41.01                                                     | 44.20                                                                                                                                  |
| <b>Total</b>     | <b>177.79</b>                                                                                                                                                             | <b>51.92</b>                                                                           | <b>0.19</b>                                     | <b>50.22</b>                                              | <b>75.65</b>                                                                                                                           |

\*As defined in section 3(7) of the Insolvency and Bankruptcy Code, 2016

# represents debt that slipped into NPA and was subsequently written off during the half-year

^ includes change in balances on account of interest

**7(i) Particulars of accounts restructured for 'Micro, Small and Medium Enterprises (MSME) sector based on RBI guidelines dated January 01, 2019 and further extended by RBI circular dated February 11, 2020 & August 06, 2020.**

The Bank has restructured accounts as below.

| Particulars*                | March 31, 2024 | March 31, 2023 |
|-----------------------------|----------------|----------------|
| No of Accounts Restructured | 573            | 1,859          |
| Outstanding Amount          | 71.27          | 110.54         |
| Provision Amount            | 6.34           | 9.54           |

\* Represents active accounts



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**8. Disclosures relating to securitisation**

**Details of Sales**

During the period ended March 31, 2024 the Bank has entered into securitisation transactions other than Direct assignments (as mentioned below) in accordance with the guidelines issued by the RBI.

| Particular                                                                                                                                                                                                               | March 31, 2024 | March 31, 2023 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| (i) No. of SPEs holding assets for securitisation transactions originated by the bank during the year                                                                                                                    | 2              | 2              |
| (ii) Total amount of securitised assets as per books of the SPEs (outstanding as on balance sheet date)                                                                                                                  | 169.70         | 188.10         |
| (iii) Total amount of exposures retained by the Bank to comply with minimum retention requirement (MRR) as on the date of balance sheet                                                                                  | 29.45          | 34.26          |
| (a) Off Balance Sheet Exposure                                                                                                                                                                                           | 15.01          | 16.87          |
| First loss                                                                                                                                                                                                               | 15.01          | 16.87          |
| Others                                                                                                                                                                                                                   | -              | -              |
| (b) On Balance Sheet Exposure                                                                                                                                                                                            | 14.44          | 17.39          |
| First loss                                                                                                                                                                                                               | 14.44          | 17.39          |
| Others                                                                                                                                                                                                                   | -              | -              |
| (iv) Amount of exposures to securitisation transaction other than MRR                                                                                                                                                    | 51.65          | 23.38          |
| (a) Off Balance Sheet Exposure                                                                                                                                                                                           | 51.65          | 23.38          |
| I.Exposure to own Securitisations                                                                                                                                                                                        | 51.65          | 23.38          |
| First loss                                                                                                                                                                                                               | 51.65          | 23.38          |
| Others (Guarantees provided by Banks on behalf of the bank)                                                                                                                                                              | -              | -              |
| II.Exposure to Third Party Securitisations                                                                                                                                                                               | -              | -              |
| First loss                                                                                                                                                                                                               | -              | -              |
| Others                                                                                                                                                                                                                   | -              | -              |
| (b) On Balance Sheet Exposure                                                                                                                                                                                            | -              | -              |
| I.Exposure to own Securitisations                                                                                                                                                                                        | -              | -              |
| First loss                                                                                                                                                                                                               | -              | -              |
| Others (Guarantees provided by Banks on behalf of the bank)                                                                                                                                                              | -              | -              |
| II.Exposure to Third Party Securitisations                                                                                                                                                                               | -              | -              |
| First loss                                                                                                                                                                                                               | -              | -              |
| Others                                                                                                                                                                                                                   | -              | -              |
| (v) Sale consideration received for the securitised assets during the year                                                                                                                                               | 338.83         | 297.13         |
| (vi) Gain/loss on sale on account of securitisation                                                                                                                                                                      | -              | -              |
| (vii) Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.                                                                                  | Nil            | Nil            |
| (viii) Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided. |                |                |
| (a) Amount paid                                                                                                                                                                                                          | Nil            | Nil            |
| (b) Repayment received                                                                                                                                                                                                   | Nil            | Nil            |
| (c) Outstanding amount                                                                                                                                                                                                   | Nil            | Nil            |
| (ix) Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc                                                                        | 1.01%          | 3.65%          |
| (x) Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans, etc                                                     | Nil            | Nil            |
| (xi) Investor complaints:                                                                                                                                                                                                |                |                |
| (a) Directly/Indirectly received and;                                                                                                                                                                                    | Nil            | Nil            |
| (b) Complaints outstanding                                                                                                                                                                                               | Nil            | Nil            |

**Details of direct assignment transactions**

The details of direct assignment activity of the Bank as an originator as per RBI guidelines to the Guidelines on Securitisation is given below.

| Particular                                     | March 31, 2024 | March 31, 2023 |
|------------------------------------------------|----------------|----------------|
| (i) No. of accounts                            | 4,186          | 3,544          |
| (ii) Aggregate value of accounts sold to SC    | 669.31         | 514.49         |
| (iii) Aggregate Consideration                  | 669.31         | 514.49         |
| (iv) Aggregate gain / loss over net book Value | -              | -              |

**Details of book value of investment in security receipts (SRs) backed by NPAs**

Gross Outstanding value of investments in Security Receipts as on March 31, 2024, is ₹ 621.11 crores in Security Receipts (March 31, 2023: ₹ 276.61 crores)



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**9. Exposures**

**9(a) Exposure to real estate sector**

| Category                                                                                               | March 31, 2024  | March 31, 2023  |
|--------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>A) Direct exposure</b>                                                                              | <b>3,832.64</b> | <b>2,417.34</b> |
| (i) Residential mortgages*                                                                             | 3,832.64        | 2,417.34        |
| (of which housing loans eligible for inclusion in priority sector advances)                            | 2,614.39        | 1,656.75        |
| (ii) Commercial real estate                                                                            | -               | -               |
| (iii) Investments in mortgage backed securities (MBS) and other securitised exposure                   | -               | -               |
| a) Residential                                                                                         | -               | -               |
| b) Commercial real estate                                                                              | -               | -               |
| <b>B) Indirect exposure</b>                                                                            | <b>-</b>        | <b>-</b>        |
| Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies (HFCs). | -               | -               |

\* Includes only housing loan

**9(b) Exposure to Capital Market**

During the year ended March 31, 2024 the bank has 'Nil' exposure to capital market instruments (March 31, 2023 : Nil).

**9(c) Risk Category wise Country Exposure**

The Bank's exposures are concentrated in India, hence country risk exposure as at March 31, 2024 is Nil (March 31, 2023 : Nil).

**9(d) Unsecured Advances**

| Particular                                                                                                                                     | March 31, 2024 | March 31, 2023 |
|------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Total unsecured advances of the bank                                                                                                           | 9,559.73       | 7,954.11       |
| Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken | -              | -              |
| Estimated value of such intangible securities                                                                                                  | -              | -              |

**9(e) Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the Bank**

During the year ended March 31, 2024 and previous year ended March 31, 2023, the Bank's credit exposures to single borrowers and group borrowers were within the limits prescribed under extant RBI guidelines.

**9(f) Factoring Exposure**

The Bank does not have any factoring exposure as at March 31, 2024 (March 31, 2023 : Nil).

**9(g) Intra Group Exposure**

The Bank does not have any intra group exposure as at March 31, 2024 (March 31, 2023 : Nil).

**9(h) Unhedged Foreign currency Exposure**

The Bank doesn't have any unhedged foreign currency exposure as at March 31, 2024 (March 31, 2023: Nil)

**10. Concentration of Deposits, Advances, Exposures and NPA's**

**10(a) Concentration of deposits**

| Particulars                                                                       | March 31, 2024 | March 31, 2023 |
|-----------------------------------------------------------------------------------|----------------|----------------|
| Total deposits of twenty largest depositors                                       | 4,672.42       | 2,382.06       |
| Percentage of deposits of twenty largest depositors to total deposits of the Bank | 20.70%         | 14.58%         |

**10(b) Concentration of advances**

| Particulars                                                                      | March 31, 2024 | March 31, 2023 |
|----------------------------------------------------------------------------------|----------------|----------------|
| Total advances to twenty largest borrowers*                                      | 1,230.23       | 1,121.92       |
| Percentage of Advances of twenty largest borrowers to Total Advances of the Bank | 5.22%          | 6.23%          |

\*Advances comprise credit exposure (funded and non-funded credit limits) including derivative transactions if any, computed as per current exposure method in accordance with RBI guidelines.

**10(c) Concentration of Exposures**

| Particulars                                                                                                           | March 31, 2024 | March 31, 2023 |
|-----------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Total exposure to twenty largest borrowers / customers*                                                               | 1,230.23       | 1,121.92       |
| Percentage of exposure of twenty largest borrowers / customers to total exposure of the Bank on borrowers / customers | 5.22%          | 6.23%          |

\*Exposures comprise credit exposure (funded and non-funded credit limits) including derivative transactions and investment exposure if any, in accordance with RBI guidelines.

**10(d) Concentration of NPAs**

| Particulars                                   | March 31, 2024 | March 31, 2023 |
|-----------------------------------------------|----------------|----------------|
| Total Exposure to the top twenty NPA accounts | 24.02          | 33.33          |
| Percentage of exposures to the twenty largest | 4.86%          | 4.70%          |



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**11. Asset Liability Management (ALM)**

Assets and liabilities are classified in the maturity buckets as per the guidelines issued by the RBI.

| As at March 31, 2024                  | Deposits         | Advances         | Investments     | Borrowings      | Balances with banks and money at call and short notice | Foreign currency assets | Foreign currency liabilities |
|---------------------------------------|------------------|------------------|-----------------|-----------------|--------------------------------------------------------|-------------------------|------------------------------|
| Day - 1                               | 302.01           | 6.87             | 2,691.77        | 7.00            | 1,003.76                                               | -                       | -                            |
| 2 to 7 Days                           | 636.83           | 223.47           | 89.13           | -               | -                                                      | -                       | -                            |
| 8 to 14 Days                          | 366.26           | 80.86            | 57.68           | 9.88            | -                                                      | -                       | -                            |
| 15 to 30 Days                         | 275.42           | 564.76           | 74.57           | -               | -                                                      | -                       | -                            |
| 31 Days and up to 2 months            | 551.88           | 806.52           | 109.06          | 186.54          | 5.95                                                   | -                       | -                            |
| More than 2 months and up to 3 months | 889.80           | 877.74           | 179.68          | 342.13          | 4.51                                                   | -                       | -                            |
| Over 3 months and up to 6 months      | 2,565.72         | 2,135.45         | 603.17          | 1,241.69        | -                                                      | -                       | -                            |
| Over 6 months and up to 1 year        | 5,264.19         | 3,627.19         | 1,153.41        | 990.69          | 3.32                                                   | -                       | -                            |
| Over 1 Year and up to 3 years         | 11,512.83        | 5,731.51         | 1,235.44        | 1,914.40        | 10.50                                                  | -                       | -                            |
| Over 3 Years and up to 5 years        | 201.72           | 1,761.68         | 543.12          | 267.72          | 0.50                                                   | -                       | -                            |
| Over 5 years                          | 4.59             | 7,295.22         | 0.66            | 251.41          | -                                                      | -                       | -                            |
| <b>Total</b>                          | <b>22,571.25</b> | <b>23,111.27</b> | <b>6,737.69</b> | <b>5,211.46</b> | <b>1,028.54</b>                                        | <b>-</b>                | <b>-</b>                     |

| As at March 31, 2023                  | Deposits         | Advances*        | Investments     | Borrowings      | Balances with banks and money at call and short notice | Foreign currency assets | Foreign currency liabilities |
|---------------------------------------|------------------|------------------|-----------------|-----------------|--------------------------------------------------------|-------------------------|------------------------------|
| Day - 1                               | 76.86            | 8.42             | 2,545.88        | -               | 903.43                                                 | -                       | -                            |
| 2 to 7 Days                           | 419.90           | (281.03)         | 59.26           | 7.00            | -                                                      | -                       | -                            |
| 8 to 14 Days                          | 376.20           | 61.22            | 53.09           | 12.38           | -                                                      | -                       | -                            |
| 15 to 30 Days                         | 291.06           | 253.40           | 55.96           | -               | -                                                      | -                       | -                            |
| 31 Days and up to 2 months            | 488.89           | 459.85           | 91.46           | 269.04          | 5.70                                                   | -                       | -                            |
| More than 2 months and up to 3 months | 625.44           | 463.39           | 98.90           | 66.55           | 153.38                                                 | -                       | -                            |
| Over 3 months and up to 6 months      | 2,018.15         | 1,511.86         | 271.68          | 606.69          | -                                                      | -                       | -                            |
| Over 6 months and up to 1 year        | 4,008.81         | 3,078.12         | 540.13          | 976.71          | 11.69                                                  | -                       | -                            |
| Over 1 Year and up to 3 years         | 7,586.15         | 5,031.85         | 1,136.49        | 3,906.28        | 1.67                                                   | -                       | -                            |
| Over 3 Years and up to 5 years        | 434.72           | 1,616.63         | 367.35          | 426.42          | 0.25                                                   | -                       | -                            |
| Over 5 years                          | 7.84             | 5,555.85         | 1.02            | 6.39            | 0.25                                                   | -                       | -                            |
| <b>Total</b>                          | <b>16,334.02</b> | <b>17,759.56</b> | <b>5,221.22</b> | <b>6,277.46</b> | <b>1,076.37</b>                                        | <b>-</b>                | <b>-</b>                     |

Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI.

\*Negative number in advances indicates amount due under Inter-Bank Participation Certificate with risk sharing.



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**12. Liquidity Coverage Ratio**

Quantitative information on Liquidity coverage ratio (LCR) is given below:

| Particulars                                                                    | June 30, 2023          |                                | September 30, 2023     |                                | December 31, 2023      |                                | March 31, 2024         |                                |
|--------------------------------------------------------------------------------|------------------------|--------------------------------|------------------------|--------------------------------|------------------------|--------------------------------|------------------------|--------------------------------|
|                                                                                | Total unweighted value | Total weighted value (average) | Total unweighted value | Total weighted value (average) | Total unweighted value | Total weighted value (average) | Total unweighted value | Total weighted value (average) |
| 1 Total High Quality Liquid Assets (HQLA)                                      | 4,636.57               | 4,636.57                       | 4,710.44               | 4,710.44                       | 4,329.04               | 4,329.04                       | 5,515.87               | 5,515.87                       |
| <b>Cash Outflows</b>                                                           |                        |                                |                        |                                |                        |                                |                        |                                |
| 2 Retail deposits and deposits from small business customers, of which:        |                        |                                |                        |                                |                        |                                |                        |                                |
| (i) Stable deposits                                                            | 9,660.68               | 654.70                         | 10,131.44              | 914.51                         | 10,477.54              | 1,035.16                       | 10,746.06              | 1,061.12                       |
| (ii) Less stable deposits                                                      | 6,227.27               | 311.36                         | 1,972.60               | 98.63                          | 251.90                 | 12.60                          | 269.64                 | 13.48                          |
| 3 Unsecured wholesale funding, of which:                                       | 3,433.41               | 343.34                         | 8,158.84               | 815.88                         | 10,225.64              | 1,022.56                       | 10,476.42              | 1,047.64                       |
| (i) Operational deposits (all counterparties)                                  | 1,214.33               | 116.06                         | 1,126.49               | 220.93                         | 1,277.70               | 594.79                         | 1,483.45               | 757.07                         |
| (ii) Non-operational deposits (all counterparties)                             | -                      | -                              | -                      | -                              | -                      | -                              | -                      | -                              |
| (iii) Unsecured debt                                                           | 1,214.33               | 116.06                         | 1,126.49               | 220.93                         | 1,277.70               | 594.79                         | 1,483.45               | 757.07                         |
| 4 Secured wholesale funding                                                    | -                      | -                              | -                      | -                              | -                      | -                              | -                      | -                              |
| 5 Additional requirements, of which                                            | 242.73                 | 242.73                         | 108.89                 | 108.89                         | 27.27                  | 27.27                          | -                      | -                              |
| (i) Outflows related to derivative exposures and other collateral requirements | 117.97                 | 5.90                           | 133.02                 | 6.65                           | 139.39                 | 6.97                           | 156.60                 | 9.43                           |
| (ii) Outflows related to loss of funding on debt products                      | -                      | -                              | -                      | -                              | -                      | -                              | -                      | -                              |
| (iii) Credit and liquidity facilities                                          | 117.97                 | 5.90                           | 133.02                 | 6.65                           | 139.39                 | 6.97                           | 156.60                 | 9.43                           |
| 6 Other contractual funding obligation                                         | 178.13                 | 178.13                         | 206.23                 | 206.23                         | 73.34                  | 73.34                          | 139.27                 | 139.27                         |
| 7 Other contingent funding obligations                                         | 40.91                  | 1.97                           | 80.48                  | 3.90                           | 120.90                 | 5.09                           | 177.50                 | 6.69                           |
| <b>8 Total cash outflows</b>                                                   | <b>11,454.75</b>       | <b>1,199.49</b>                | <b>11,786.55</b>       | <b>1,461.11</b>                | <b>12,116.14</b>       | <b>1,742.62</b>                | <b>12,702.88</b>       | <b>1,973.58</b>                |
| <b>Cash Inflows</b>                                                            |                        |                                |                        |                                |                        |                                |                        |                                |
| 9 Secured lending (e.g. reverse repo)                                          | -                      | -                              | -                      | -                              | -                      | -                              | -                      | -                              |
| 10 Inflows from fully performing exposures                                     | 1,012.13               | 506.07                         | 1,161.73               | 613.39                         | 1,165.64               | 591.41                         | 1,117.12               | 563.01                         |
| 11 Other cash inflows                                                          | 0.75                   | 0.75                           | 0.41                   | 0.41                           | 2.39                   | 2.39                           | 1.04                   | 1.04                           |
| <b>12 Total cash inflows</b>                                                   | <b>1,012.88</b>        | <b>506.82</b>                  | <b>1,162.14</b>        | <b>613.80</b>                  | <b>1,168.03</b>        | <b>593.80</b>                  | <b>1,118.16</b>        | <b>564.05</b>                  |
| <b>13 Total HQLA</b>                                                           | <b>4,636.57</b>        | <b>4,636.57</b>                | <b>4,710.44</b>        | <b>4,710.44</b>                | <b>4,329.04</b>        | <b>4,329.04</b>                | <b>5,515.87</b>        | <b>5,515.87</b>                |
| <b>14 Total Net Cash Outflows</b>                                              | <b>10,441.87</b>       | <b>692.67</b>                  | <b>10,624.41</b>       | <b>847.31</b>                  | <b>10,948.11</b>       | <b>1,148.82</b>                | <b>11,584.72</b>       | <b>1,409.53</b>                |
| <b>15 Liquidity Coverage Ratio (%)</b>                                         |                        | <b>669.38%</b>                 |                        | <b>555.93%</b>                 |                        | <b>376.82%</b>                 |                        | <b>391.33%</b>                 |



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**12. Liquidity Coverage Ratio contd..**

| Particulars                                                                    | June 30, 2022          |                                | September 30, 2022     |                                | December 31, 2022      |                                | March 31, 2023         |                                |
|--------------------------------------------------------------------------------|------------------------|--------------------------------|------------------------|--------------------------------|------------------------|--------------------------------|------------------------|--------------------------------|
|                                                                                | Total unweighted value | Total weighted value (average) | Total unweighted value | Total weighted value (average) | Total unweighted value | Total weighted value (average) | Total unweighted value | Total weighted value (average) |
| 1 Total High Quality Liquid Assets (HQLA)                                      | 4,571.51               | 4,571.51                       | 5,237.26               | 5,237.26                       | 4,914.43               | 4,914.43                       | 4,414.98               | 4,414.98                       |
| <b>Cash Outflows</b>                                                           |                        |                                |                        |                                |                        |                                |                        |                                |
| 2 Retail deposits and deposits from small business customers, of which:        | 8,115.46               | 554.60                         | 8,413.48               | 572.21                         | 8,829.51               | 599.55                         | 9,209.43               | 622.44                         |
| (i) Stable deposits                                                            | 5,138.95               | 256.95                         | 5,382.76               | 269.14                         | 5,667.89               | 283.39                         | 5,970.18               | 298.51                         |
| (ii) Less stable deposits                                                      | 2,976.51               | 297.65                         | 3,030.72               | 303.07                         | 3,161.62               | 316.16                         | 3,239.25               | 323.93                         |
| 3 Unsecured wholesale funding, of which:                                       | 1,109.83               | 106.20                         | 1,081.30               | 103.23                         | 1,196.25               | 114.60                         | 1,356.19               | 130.42                         |
| (i) Operational deposits (all counterparties)                                  | -                      | -                              | -                      | -                              | -                      | -                              | -                      | -                              |
| (ii) Non-operational deposits (all counterparties)                             | 1,109.83               | 106.20                         | 1,081.30               | 103.23                         | 1,196.25               | 114.60                         | 1,356.19               | 130.42                         |
| (iii) Unsecured debt                                                           | -                      | -                              | -                      | -                              | -                      | -                              | -                      | -                              |
| 4 Secured wholesale funding                                                    | 436.93                 | 436.93                         | 443.42                 | 443.42                         | 202.56                 | 202.56                         | 306.81                 | 306.81                         |
| 5 Additional requirements, of which                                            | 105.64                 | 5.28                           | 108.77                 | 5.44                           | 108.02                 | 5.40                           | 107.89                 | 5.39                           |
| (i) Outflows related to derivative exposures and other collateral requirements | -                      | -                              | -                      | -                              | -                      | -                              | -                      | -                              |
| (ii) Outflows related to loss of funding on debt products                      | -                      | -                              | -                      | -                              | -                      | -                              | -                      | -                              |
| (iii) Credit and liquidity facilities                                          | 105.64                 | 5.28                           | 108.77                 | 5.44                           | 108.02                 | 5.40                           | 107.89                 | 5.39                           |
| 6 Other contractual funding obligation                                         | 119.48                 | 119.48                         | 182.90                 | 182.90                         | 76.91                  | 76.91                          | 180.97                 | 180.97                         |
| 7 Other contingent funding obligations                                         | 37.21                  | 1.78                           | 34.37                  | 1.64                           | 34.37                  | 1.64                           | 34.94                  | 1.67                           |
| <b>8 Total cash outflows</b>                                                   | <b>9,924.55</b>        | <b>1,224.27</b>                | <b>10,264.24</b>       | <b>1,308.84</b>                | <b>10,447.62</b>       | <b>1,000.66</b>                | <b>11,196.23</b>       | <b>1,247.70</b>                |
| <b>Cash Inflows</b>                                                            |                        |                                |                        |                                |                        |                                |                        |                                |
| 9 Secured lending (e.g. reverse repo)                                          | -                      | -                              | -                      | -                              | -                      | -                              | -                      | -                              |
| 10 Inflows from fully performing exposures                                     | 623.90                 | 311.95                         | 686.91                 | 343.45                         | 858.22                 | 429.11                         | 765.01                 | 382.51                         |
| 11 Other cash inflows                                                          | 0.56                   | 0.56                           | 0.39                   | 0.39                           | 0.38                   | 0.38                           | 0.28                   | 0.28                           |
| <b>12 Total cash inflows</b>                                                   | <b>624.46</b>          | <b>312.51</b>                  | <b>687.30</b>          | <b>343.84</b>                  | <b>858.60</b>          | <b>429.49</b>                  | <b>765.29</b>          | <b>382.79</b>                  |
| <b>13 Total HQLA</b>                                                           | <b>4,571.51</b>        | <b>4,571.51</b>                | <b>5,237.26</b>        | <b>5,237.26</b>                | <b>4,914.43</b>        | <b>4,914.43</b>                | <b>4,414.98</b>        | <b>4,414.98</b>                |
| <b>14 Total Net Cash Outflows</b>                                              | <b>9,300.09</b>        | <b>911.76</b>                  | <b>9,576.94</b>        | <b>965.00</b>                  | <b>9,589.02</b>        | <b>571.17</b>                  | <b>10,430.94</b>       | <b>864.91</b>                  |
| <b>15 Liquidity Coverage Ratio (%)</b>                                         |                        | <b>501.39%</b>                 |                        | <b>542.72%</b>                 |                        | <b>860.41%</b>                 |                        | <b>510.46%</b>                 |

**Notes:**

The disclosure of average weighted and unweighted amounts are calculated as simple average based on daily observation for the respective quarters.

**Qualitative disclosure on LCR**

1. The Liquidity Coverage Ratio (LCR) is a global minimum standard for bank liquidity. It aims to ensure that a bank has an adequate stock of unencumbered high-quality liquid assets (HQLA) that can be converted into cash immediately to meet its liquidity needs for a 30 calendar day liquidity under stress scenario.
2. The LCR is calculated by dividing the amount of high quality liquid unencumbered assets (HQLA) by the estimated net outflows over 30 calendar day period. The net cash outflows are calculated by applying RBI prescribed outflow factors to the various categories of liabilities (deposits, unsecured and secured wholesale borrowings), as well as to undrawn commitments and derivatives-related exposures, partially offset by inflows from assets maturing within 30 days.
3. The Bank follows the criteria laid down by the RBI for month end calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-days period. HQLA predominantly comprises Government securities in excess of minimum SLR and CRR requirement viz. Treasury Bills, Central government securities, marginal liquidity facility allowed by RBI under marginal standing facility (MSF) and facility to avail liquidity for liquidity coverage ratio (FALLCRR). Bank is presently funded through deposits and long term borrowings viz debentures, term loans and money market operations. All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation.
4. The Bank classifies all the deposits from non-natural persons into Non-operational deposits (all counterparties) under 'Unsecured Wholesale Funding'.
5. The Bank is unable to substantiate whether the contractual inflows from the outstanding exposures pertained to fully performing advances without any reason to expect any default within the 30-day time horizon.



**JANA SMALL FINANCE BANK LIMITED****SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)***(All amounts are in Indian Rupees in Crores unless otherwise stated)***13. Contingent liabilities**

| Contingent liabilities                     | March 31, 2024 | March 31, 2023 |
|--------------------------------------------|----------------|----------------|
| Income tax liability                       | 34.19          | 55.97          |
| Guarantees given on behalf of constituents | 194.04         | 2.65           |
| Others                                     | 35.27          | 18.56          |
| <b>Total</b>                               | <b>263.50</b>  | <b>77.18</b>   |

In February 2019, the Honourable Supreme Court of India in its judgement clarified that certain special allowances should be considered to measure obligations under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the PF Act). The Bank has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. Due to imperative challenges, the Bank has not disclosed contingent liability amount for past liability.

**Description of contingent liabilities**

|                                                                                                       |                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. Claims against the Bank not acknowledged as debts – taxation</b>                                | The Bank is a party to various taxation matters in respect of which appeals are pending. The Bank expects the outcome of the appeals to be favorable based on decisions on similar issues in the previous years by the appellate authorities, based on the facts of the case and taxation laws. |
| <b>2. Claims against the Bank not acknowledged as debts – others</b>                                  | The Bank is a party to various legal proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.                                         |
| <b>3. Guarantees given on behalf of constituents, acceptances, endorsements and other obligations</b> | As a part of its commercial banking activities, the Bank issues guarantees on behalf of its customers. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.         |
| <b>4. Other items for which the Bank is contingently liable</b>                                       | These include: (a) Guarantees given by Bank (b) Credit enhancements in respect of securitised-out loans; (c) Bills rediscounted by the Bank; (d) Capital commitments (e) Funds transferred to RBI under DEAF (f) Credit enhanced guarantee in respective securitisation loans                   |

**14. Employee benefits****Employment benefits - Gratuity**

The Bank has non-contributory defined benefit arrangement providing gratuity benefits expressed in terms of final monthly salary and years of service. Bank provides for gratuity as per the provisions of Payment of Gratuity Act, 1972, as amended. The scheme is funded with Life Insurance Corporation of India. The following tables summarise the components of net benefit expense recognised in the Profit and Loss Account and the funded status and amounts recognised in the Balance Sheet.

The defined gratuity benefit plans are valued by an independent actuary as at the Balance Sheet date using the projected unit credit method as per the requirement of AS-15.

During the year ended March 31, 2024 and March 31, 2023, the Bank does not have unamortised gratuity and pension liability.

**Expenses recognised in the Profit and Loss Account**

| Particulars                                                 | March 31, 2024 | March 31, 2023 |
|-------------------------------------------------------------|----------------|----------------|
| Current service cost                                        | 4.64           | 4.45           |
| Interest cost on benefit obligation                         | (0.16)         | (0.02)         |
| Past service cost vested benefit recognised during the year | -              | -              |
| Net actuarial loss recognized in the year                   | 5.15           | 1.96           |
| <b>Employer Expenses</b>                                    | <b>9.63</b>    | <b>6.39</b>    |

**Net Liability/ (Asset) recognised in the Balance Sheet**

| Particulars                                          | March 31, 2024 | March 31, 2023 |
|------------------------------------------------------|----------------|----------------|
| Present value of Defined Benefit Obligation          | 30.23          | 23.98          |
| Fair value of plan assets                            | 31.73          | 26.15          |
| Net (asset) / liability recognized in balance sheet  | (1.50)         | (2.17)         |
| Less: Unrecognised Past Service Cost                 | -              | -              |
| <b>(Asset)/Liability recognized in balance sheet</b> | <b>(1.50)</b>  | <b>(2.17)</b>  |



**JANA SMALL FINANCE BANK LIMITED**
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

(All amounts are in Indian Rupees in Crores unless otherwise stated)

**Reconciliation of Defined Benefit Obligation (DBO)**

| Particulars                                                 | March 31, 2024 | March 31, 2023 |
|-------------------------------------------------------------|----------------|----------------|
| Present Value of DBO at start of year                       | 23.98          | 23.02          |
| Interest cost                                               | 1.71           | 1.19           |
| Current service cost                                        | 4.64           | 4.45           |
| Past service cost vested benefit recognised during the year | -              | -              |
| Benefits paid                                               | (4.52)         | (6.60)         |
| Actuarial loss/(gain)                                       | 4.42           | 1.92           |
| Present Value of DBO at end of year                         | 30.23          | 23.98          |

**Reconciliation of Fair Value of Plan Assets**

| Particulars                                | March 31, 2024 | March 31, 2023 |
|--------------------------------------------|----------------|----------------|
| Fair Value of Plan Assets at start of year | 26.15          | 23.44          |
| Expected return on plan assets             | 1.87           | 1.21           |
| Contributions by employer                  | 8.96           | 8.14           |
| Benefits paid                              | (4.52)         | (6.60)         |
| Actuarial gain / (loss)                    | (0.73)         | (0.04)         |
| Fair value of plan assets at end of year   | 31.73          | 26.15          |

**Investment details of plan assets**

| Particulars                                            | March 31, 2024 | March 31, 2023 |
|--------------------------------------------------------|----------------|----------------|
| Balance with Life Insurance Corporation of India (LIC) | 31.73          | 26.15          |

Information of investment details of plan assets are not available, hence not disclosed and the obligation is funded with LIC.

**The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:**

| Particulars                                                              | March 31, 2024          | March 31, 2023          |
|--------------------------------------------------------------------------|-------------------------|-------------------------|
| Discount rate                                                            | 7.14%                   | 7.20%                   |
| Expected rate of return on assets                                        | 7.14%                   | 7.20%                   |
| Employee turnover (in service 0 years and below)                         | 42%                     | 42%                     |
| Employee turnover (in service 1 years to 2 years)                        | 39%                     | 39%                     |
| Employee turnover (in service 3 years to 4 years)                        | 31%                     | 31%                     |
| Employee turnover (in service 5 years and above)                         | 23%                     | 23%                     |
| Salary growth rate                                                       | 6.00%                   | 6.00%                   |
| Mortality Rate During Employment - Indian Assured Lives Mortality (IALM) | IALM 2012-14<br>(Urban) | IALM 2012-14<br>(Urban) |
| Expected average remaining working lives of employees                    | 2 Years                 | 2 Years                 |

**Experience Adjustments for the year ended March 31, 2024**

| Particulars                                               | FY 23-24 | FY 22-23 | FY 21-22 | FY 20-21 | FY 19-20 |
|-----------------------------------------------------------|----------|----------|----------|----------|----------|
| Present Value of DBO at the end of the year               | 30.23    | 23.98    | 23.02    | 18.21    | 11.41    |
| Fair Valuation of Plan Assets                             | 31.73    | 26.15    | 23.44    | 15.37    | 13.06    |
| Funded Status [Surplus/(Deficit)]                         | 1.50     | 2.17     | 0.42     | (2.84)   | 1.66     |
| Experience adjustment on plan liabilities : Gain / (Loss) | 4.36     | (3.54)   | (3.54)   | (3.45)   | (1.71)   |
| Experience adjustment on plan Assets : Gain / ( Loss )    | (0.73)   | (0.33)   | (0.33)   | (0.52)   | (1.04)   |

**Defined Contribution Plan - Provident Fund**

The Bank makes Provident Fund contributions to Employees Provident Fund Organisation for qualifying employees at the specified percentage of the payroll costs to the Fund. The Bank has recognised ₹ 48.20 crores (March 31, 2023: ₹ 39.00 crores) towards Provident Fund contributions.

**Employee benefits - compensated absences**

The actuarial liability in respect of privilege leave granted to employees of the Bank and outstanding as at March 31, 2024 is ₹ 9.99 crores (March 31, 2023: ₹ 7.20 crores).

**Assumption used in determining the privilege leave liability**

|                        | March 31, 2024 | March 31, 2023 |
|------------------------|----------------|----------------|
| Discount rate          | 7.14%          | 7.20%          |
| Salary escalation rate | 6%             | 6%             |

| Attrition rate:                | March 31, 2024 | March 31, 2023 |
|--------------------------------|----------------|----------------|
| For service 0 years and below  | 42%            | 42%            |
| For service 1 years to 2 years | 39%            | 39%            |
| For service 3 years to 4 years | 31%            | 31%            |
| For service 5 years and above  | 23%            | 23%            |



15. Disclosures on Remuneration

A) Qualitative Disclosures

(a) Information relating to the bodies that oversee remuneration.

**Name, composition and mandate of the main body overseeing remuneration**

The Nomination and Remuneration Committee (NRC) of the Board is the main body overseeing remuneration. As at March 31, 2024, the NRC had six members of which four are Independent Directors. The functions of the Committee include recommendation of appointment of Directors to the Board, evaluation of performance of the Board, its Committees and directors including the Managing Director & CEO, overseeing the grant of options under the Employees Stock Option Scheme.

**External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process**

Not Applicable

**Scope of the Bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches**

The Remuneration Policy of the Bank was approved by the Board on February 8, 2018, pursuant to the guidelines issued by RBI, to cover all employees of the Bank.

The Remuneration policy was amended by the Board on August 13, 2020 to align the policy in line with current regulatory amendments, Compensation Policy covers all employees of the Bank.

**Type of employees covered and number of such employees**

All permanent employees of the Bank are covered. The total number of permanent employees of the Bank at March 31, 2024 was 21,800 (March 31, 2023: 18,184), who were live as on reporting date including those on probation and confirmed employees.

b) Information relating to the design and structure of remuneration processes and Key features and objectives of remuneration policy

The compensation philosophy of the Bank is structured to support the achievement of the Bank's on-going business objectives by rewarding achievement of objectives linked directly to its strategic business priorities. The main objectives of the remuneration policy of the Bank are as follows:

- Attract, engage and retain talent
- Ensure fairness in the pay structure
- Ensure alignment with the organizational values, i.e., Honesty, Discipline, Respect, Service
- Foster a culture of rewarding and recognizing performance.

**Effective governance of compensation:**

The NRC shall oversee the framing, review and implementation of the compensation policy.

**Alignment of compensation philosophy with prudent risk taking:**

The employee's compensation will take account of the risks that he/she takes on behalf of the organization and intends to discourage excessive risk taking. It ensures that the compensation works in harmony with other practices to implement balanced risk postures. Also, the committee shall ensure that employees engaged in financial and risk control will be interdependent, have appropriate authority and be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the Bank.

**Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made:**

The Board/NRC has reviewed the Bank's remuneration policy during the year under review

**Discussion of how the Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee:**

The committee shall ensure that employees engaged in financial and risk control will be independent, have appropriate authority, and be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the Bank. The remuneration for the employees in the risk and compliance function will be determined independent of other business areas and shall be adequate to attract qualified and experienced professionals. The performance measures of such employees shall be based principally on the achievement of the objectives of their functions.



c) **Description of the ways in which current and future risks are taken into account in the remuneration processes.**

**Overview of the key risks that the Bank takes into account when implementing remuneration measures:**

The committee shall work in close coordination with Risk Management Committee of the small finance bank, in order to achieve effective alignment between remuneration and risks.

**Overview of the nature and type of key measures used to take account of these risks, including risk difficult to measure:**

Compensation works in harmony with other practices to implement balanced risk postures.

**Discussion of the ways in which these measures affect remuneration:**

The employee's compensation will take account of the risks that he/she takes on behalf of the organization and intends to discourage excessive risk taking. It ensures that the compensation works in harmony with other practices to implement balanced risk postures.

**Discussion of how the nature and type of these measures have changed over the past year and reasons for the changes, as well as the impact of changes on remuneration:**

Not applicable

d) **Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration:**

The main performance metrics include profitability, business growth, asset quality, compliance and customer service.

e) **A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting:**

The Banks remuneration policy covers Whole Time Directors / Chief Executive Officer/ Other Material Risk Takers of the Bank.

f) **Description of the different forms of variable remuneration (i.e., cash and types of share-linked instruments) that the bank utilizes and the rationale for using these different forms.**

Variable remuneration includes following distinct forms:

**1. Statutory Bonus:**

Statutory Bonus is paid as per Payment of Bonus Act, 1965.

**2. Variable Pay :**

Variable pay component ensures that we reward the employees based on the Individual achievements and the Bank's performance measured against goals established for the performance year.

**a) Cash Bonus:**

The budget for Annual Cash Bonus, will depend on the bank's profitability. The actual pay-out to the individual will further depend on his/her performance, and at the sole discretion of the management.

**b) Incentives:**

All Business roles up to the level of Zonal Business Heads are eligible for incentives. Pay out of incentive for aggregator roles depends upon average incentives earned by the front line team. These incentives are capped to ensure integrity and compliance.

For the front line field roles like CREC, CRES, BDE, Area Heads in Collections, Assets and Liabilities Collections, incentives are paid on a monthly basis. Roles in operations such as CRE, Teller, BOM or other aggregator roles in Business like Branch Sales Manager, Regional Heads and Zonal Heads, a portion of monthly incentives are retained and is paid after the end of performance year.

Any addition/modification would be approved by the MD & CEO.

**c) Share-linked Instruments:**

Currently ESOPs/ RSUs are granted to employees by the management, based on the Board approved schemes. Share-linked instruments will be fair valued on the date of grant by the bank. As per the Good Leavers policy of the Bank, payment towards any deferred instrument or cash bonus will require approval of the MD & CEO.

**3. Rewards & Recognition:**

The Bank may, with the approval of the MD & CEO, run various contests for its employees to support the achievement of the Bank's on-going business objectives. These contests may carry financial/other rewards as permitted by extant regulations.



**JANA SMALL FINANCE BANK LIMITED**  
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**  
*(All amounts are in Indian Rupees in Crores unless otherwise stated)*

**15. Disclosures on Remuneration (Contd.)**

The quantitative disclosures covers details of Whole Time Directors / Chief Executive Officer/ Other Material Risk Takers of the Bank. Key Material Risk Takers are individuals who can materially set, commit or control significant amounts of the Bank's resources, and / or exert significant influence over its risk profile.

**B) Quantitative Disclosure**

| Sr. No.   | Subject                                                                                                                               | March 31, 2024                                                                                                        | March 31, 2023                                                                                                             |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| (a)       | Number of meetings held by the NRC during the financial year and remuneration paid to its members                                     | Number of meetings: 9<br>Remuneration paid: ₹ 0.10 crores                                                             | Number of meetings: 6<br>Remuneration paid: ₹ 0.05 crores                                                                  |
| (b) (i)   | Number of employees having received a variable remuneration award during the financial year                                           | None                                                                                                                  | None                                                                                                                       |
| (b) (ii)  | Number and total amount of sign on awards made during the financial year                                                              | None                                                                                                                  | None                                                                                                                       |
| (b) (iii) | Details of guaranteed bonus, if any, paid as joining /sign on bonus                                                                   | None                                                                                                                  | None                                                                                                                       |
| (b) (iv)  | Details of severance pay, in addition to accrued benefits, if any                                                                     | None                                                                                                                  | None                                                                                                                       |
| (c) (i)   | Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms               | 11,28,868 options granted under ESOP scheme and 22,669 units under RSU scheme till Mar 31, 2024, yet to be exercised. | ESOP 10,38,589 options granted under ESOP scheme and 11,716 units under RSU scheme till Mar 31, 2023, yet to be exercised. |
|           |                                                                                                                                       | 11,28,868 Options granted under ESOP scheme and 22,669 units under RSU scheme during the year.                        | 62,624 Options granted under ESOP scheme and 19,717 units under RSU scheme during the year.                                |
|           |                                                                                                                                       | Out of total grants, 11,28,868 ESOP Options and 22,669 RSUs are unvested as on March 31, 2024.                        | Out of total grants, 1,89,158 ESOP Options and 19,717 RSUs are unvested as on March 31, 2023.                              |
| (c) (ii)  | Total amount of deferred remuneration paid out in the financial year                                                                  | ₹ 0.98 crores                                                                                                         | Nil                                                                                                                        |
| (d) (i)   | Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non deferred               | Fixed Pay : ₹ 26.22 crores<br>Car EMI : ₹ 0.46 crores<br>Variable pay : ₹ 1.43 crores<br>Deferred pay : ₹ 1.28 crores | Fixed Pay : ₹ 23.41 crores<br>Car EMI : ₹ 0.50 crores<br>Variable pay : ₹ 0.96 crores<br>Deferred pay : ₹ 0.90 crores      |
| (e) (i)   | Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustments | None                                                                                                                  | None                                                                                                                       |
| (e) (ii)  | Number of cases where both malus and clawback have been exercised.                                                                    | None                                                                                                                  | None                                                                                                                       |
| (e) (iii) | The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay         | None                                                                                                                  | None                                                                                                                       |
| (f) (i)   | Total amount of reductions during the financial year due to ex post explicit adjustments                                              | None                                                                                                                  | None                                                                                                                       |
| (g) (i)   | Total amount of reductions during the financial year due to ex post implicit adjustments                                              | None                                                                                                                  | None                                                                                                                       |
| (g) (ii)  | Number of MRTs identified                                                                                                             | 26*                                                                                                                   | 23                                                                                                                         |
| (g) (iii) | Number of cases where malus has been exercised                                                                                        | None                                                                                                                  | None                                                                                                                       |
| (h) (i)   | Number of cases where clawback has been exercised                                                                                     | None                                                                                                                  | None                                                                                                                       |

1. The remuneration does not include the provisions made for gratuity and compensated absences, as they are obtained on an actuarial basis for the Bank as a whole.

2. Fixed pay includes basic salary, contribution to provident fund, reimbursements and car EMI (shown separately also)

\* During the financial year one MRT left and same is replaced by another MRT, however number and remuneration given above includes both.



**JANA SMALL FINANCE BANK LIMITED**

**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

(All amounts are in Indian Rupees in Crores unless otherwise stated)

**15. Disclosures on Remuneration (Contd.)**

**15 (C) Remuneration paid to other directors for the year ended March 31, 2024**

| Sr. No. | Particulars of Remuneration                | Name of the Directors |               |                    |                   |                 | Total Amount |
|---------|--------------------------------------------|-----------------------|---------------|--------------------|-------------------|-----------------|--------------|
|         |                                            | R. Ramaseshan         | Chitra Talwar | Dr. Subhas Khuntia | K. Srinivas Nayak | P. Vijaya Kumar |              |
| 1       | Independent Directors                      |                       |               |                    |                   |                 |              |
|         | Fee for attending board committee meetings | 0.17                  | 0.20          | 0.18               | 0.15              | 0.19            | 0.89         |
|         | Commission                                 | -                     | -             | -                  | -                 | -               | -            |
|         | Others, (Professional Fees)                | 0.01                  | 0.01          | 0.15               | -                 | 0.01            | 0.18         |
|         | <b>Total (1)</b>                           | <b>0.18</b>           | <b>0.21</b>   | <b>0.33</b>        | <b>0.15</b>       | <b>0.20</b>     | <b>1.07</b>  |
| 2       | Other Non-Executive Directors              |                       |               |                    |                   |                 |              |
|         | Fee for attending board committee meetings | Ramesh Ramanathan     | Rahul Khosla  |                    |                   |                 |              |
|         | Commission                                 | -                     | 0.08          |                    |                   |                 | 0.08         |
|         | Others, please specify                     | -                     |               |                    |                   |                 | -            |
|         | <b>Total (2)</b>                           | <b>-</b>              | <b>0.08</b>   | <b>-</b>           | <b>-</b>          | <b>-</b>        | <b>0.08</b>  |
|         | <b>Total (1)+(2)</b>                       | <b>0.18</b>           | <b>0.29</b>   | <b>0.33</b>        | <b>0.15</b>       | <b>0.20</b>     | <b>1.15</b>  |

**Remuneration paid to other directors for the year ended March 31, 2023**

| Sr. No. | Particulars of Remuneration                | Name of the Directors |               |                    |                   |                 | Total Amount |
|---------|--------------------------------------------|-----------------------|---------------|--------------------|-------------------|-----------------|--------------|
|         |                                            | R. Ramaseshan         | Chitra Talwar | Dr. Subhas Khuntia | K. Srinivas Nayak | P. Vijaya Kumar |              |
| 1       | Independent Directors                      |                       |               |                    |                   |                 |              |
|         | Fee for attending board committee meetings | 0.11                  | 0.10          | 0.10               | 0.08              | 0.01            | 0.40         |
|         | Commission                                 | -                     | -             | -                  | -                 | -               | -            |
|         | Others, (Professional Fees)                | -                     | -             | 0.15               | 0.00              | 0.00            | 0.15         |
|         | <b>Total (1)</b>                           | <b>0.11</b>           | <b>0.10</b>   | <b>0.25</b>        | <b>0.08</b>       | <b>0.01</b>     | <b>0.55</b>  |
| 2       | Other Non-Executive Directors              |                       |               |                    |                   |                 |              |
|         | Fee for attending board committee meetings | Ramesh Ramanathan     | Rahul Khosla  | Vikram Gandhi      |                   |                 |              |
|         | Commission                                 | -                     | 0.02          | 0.02               |                   |                 | 0.04         |
|         | Others, please specify                     | -                     | -             | -                  |                   |                 | -            |
|         | <b>Total (2)</b>                           | <b>-</b>              | <b>0.02</b>   | <b>0.02</b>        | <b>-</b>          | <b>-</b>        | <b>0.04</b>  |
|         | <b>Total (1)+(2)</b>                       | <b>0.11</b>           | <b>0.12</b>   | <b>0.27</b>        | <b>0.08</b>       | <b>0.01</b>     | <b>0.59</b>  |

Overall Ceiling as per the Act (sitting fees not to exceed ₹ 100,000 per meeting), The Bank pays sitting fees to Non-Executive Directors which is below the ceiling of ₹ 100,000 per meeting as prescribed under the Companies Act, 2013. The amount disclosed above is excluding taxes.



**JANA SMALL FINANCE BANK LIMITED**

**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

(All amounts are in Indian Rupees in Crores unless otherwise stated)

**16. Segment Reporting**

**Business Segments**

Business segments have been identified and reported taking into account, the customer profile, the nature of products and services, the differing risks and returns, the organisation structure and the guidelines prescribed by the RBI. The Bank operates in the following segments:

**a) Treasury**

The treasury segment primarily consists of entire investment portfolio of the Bank.

**b) Retail Banking**

The retail banking segment serves retail customers through a branch network. Exposures are classified under retail banking taking into account the status of the borrower (orientation criterion), the nature of product, granularity of the exposure and the quantum thereof.

Revenues of the retail banking segment are primarily derived from interest and fees earned on retail loans, interest on deposits placed as collateral with banks and financial institutions. Expenses of this segment primarily comprise interest expense on borrowings, deposits, infrastructure and premises expenses for operating the branch network, personnel costs and other direct overheads.

**c) Wholesale Banking**

Wholesale Banking includes all advances to companies and statutory bodies, which are not included under Retail Banking.

**d) Other Banking Operation**

Other Banking includes other items not attributable to any particular business segment.

**e) Unallocated**

All items which are reckoned at an enterprise level are classified under this segment. This includes capital and reserves, and other unallocable assets and liabilities not identifiable to particular segment such as deferred tax, prepaid expenses, etc.



**JANA SMALL FINANCE BANK LIMITED****SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

(All amounts are in Indian Rupees in Crores unless otherwise stated)

**Part A: Business segments:**

Segment reporting for the year ended March 31, 2024 and March 31, 2023 is given below:

| Particulars                                  | March 31, 2024   | March 31, 2023   |
|----------------------------------------------|------------------|------------------|
| <b>1 Segment Revenue:</b>                    |                  |                  |
| (a) Treasury                                 | 1,183.88         | 1,096.84         |
| (b) Corporate/Wholesale Banking              | 196.80           | 155.26           |
| (c) Retail Banking                           | 5,899.67         | 4,571.18         |
| (i) Digital Banking Units                    | 2.96             | 0.47             |
| (ii) Other Retail Units                      | 5,896.71         | 4,570.71         |
| (d) Other Banking operations                 | 112.21           | 33.17            |
| <b>Total Revenue</b>                         | <b>7,392.56</b>  | <b>5,856.45</b>  |
| Less: Inter Segment Revenue                  | (2,708.50)       | (2,156.58)       |
| <b>Income from Operations</b>                | <b>4,684.06</b>  | <b>3,699.87</b>  |
| <b>2 Segment Results (net of provisions)</b> |                  |                  |
| (a) Treasury                                 | 72.53            | 24.38            |
| (b) Corporate/Wholesale Banking              | 26.79            | 31.41            |
| (c) Retail Banking                           | 302.82           | 170.14           |
| (i) Digital Banking Units                    | 1.40             | -0.08            |
| (ii) Other Retail Units                      | 301.42           | 170.22           |
| (d) Other Banking operations                 | 112.21           | 30.04            |
| (e) Unallocated                              | -                | -                |
| <b>Profit/(Loss) before tax</b>              | <b>514.35</b>    | <b>255.97</b>    |
| <b>3 Segment Assets</b>                      |                  |                  |
| (a) Treasury                                 | 8,848.23         | 7,354.35         |
| (b) Corporate/Wholesale Banking              | 2,023.32         | 1,805.88         |
| (c) Retail Banking                           | 21,599.92        | 16,299.33        |
| (i) Digital Banking Units                    | 13.06            | 6.02             |
| (ii) Other Retail Units                      | 21,586.86        | 16,293.31        |
| (d) Other Banking operations                 | -                | -                |
| (e) Unallocated                              | 238.31           | 184.12           |
| <b>Total</b>                                 | <b>32,709.78</b> | <b>25,643.68</b> |



**JANA SMALL FINANCE BANK LIMITED****SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

(All amounts are in Indian Rupees in Crores unless otherwise stated)

| Particulars                     | March 31, 2024   | March 31, 2023   |
|---------------------------------|------------------|------------------|
| <b>4 Segment Liabilities</b>    |                  |                  |
| (a) Treasury                    | 5,420.28         | 6,457.52         |
| (b) Corporate/Wholesale Banking | 24.73            | 19.16            |
| (c) Retail banking              | 23,629.58        | 17,328.19        |
| (i) Digital Banking Units       | 10.08            | 4.98             |
| (ii) Other Retail Units         | 23,619.50        | 17,323.21        |
| (d) Other banking operations    | -                | -                |
| (e) Unallocated                 | 58.09            | 41.56            |
| <b>Total</b>                    | <b>29,132.68</b> | <b>23,846.43</b> |

**5 Capital Employed**

|                                 |                 |                 |
|---------------------------------|-----------------|-----------------|
| (a) Treasury                    | 3,427.95        | 896.82          |
| (b) Corporate/Wholesale Banking | 1,998.59        | 1,786.72        |
| (c) Retail banking              | (2,029.66)      | (1,028.86)      |
| (i) Digital Banking Units       | 2.98            | 1.04            |
| (ii) Other Retail Units         | (2,032.64)      | (1,029.89)      |
| (d) Other banking operations    | 0.00            | 0.00            |
| (e) Unallocated                 | 180.22          | 142.57          |
| <b>Total</b>                    | <b>3,577.10</b> | <b>1,797.25</b> |

**Part B: Geographic segments**

The business operations of the Bank are only in India hence geographical segment is not applicable.

**Segment Notes:**

1. The Reportable segments are identified into Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations in compliance with the RBI guidelines.
2. RBI vide its circular dated April 7, 2022 on establishment of Digital Banking Units (DBUs), the RBI has prescribed reporting of Digital Banking Segment as a sub-segment of Retail Banking Segment. During the year ended March 31, 2023, the Bank has commenced operation at three DBU and the segment information disclosed above is related to the said DBUs.
3. The Bank has formulated and implemented Funds Transfer Pricing (FTP) methodology and the allocation of revenue and cost on account of FTP is made between the segments.
4. Unallocated assets and liabilities pertains to the assets and liabilities not identifiable to the particular segment.



**JANA SMALL FINANCE BANK LIMITED****SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)***(All amounts are in Indian Rupees in Crores unless otherwise stated)***17. Related party disclosures**

Related Party Transaction Disclosures as per Accounting Standard 18 read with RBI Master Direction on Financial Statements – Presentation and Disclosures, the Bank's related parties are disclosed below:

|                                    |                                                                         |                                                |
|------------------------------------|-------------------------------------------------------------------------|------------------------------------------------|
| A. Related Parties:                |                                                                         |                                                |
| (I) Key management personnel (KMP) |                                                                         |                                                |
|                                    | Mr. Ajay Kanwal, Managing Director and Chief Executive Officer          |                                                |
|                                    | Mr. Buvanesh Tharashankar, Chief Financial Officer (upto July 19, 2023) |                                                |
|                                    | Mr. Abhilash Sandur, Chief Financial Officer (w.e.f. July 20,2023)      |                                                |
|                                    | Ms. Lakshmi R N, Company Secretary                                      |                                                |
|                                    | Mr. Krishnan Subramania Raman (w.e.f. January 01, 2024)                 |                                                |
| (II) Directors                     |                                                                         |                                                |
|                                    | Mr. Ramesh Ramanathan                                                   | Mr. Eugene Karthak (upto April 9, 2022)        |
|                                    | Mr. R. Ramaseshan                                                       | Mr. Vikram Gandhi (upto February 7, 2023)      |
|                                    | Ms. Chitra Talwar                                                       | Mr. K. Srinivas Nayak (w.e.f. May 06, 2022)    |
|                                    | Mr. Rahul Khosla                                                        | Mr. P. Vijaya Kumar (w.e.f. March 24, 2023)    |
|                                    | Dr. Subhash Chandra Khuntia (w.e.f. July 28, 2021)                      |                                                |
| (III) Relatives of KMP & Directors |                                                                         |                                                |
|                                    | Swathi Ramanathan                                                       | Tanya Ghosh                                    |
|                                    | T S Ramanathan                                                          | Aditi Khosla                                   |
|                                    | Radha Ramanathan                                                        | Urvashi Bawa                                   |
|                                    | Rishab Ramanathan                                                       | D V Manjunath                                  |
|                                    | Shunori Ramanathan                                                      | D M Rahul                                      |
|                                    | Ravi Ramanathan                                                         | Padmaja Khuntia (w.e.f. July 28, 2021)         |
|                                    | Nishi Ajay Kanwal                                                       | Sarthak Khuntia (w.e.f. July 28, 2021)         |
|                                    | Chamanlal Kanwal                                                        | Shruti Khuntia (w.e.f. July 28, 2021)          |
|                                    | Geeta Kanwal                                                            | Prashanth Halappa (w.e.f. July 28, 2021)       |
|                                    | Dhruv Kanwal                                                            | Sarat Chandra Khuntia (w.e.f. July 28, 2021)   |
|                                    | Kriti Kanwal                                                            | Sudhir Chandra Khuntia (w.e.f. July 28, 2021)  |
|                                    | Poonam Kumar Saidha                                                     | Subodh Chandra Khuntia (w.e.f. July 28, 2021)  |
|                                    | Sanjay Chamanlal Kanwal                                                 | Shantisudha Khuntia (w.e.f. July 28, 2021)     |
|                                    | Uma Ramaseshan                                                          | Karen Nayak (w.e.f. May 06, 2022)              |
|                                    | Ajay Ramaseshan                                                         | Kumbha Ramachandra Nayak (w.e.f. May 06, 2022) |
|                                    | Dr. Mohan Ramalingam                                                    | Kasturi R Nayak (w.e.f. May 06, 2022)          |
|                                    | Mrs. Nagalakshmi Raju                                                   | Neha Nayak Kennard (w.e.f. May 06, 2022)       |
|                                    | Rajiv Talwar                                                            | Meghna Nayak (w.e.f. May 06, 2022)             |
|                                    | Arjun Talwar                                                            | Andrew Kennard (w.e.f. May 06, 2022)           |
|                                    | Shruti Talwar                                                           | Maya Shyam (w.e.f. May 06, 2022)               |
|                                    | S. Ramagopal                                                            | Pammi Kamalamma (w.e.f. March 24, 2023)        |
|                                    | Dr.Natarajan                                                            | Pammi Siddartha (w.e.f. March 24, 2023)        |
|                                    | Major Ashok Sivakumaran                                                 | Pammi Sridevi (w.e.f. March 24, 2023)          |
|                                    | Anand Sivakumaran                                                       | Pammi Bhaskar Rao (w.e.f. March 24, 2023)      |
|                                    | Mehreen T Khosla                                                        | Sinka Satyavathi (w.e.f. March 24, 2023)       |
|                                    | Sarup Rani Khosla                                                       | Anirudh Buvanesh (upto July 19, 2023)          |
|                                    | Aman Khosla                                                             | Chandra Tharasankar (upto July 19, 2023)       |
|                                    | Swinder Singh Gandhi (upto February 7, 2023)                            | Kiran Kyrie Gandhi (upto February 7, 2023)     |
|                                    | Baljeet Swinder Gandhi (upto February 7, 2023)                          | Prithvi Swinder Gandhi (upto February 7, 2023) |
|                                    | Kanika Krista Gandhi (upto February 7, 2023)                            | Kabir Kyle Gandhi (upto February 7, 2023)      |
|                                    | Kusuma VK (w.e.f. July 20,2023)                                         | Sunaad Vasishta A S (w.e.f. July 20,2023)      |
|                                    | Sumedh Vasishta A S (w.e.f. July 20,2023)                               | Spruthi S Rao (w.e.f. July 20,2023)            |
|                                    | Krithika (w.e.f. January 01, 2024)                                      | Zacahr Rosskamm (w.e.f. January 01, 2024)      |



**JANA SMALL FINANCE BANK LIMITED**
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**
*(All amounts are in Indian Rupees in Crores unless otherwise stated)*

| <b>(IV) Enterprises over which KMP/Directors /relatives of KMP &amp; Directors have control / significant influence</b> |                                                                 |                                                                 |
|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|
|                                                                                                                         | Jana Holding Limited                                            | Crossdomain Solutions Pvt Ltd                                   |
|                                                                                                                         | Jana Capital Limited                                            | Rashtriya E-market Services Pvt.Ltd                             |
|                                                                                                                         | Jana Urban Space Foundation (India) {Section 8 Company}         | National Commodity Clearing Limited                             |
|                                                                                                                         | Jana Urban Services for Transformation Private Limited          | Magic Wand Empowerment Private Limited                          |
|                                                                                                                         | Jana Urban Foundation (Section 25 Company - not for profit)     | RTD Investments Pte. Ltd., Singapore                            |
|                                                                                                                         | Janaadhar (India) Pvt. Ltd                                      | Whiteboard Consulting & Advisory Services Limited Pte Singapore |
|                                                                                                                         | Janagraha centre for Citizenship and democracy                  | Nageshwara Acqa LLP                                             |
|                                                                                                                         | Exdion Solutions Pvt Ltd                                        | Growth Source Financial Technologies Private Limited            |
|                                                                                                                         | West End Housing Finance Limited                                | 42 card solutions (Private) Limited (Shareholder)               |
|                                                                                                                         | Invent Assets Securitization and Reconstruction Private Limited | Goa Institute of Management (Adjunct Faculty)                   |
|                                                                                                                         | S K Singhi & Co, LLP, Advocates                                 | Orocorp Finance Private Limited                                 |
|                                                                                                                         | VSG Capital Advisors Pvt Ltd                                    | Orocorp Technologies (P) Limited                                |
|                                                                                                                         | L & T Infrastructure Developments Projects Ltd                  | Swarnapragati Housing Microfinance Private Limited (Member)     |
|                                                                                                                         | Asha impact Advisory Services Private Limited                   | Greenway Grameen Infra Pvt. Ltd (Member)                        |
|                                                                                                                         | Grameen Capital India Private Limited                           | Avanti Learning Centres Private Limited (Member)                |
|                                                                                                                         | Grameen Impact Investments India Private Limited                | Saahas Waste Management Private Limited (Member)                |
|                                                                                                                         | VSG Capital Advisors (HK) Ltd                                   | Asha Impact                                                     |
|                                                                                                                         | KEC International Limited                                       | SFI Impact Foundation                                           |
|                                                                                                                         | Vastu Housing Finance Corp. Ltd (Member)                        | Asha Circle LLP                                                 |
|                                                                                                                         | Sri Kanchi Sankara Health & Educational Foundation,Guwahati     | Asha Impact Consulting LLP                                      |
|                                                                                                                         | Sandur (HUF) (W.e.f. July 20, 2023)                             | Asha Impact Initiatives LLP                                     |
|                                                                                                                         | Rishi Childrens Trust                                           | Jana Urban Space Foundation                                     |
|                                                                                                                         | National Commodity Clearing Limited (w.e.f. January 01, 2024)   |                                                                 |

**B. The Bank's related parties balances and transactions for the year ended are summarised as follows:**
**1. Deposits**

| Particulars                                                                                                 | As at and for the year ended March 31, 2024 |                                 | As at and for the year ended March 31, 2023 |                                 |
|-------------------------------------------------------------------------------------------------------------|---------------------------------------------|---------------------------------|---------------------------------------------|---------------------------------|
|                                                                                                             | Closing Balance                             | Highest balance during the year | Closing Balance                             | Highest balance during the year |
| (I) Directors                                                                                               | 1.35                                        | 2.04                            | 1.25                                        | 1.66                            |
| (II) Key Management Personnel (KMP)                                                                         | 0.77                                        | 5.26                            | 1.39                                        | 1.70                            |
| (III) Relatives of Directors                                                                                | 1.62                                        | 2.37                            | 0.75                                        | 1.02                            |
| (IV) Relatives of KMP                                                                                       | 0.27                                        | 0.41                            | 0.08                                        | 0.04                            |
| (V) Enterprises over which KMP/Directors /relatives of KMP & Directors have control / significant influence | 9.87                                        | 1552.08                         | 7.70                                        | 109.55                          |



**JANA SMALL FINANCE BANK LIMITED**
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**
*(All amounts are in Indian Rupees in Crores unless otherwise stated)*
**2. Interest Paid on Deposits**

| Particulars                                                                                                  | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|--------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| (I) Directors                                                                                                | 0.10                         | 0.05                         |
| (II) Key Management Personnel (KMP)                                                                          | 0.01                         | 0.01                         |
| (III) Relatives of Directors                                                                                 | 0.04                         | 0.01                         |
| (IV) Relatives of KMP                                                                                        | 0.01                         | 0.00                         |
| (IV) Enterprises over which KMP/Directors /relatives of KMP & Directors have control / significant influence | 0.02                         | 0.18                         |

**3. Remuneration**

| Particulars                                                             | Year ended<br>March 31, 2024 | Year ended<br>March 31, 2023 |
|-------------------------------------------------------------------------|------------------------------|------------------------------|
| Mr. Ajay Kanwal, Managing Director & CEO                                | 6.03                         | 6.21                         |
| Mr. Krishnan Subramania Raman, Executive Director                       | 0.44                         | 0.00                         |
| Mr. Buvanesh Tharashankar, Chief Financial Officer (upto July 19, 2023) | 0.59                         | 1.54                         |
| Mr. Abhilash Sandur, Chief Financial Officer (w.e.f. July 20, 2023)     | 0.50                         | 0.00                         |
| Mrs. Lakshmi R N, Company Secretary                                     | 0.54                         | 0.38                         |
|                                                                         | <b>8.10</b>                  | <b>8.13</b>                  |

- Remuneration paid excludes value of employee stock options exercised during the year.
- Excludes provision for Bonus and retiral benefits, as the provision is made in total and are not allocated against the key managerial personnel.

**4. Equity Share Capital**

| Particulars                                                                                                  | Year ended March 31, 2024 |                    | Year ended March 31, 2023 |                    |
|--------------------------------------------------------------------------------------------------------------|---------------------------|--------------------|---------------------------|--------------------|
|                                                                                                              | No. of Shares             | Transaction Amount | No. of Shares             | Transaction Amount |
| (i) Directors                                                                                                | -                         | -                  | -                         | -                  |
| (ii) Key Management Personnel (KMP)*                                                                         | 3,82,543                  | 0.39               | -                         | -                  |
| (iii) Relatives of Directors & KMP                                                                           | -                         | -                  | -                         | -                  |
| (iv) Enterprises over which KMP/Directors /relatives of KMP & Directors have control / significant influence | -                         | -                  | -                         | -                  |

\* Includes Preference Shares issued as mentioned below and converted into equity shares @ 302.98 per share during the year

**Preference Share Capital**

| Particulars                        | Year ended March 31, 2024 |                    | Year ended March 31, 2023 |                    |
|------------------------------------|---------------------------|--------------------|---------------------------|--------------------|
|                                    | No. of Shares             | Transaction Amount | No. of Shares             | Transaction Amount |
| (i) Key Management Personnel (KMP) | 88,66,710                 | 8.87               | -                         | -                  |

**5. Other Transactions with Enterprises over which KMP/Directors /relatives of KMP & Directors have control / significant influence**

| Particulars                         | As at and for the year<br>ended March 31, 2024 | As at and for the year ended<br>March 31, 2023 | Nature of the<br>Transaction |
|-------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------|
| (i) Closing Balance                 | 3.61                                           | 2.74                                           | Royalty Expense              |
| (ii) Highest balance                | 5.05                                           | 3.51                                           | Royalty Expense              |
| (iii) Transaction                   | 12.20                                          | 9.96                                           | Royalty Expense              |
| (iv) Closing Balance                | 0.04                                           | -                                              | Bank Guarantee               |
| (v) Highest balance during the year | 0.04                                           | -                                              | Bank Guarantee               |
| (vi) Transaction during the year    | 0.04                                           | -                                              | Bank Guarantee               |



**JANA SMALL FINANCE BANK LIMITED**  
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**  
*(All amounts are in Indian Rupees in Crores unless otherwise stated)*

**18. Disclosure of Complaints**

**a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman**

| Particulars                                                                                      | March 31, 2024 | March 31, 2023 |
|--------------------------------------------------------------------------------------------------|----------------|----------------|
| <b>Complaints received by the bank from its customers</b>                                        |                |                |
| 1. Number of complaints pending at beginning of the year                                         | 231            | 201            |
| 2. Number of complaints received during the year                                                 | 4,317          | 5,708          |
| 3. Number of complaints disposed during the year                                                 | 4,286          | 5,678          |
| 3.1 Of which, number of complaints rejected by the bank                                          | 0              | 0              |
| 4. Number of complaints pending at the end of the year                                           | 262            | 231            |
| <b>Maintainable complaints received by the bank from OBOs</b>                                    |                |                |
| 5. Number of maintainable complaints received by the bank from OBOs                              | 219            | 227            |
| 5.1 Of 5, number of complaints resolved in favour of the bank by OBOs                            | 193            | 215            |
| 5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by OBOs | 23             | 11             |
| 5.3 Of 5, number of complaints resolved after passing of Awards by OBOs against the bank         | -              | -              |
| 6. Number of Awards unimplemented within the stipulated time (other than those appealed)         | -              | -              |

Note:

- Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.
- Details of maintainable complaints received by the Bank from Office of Ombudsman and number of Awards unimplemented within the stipulated time are not included above, as these have not been received from Consumer Education and Protection Department, RBI till date.
- The above disclosure does not include 489 complaints which were closed within next working day (As per the section 16.5 of the RBI's Master Circular on Customer Service in banks dated July 01, 2015, all complaints redressed within next working day need not be included in the statement of complaints).

**b) Top five grounds of complaints received by the bank from customers**

| Grounds of complaints,<br>(i.e. complaints relating to) | Number of<br>complaints<br>pending at the<br>beginning of<br>the year | Number of<br>complaints<br>received during<br>the year | % increase/<br>decrease in the<br>number of<br>complaints<br>received over the<br>previous year | Number of<br>complaints<br>pending at the<br>end of the year | Of 5, number of<br>complaints<br>pending beyond<br>30 days |
|---------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------|
| <b>March 31, 2024</b>                                   |                                                                       |                                                        |                                                                                                 |                                                              |                                                            |
| Deposit Accounts                                        | 8                                                                     | 1,102                                                  | -25%                                                                                            | 12                                                           | -                                                          |
| ATM / Debit Cards                                       | 29                                                                    | 917                                                    | -4%                                                                                             | 26                                                           | -                                                          |
| Loans & advances                                        | 12                                                                    | 1,239                                                  | -17%                                                                                            | 7                                                            | 1                                                          |
| Net Banking /Mobile Banking/Point of Sales              | 57                                                                    | 890                                                    | -39%                                                                                            | 56                                                           | -                                                          |
| Staff Behaviour                                         | -                                                                     | 91                                                     | -41%                                                                                            | 3                                                            | -                                                          |
| Others                                                  | 125                                                                   | 78                                                     | -55%                                                                                            | 158                                                          | -                                                          |
| <b>Total</b>                                            | <b>231</b>                                                            | <b>4,317</b>                                           | <b>-24%</b>                                                                                     | <b>262</b>                                                   | <b>1</b>                                                   |

| Grounds of complaints,<br>(i.e. complaints relating to) | Number of<br>complaints<br>pending at the<br>beginning of<br>the year | Number of<br>complaints<br>received during<br>the year | % increase/<br>decrease in the<br>number of<br>complaints<br>received over the<br>previous year | Number of<br>complaints<br>pending at the<br>end of the year | Of 5, number of<br>complaints<br>pending beyond<br>30 days |
|---------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------|
| <b>March 31, 2023</b>                                   |                                                                       |                                                        |                                                                                                 |                                                              |                                                            |
| Deposit Accounts                                        | 13                                                                    | 1,476                                                  | -23%                                                                                            | 8                                                            | -                                                          |
| ATM / Debit Cards                                       | 20                                                                    | 951                                                    | 5%                                                                                              | 29                                                           | 1                                                          |
| Loans & advances                                        | 31                                                                    | 1,485                                                  | 14%                                                                                             | 12                                                           | -                                                          |
| Net Banking /Mobile Banking/Point of Sales              | 52                                                                    | 1,467                                                  | 9%                                                                                              | 57                                                           | -                                                          |
| Staff Behaviour                                         | 3                                                                     | 155                                                    | -21%                                                                                            | -                                                            | -                                                          |
| Others                                                  | 82                                                                    | 174                                                    | -26%                                                                                            | 125                                                          | -                                                          |
| <b>Total</b>                                            | <b>201</b>                                                            | <b>5,708</b>                                           | <b>-3%</b>                                                                                      | <b>231</b>                                                   | <b>1</b>                                                   |



**JANA SMALL FINANCE BANK LIMITED****SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)***(All amounts are in Indian Rupees in Crores unless otherwise stated)***19. Off balance sheet SPVs**

During the year ended March 31, 2024, there are no off balance sheet SPVs sponsored by the Bank, which needs to be consolidated as per accounting norms (March 31, 2023: Nil).

**20. Transfers to Depositor Education and Awareness Fund (DEAF)**

During the year ended March 31, 2024, no amount was required to be transferred to Depositor Education and Awareness Fund. (March 31, 2023: Nil)

**21. Penalties levied by the RBI**

During the year ended March 31, 2024, no penalty was imposed by the Reserve Bank of India on the Bank. (March 31, 2023: Nil)

**22. Other Disclosures****a) Business ratio**

| Particulars                                                                                  | March 31, 2024 | March 31, 2023 |
|----------------------------------------------------------------------------------------------|----------------|----------------|
| i) Interest income as a percentage to working funds <sup>1</sup>                             | 14.19%         | 13.61%         |
| ii) Net interest income as a percentage to working funds <sup>1</sup>                        | 7.52%          | 7.35%          |
| iii) Non-interest income as a percentage to working funds <sup>1</sup>                       | 2.37%          | 2.77%          |
| iv) Cost of Deposits                                                                         | 7.67%          | 6.93%          |
| v) Net Interest Margin <sup>2</sup>                                                          | 8.00%          | 7.84%          |
| vi) Operating profit <sup>3</sup> as a percentage to working funds <sup>1</sup>              | 4.22%          | 4.43%          |
| vii) Return on average assets <sup>4</sup>                                                   | 2.37%          | 1.13%          |
| viii) Return on Equity Ratio <sup>5</sup>                                                    | 26.85%         | 16.70%         |
| ix) Debt-Equity Ratio <sup>6</sup>                                                           | 1.46           | 3.53           |
| x) Business <sup>7</sup> (deposit plus net advances) per employee <sup>8</sup> (in ₹ crores) | 1.94           | 1.85           |
| xi) Profit per employee <sup>8</sup> (in ₹ crores)                                           | 0.0327         | 0.0156         |
| xii) Provision coverage ratio <sup>9</sup>                                                   | 73.70%         | 34.01%         |

1. Working funds represent the monthly average of total assets (excluding accumulated losses, if any) computed for reporting dates of Form X submitted to RBI under Section 27 of the Banking Regulation Act, 1949 for the current year.

2. Net Interest Income/ Average Earning Assets. Net Interest Income= Interest Income – Interest Expense

3. Operating profit is net profit for the year before provisions and contingencies.

4. Return on average assets is computed with reference to average working funds.

5. Return on equity ratio is computed with reference to monthly average of total equity (including reserve & surplus).

6. Debt equity ratio is computed with reference to total borrowings to total equity as of financial year end.

7. "Business" is the total of net advances and deposits (net of inter-bank deposits).

8. Productivity ratios are based on average employee number.

9. Provision coverage ratio does not include technical write offs. Including technical write off, Provision coverage ratio is 96.82% (March 31, 2023: 88.88%).

**b) Bancassurance business**

| Nature of Income                               | March 31, 2024 | March 31, 2023 |
|------------------------------------------------|----------------|----------------|
| Towards selling of life insurance policies     | 59.91          | 20.68          |
| Towards selling of non-life insurance policies | 19.05          | 6.45           |
| <b>Total</b>                                   | <b>78.96</b>   | <b>27.13</b>   |

**c) Marketing and distribution**

The Bank has received ₹ 32.48 crores in respect of Marketing and Distribution function (excluding bancassurance business) during the year ended March 31, 2024 (March 31, 2023: Nil).



**JANA SMALL FINANCE BANK LIMITED**
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

(All amounts are in Indian Rupees in Crores unless otherwise stated)

**d) Priority Sector Lending Certificates ('PSLCs'):**

The Bank enters into transactions for the sale or purchase of Priority Sector Lending Certificates (PSLCs). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligation and in the case of a purchase transaction the Bank buys the fulfilment of priority sector obligation through RBI trading platform. There is no transfer of risks or loan assets in such transactions. The details of purchase / sale of PSLC during the year are as under:

| PSLC Category              | March 31, 2024 |                 | March 31, 2023  |                 |
|----------------------------|----------------|-----------------|-----------------|-----------------|
|                            | PSLC Bought    | PSLC Sold       | PSLC Bought     | PSLC Sold       |
| Agriculture                | -              | -               | 1,100.00        | -               |
| Small and Marginal Farmers | -              | 3,650.00        | -               | 1,425.00        |
| Micro Enterprises          | -              | 2,400.00        | -               | 700.00          |
| General                    | -              | -               | -               | 1,450.00        |
| <b>Total</b>               | <b>-</b>       | <b>6,050.00</b> | <b>1,100.00</b> | <b>3,575.00</b> |

**e) Provisions and Contingencies**

Break up of 'Provisions and Contingencies' shown under the head 'Expenditure' in Profit and Loss Account

| Particulars                                                    | March 31, 2024 | March 31, 2023 |
|----------------------------------------------------------------|----------------|----------------|
| (i) Provision for NPI                                          | -              | -              |
| (ii) Provision towards NPA (including bad debts written off) # | 592.56         | 684.64         |
| (iii) Provision made towards Income tax                        | (155.19)       | -              |
| (iv) Other Provisions and Contingencies                        |                |                |
| Provision for standard assets*                                 | (46.57)        | 81.89          |
| Provision for restructured standard assets (including DIFV)    | (4.95)         | (22.36)        |
| Provisions for depreciation on Investment                      | 137.66         | (0.01)         |
| Provisions for frauds and others                               | 0.26           | 0.24           |
| <b>Total</b>                                                   | <b>523.77</b>  | <b>744.40</b>  |

\* Provision is maintained at rates higher than the regulatory minimum, on standard advances based on evaluation of the risk and stress in unsecured advances in SMA category as approved by the Board. Additional provision of ₹ 4.51 crores on standard advances is made as at March 31, 2024 (March 31, 2023: 71 crores)

# Provision is maintained at rates higher than the regulatory minimum, on sub-standard advances based on evaluation of the risk and stress in unsecured advances in sub-standard category as approved by the Board. Additional provision of ₹ 143.00 crores on sub-standard advances is made as at March 31, 2024 (March 31, 2023: Nil crores)

**f) Disclosure of material items**

(i) Details of "Miscellaneous Income" under the head "Schedule 14-Other Income" exceeding one per cent of total income

| Particulars                          | March 31, 2024 | March 31, 2023 |
|--------------------------------------|----------------|----------------|
| Income from Sale of PSL Certificates | 51.63          | 49.52          |
| Income of Sale of assets to ARCs     | 85.31          | 186.59         |
| Recoveries from written off accounts | 36.21          | 70.65          |

(ii) Details of "Other expenditure" under the head "Schedule 16-Operating Expenses exceeding one percent of the total income

| Particulars                                      | March 31, 2024 | March 31, 2023 |
|--------------------------------------------------|----------------|----------------|
| Travel and conveyance                            | 64.64          | 47.83          |
| Professional fees (including technology expense) | 201.02         | 147.96         |

(iii) Details of Other Liabilities and Provisions "Others" exceeds one per cent of the total assets.

| Particulars                     | March 31, 2024 | March 31, 2023 |
|---------------------------------|----------------|----------------|
| Expense Provision               | 178.93         | 115.51         |
| Employees related provision     | 49.32          | 40.45          |
| TDS and GST Provision           | 28.38          | 19.55          |
| Provision for Rent Equalisation | 13.83          | 15.18          |
| Insurance related liability     | 4.08           | 4.83           |
| Pending Settlement Transactions | 3.03           | 1.94           |
| Others                          | 153.57         | 97.28          |
| <b>Total</b>                    | <b>431.14</b>  | <b>294.74</b>  |



**JANA SMALL FINANCE BANK LIMITED****SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)***(All amounts are in Indian Rupees in Crores unless otherwise stated)***g) Inter-bank Participation (IBPC) with risk sharing**

The Bank has raised funds through of issue of IBPCs with risk sharing. The outstanding balance of IBPC (risk sharing) is ₹ Nil as on March 31, 2024, (March 31, 2023: ₹ 1,135 crores).

**h) Implementation of IFRS converged Indian Accounting Standards (Ind AS)**

The Ministry of Corporate Affairs, in its press release dated January 18, 2016, had issued a roadmap for implementation of Indian Accounting Standards (IND-AS) for scheduled commercial banks, insurers/insurance companies and non-banking financial companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. This roadmap required these institutions to prepare IND-AS based financial statements for the accounting periods beginning April 1, 2018 with comparatives for the periods beginning April 1, 2017. The implementation of IND-AS by banks requires certain legislative changes in the format of financial statements to comply with the disclosures required under IND-AS. In April 2018, the RBI deferred the implementation of IND-AS by a year by when the necessary legislative amendments were expected. The legislative amendments recommended by the RBI are under consideration by the Government of India. Accordingly, the RBI, through its circular dated March 22, 2019, deferred the implementation of IND-AS until further notice.

**i) Payment of DICGC Insurance Premium**

| Particulars                                           | March 31, 2024 | March 31, 2023 |
|-------------------------------------------------------|----------------|----------------|
| i) Payment of DICGC Insurance Premium (Including GST) | 19.65          | 16.06          |
| ii) Arrears in Payment of DICGC Premium               | -              | -              |
| <b>Total</b>                                          | <b>19.65</b>   | <b>16.06</b>   |

**j) Proposed Dividend**

During the year ended March 31, 2024 the Bank has not proposed any dividend (March 31, 2023: Nil)

**k) Disclosure of Letters of Comfort (LoC) issued by the Bank**

The Bank has not issued letter of comfort during the year ended March 31, 2024 (March 31, 2023: Nil)

**l) Investor education and protection fund**

There is no amount required to be transferred to Investor Education and Protection Fund by the Bank for the year ended March 31, 2024, (March 31, 2023: Nil).

**m) Details of payments to Auditors as per the Profit and Loss Account**

| Particulars            | March 31, 2024 | March 31, 2023 |
|------------------------|----------------|----------------|
| Audit Fees             | 1.18           | 1.18           |
| Tax audit fees         | 0.02           | 0.02           |
| Other services         | 0.00           | 0.02           |
| Out-of pocket expenses | 0.17           | 0.07           |
| <b>Total</b>           | <b>1.37</b>    | <b>1.29</b>    |

The table above excludes the payments made to auditors towards IPO related services.

**n) Long term contracts**

The Bank has a process whereby periodically all long term contracts including derivative contracts if any, are assessed for material foreseeable losses. At the year end, the Bank has reviewed and ensured that no provision is required under any law or accounting standard on such long term contracts as on March 31, 2024 (March 31, 2023: Nil).

**o) Provision for credit card and debit card reward points**

The Bank is not providing any reward points on debit cards. Further the Bank has not issued any credit card during year ended March 31, 2024, (March 31, 2023: Nil).



**JANA SMALL FINANCE BANK LIMITED**
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

(All amounts are in Indian Rupees in Crores unless otherwise stated)

**p) Deferred Tax Assets**

As at 31st March 2023, the Bank had carried forward business losses of ₹ 933.33 crores and unabsorbed depreciation of ₹ 143.45 crores. The Bank did not recognise the deferred tax asset on such unabsorbed depreciation and carried forward business losses in the absence of reasonable/virtual certainty. Due to consistently improving profitability, the Bank has reassessed the reasonable/virtual certainty of adjusting brought forward depreciation/business loss against future profits and basis such reassessment, during the quarter, the Bank has recognised deferred tax asset of ₹ 155.19 crores. Deferred tax asset of ₹ 802.43 crores has not been recognised on the balance carried forward losses in the absence of virtual certainty of having taxable profit in the future years.

| Particulars                                                 | March 31, 2024 | March 31, 2023 |
|-------------------------------------------------------------|----------------|----------------|
| <b>Deferred tax asset arising out of:</b>                   |                |                |
| Loan loss and contingencies                                 | -              | -              |
| Employee benefits                                           | 43.69          | -              |
| Depreciation                                                | 111.50         | -              |
| Others                                                      | -              | -              |
| <b>Total (a)</b>                                            | <b>155.19</b>  | <b>-</b>       |
| <b>Deferred tax liability arising out of:</b>               |                |                |
| Special reserve u/s 36(1)(viii) of the Income tax act, 1961 | -              | -              |
| Unrealised MTM on derivatives                               | -              | -              |
| <b>Total (b)</b>                                            | <b>-</b>       | <b>-</b>       |
| <b>Deferred tax asset (net) (a-b)</b>                       | <b>155.19</b>  | <b>-</b>       |

**q) Leases**

Operating lease primarily comprises of office premises; which are renewable at the option of the Bank. The following table sets forth the details of future rentals payable on non-cancellable operating leases:

| Particulars                                                   | March 31, 2024 | March 31, 2023 |
|---------------------------------------------------------------|----------------|----------------|
| Not later than one year                                       | 5.01           | 5.26           |
| Later than one year but not later than five years             | 3.79           | 8.89           |
| Later than five years                                         | -              | -              |
| Minimum lease payments recognised in Profit and Loss Account  | 86.85          | 75.41          |
| - Of which lease expense pertaining to non-cancellable leases | 5.22           | 5.24           |

The terms of renewal and escalation clauses are those normally prevalent in similar agreements, there are no undue restrictions or onerous clauses in the agreement. All other operating lease agreements entered into by the Bank are cancellable in nature.

The Bank has not sub-leased any of the properties taken on lease. There are no provisions relating to contingent rent.

**r) Corporate Social Responsibility (CSR)**

Gross amount required to be spent on CSR activities by the Bank for the year ended March 31, 2024 is ₹ 2.36 crores (March 31, 2023: 0.87 crores) under section 135 of the Companies Act, 2013.

**I) Amount spent during the year ended March 31, 2024**

| Particulars                           | Amount spent | Amount unpaid /provision | Total       |
|---------------------------------------|--------------|--------------------------|-------------|
| i) Construction /acquisition of asset | 1.88         | -                        | 1.88        |
| ii) on purpose other than (i) above   | 0.52         | -                        | 0.52        |
| <b>Total</b>                          | <b>2.40</b>  | <b>-</b>                 | <b>2.40</b> |

**II) Amount spent during the year ended March 31, 2023**

| Particulars                           | Amount spent | Amount unpaid /provision | Total       |
|---------------------------------------|--------------|--------------------------|-------------|
| i) Construction /acquisition of asset | 0.68         | -                        | 0.68        |
| ii) on purpose other than (i) above   | 0.19         | -                        | 0.19        |
| <b>Total</b>                          | <b>0.87</b>  | <b>-</b>                 | <b>0.87</b> |



**JANA SMALL FINANCE BANK LIMITED****SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)***(All amounts are in Indian Rupees in Crores unless otherwise stated)***s) Small and micro industries**

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. The disclosure for the year ended March 31, 2024 is as below (March 31, 2023: Nil).

| Particulars                                                                                                                                                                                                     | Principal | Interest |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|
| The principal amount and the interest due thereon remaining unpaid to any supplier                                                                                                                              | 0.02      | 0.00 ^   |
| The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date                                                                  | 0.36      | Nil      |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006 | Nil       | 0.00 ^   |

^ Amount represents value less than 15,000/-

The above disclosure is based on the information available with the Bank which has been relied upon by the auditors.

**t) Change in accounting policy**

The Bank has followed consistently the same significant accounting policies in the preparation of these financial results for the quarter with those followed in the annual financial statements for the year ended March 31, 2023, except for the following (a). Any circular/direction issued by the RBI is implemented prospectively when it becomes applicable, unless specifically required under those circulars/directions.

(a) Pursuant to RBI Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function Staff, new stock options granted to Whole Time Directors, Chief Executive Officers and Material Risk Takers on or after April 01, 2021, the Bank was recognising the cost at fair value on the date of grant using Black-Scholes model. During the quarter, pursuant to RBI advisory, the Bank has changed its accounting policy in respect of share based payment to all employees from intrinsic value method to fair value method for stock options granted after March 31, 2021 and consequently the Bank has recognised fair value of options estimated using Black-Scholes model, as compensation expense over the vesting period and recognised additional provision of ₹ 8.71 crores on March 31, 2024 as employees' stock option expenses..

**u) Accounting Software Used for maintenance of Books of Accounts**

As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Bank uses only such accounting software for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made within such accounting software. This feature of recording audit trail has operated throughout the year and was not disabled, tampered with during the year, except for the situations noted below where in during the year the audit trail feature was not enabled for –

- Masters in one accounting software and
- Databases used for accounting software used in maintenance of books and records.

**v) Royalty Expenses**

The SEBI, as part of the approval process of the Draft Red Herring Prospectus, had observed that the trademark agreement, as part of which royalty is being paid to a related party, is in the nature of a special financial right and accordingly was advised to terminate the said agreement unless shareholder's approval is taken through special resolution upon listing. The Bank believes that the continuation of the trademark agreement is in the interest of the Bank and therefore it would seek shareholders' approval through special resolution at the ensuing AGM. Pending such approval, the Bank has made a provision of ₹ 3.61 crore for the quarter March 31, 2024 towards royalty payable on the basis of trademark agreement.

**w) Portfolio-level information on the use of funds raised from green deposits.**

The Bank has not raised green deposits on or after June 1, 2023 based on the Framework for the acceptance of Green deposits issued by RBI.

**x) Code on Social Security**

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and postemployment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. The effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are not yet issued. The Bank will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**y) Listing requirement for equity shares of the Bank**

The Bank has completed the process of Initial Public Offer (IPO) and raised ₹ 462 crores by issue of 1.12 crores of equity shares having face value of ₹ 10 each at ₹ 414 per share. Equity shares of the Bank listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE) on 14 February 2024. The Bank has incurred share issue expenses towards IPO activity, which is charged-off to securities Premium account in accordance with section 52 Companies Act, 2013.

**z) IPO Expenses**

The bank incurred expenses in connection with Initial Public Offer ("IPO"). Which include payment made to Merchant Bankers, Legal Counsel, Statutory Auditors, and other incidental expenses amounting to for the year ending March 31, 2024 ₹ 32.61 crores (March 31, 2023: ₹ 2.15 crores). In accordance with the accounting policy approved by the Board, the provision of the Companies Act 2013, and Banking Regulation Act, 1949 the Share Issue Expenses are eligible to drawn from share premium account.



**JANA SMALL FINANCE BANK LIMITED**

**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)**

*(All amounts are in Indian Rupees in Crores unless otherwise stated)*

**aa) Disclosure under Rule 11 (e) of the Companies (Audit and Auditors) Rules, 2014**

The Bank, as part of its normal banking business, grants loans and advances to its constituents including foreign entities with permission to lend or invest or provide guarantee or security or the like in other entities identified by such constituents. Similarly, the Bank accepts deposits from its constituents, who may instruct the Bank to lend/invest/provide guarantee or security or the like against such deposit in other entities identified by such constituents. These transactions are part of Bank's normal banking business, which is conducted after exercising proper due diligence including adherence to "Know Your Customer" guidelines as applicable in respective jurisdiction.

Other than the nature of transactions described above, the Bank has not advanced / lent / invested / provided guarantee or security to or in any other person with an understanding to lend/invest/provide guarantee or security or the like to or in any other person. Similarly, other than the nature of transactions described above, the Bank has not received any funds from any other person with an understanding that the Bank shall lend or invest or provide guarantee or security or the like to or in any other person.

**ab) Comparatives**

Figures for the previous year have been regrouped and reclassified wherever necessary to conform with the current year's presentation.

As per our report of even date

**For M M Nissim & Co LLP**

**Chartered Accountants**

ICAI Firm Registration No.107122W/W100672

Navin Kumar Jain

Partner

Membership Number: 090847

Bengaluru, April 29, 2024



**For Brahmayya & Co.,**

**Chartered Accountants**

ICAI Firm Registration No:0005155

G. Srinivas

Partner

Membership No: 086761

Bengaluru, April 29, 2024



**For and on behalf of the Board of Directors**

Krishnan Subramania Raman  
Executive Director  
DIN: 10380292

R. Ramaseshan  
Independent Director  
DIN: 00200373

Lakshmi R N  
Company Secretary

Bengaluru, April 29, 2024

Ajay Kanwal  
Managing Director & CEO  
DIN: 07886434

Abhilash Sandur  
Chief Financial Officer

