

JANA SMALL FINANCE BANK

(A Scheduled Commercial Bank)

• Annual Report • 2023-24





ACROSS THE REPORT

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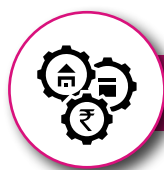
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KEY HIGHLIGHTS



Assets

RS. 24,746 CRS / 24.9%

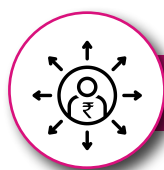
ADVANCES¹ / GROWTH (YOY)

RS. 17,605 CRS / 18.9%

DISBURSEMENTS / GROWTH (YOY)

60% [56%]

SHARE OF SECURED ADVANCES¹



Liabilities

RS. 22,571 CRS / 38.2%

DEPOSITS / GROWTH (YOY)

61.0% [70.2%]

RETAIL DEPOSITS

7.8% [7.0%]

COST OF FUNDS



Asset Quality

2.0% [3.6%]

GROSS NPA*

0.5% [2.4%]

NET NPA*

74% [34%]

PROVISION COVERAGE RATIO



Capital Structure

3,577 CRS [1,797 CRS]

NET WORTH

20.3% [15.6%]

CRAR

19.0% [13.0%]

TIER I CAPITAL ADEQUACY RATIO

¹Advances includes IBPC & Securitisation Book.

*Advance for the purpose of GNPA/NNPA calculation includes Securitization and Direct Assignment book.
Figures in [] represent FY23 data

KEY HIGHLIGHTS



Operational Metrics

808 [754]

BANKING OUTLETS

22/2

PRESENCE IN STATES/UTS

5.44 MN [4.57 MN]

ACTIVE CUSTOMERS



Ratios

2.4% [1.1%]

ROA

26.9% [16.7%]

ROE

8.0% [7.8%]

NIM



P&L Metrics

RS. 670 CRS [256 CRS]

PAT

RS. 1,193 CRS [1,000 CRS]

PPOP

RS. 2,127 CRS [1,660 CRS]

NII

PAT, ROA, ROE and Networth is after considering DTA of Rs. 155 crores.

OUR JOURNEY

4th largest Small Finance Bank in India in terms of AUM and deposit size as at September 30, 2023

Serving **underbanked and underserved** customers for over **16 years**

Focusing on a **customer centric** approach to make Jana a '**one stop shop**' for customers

Focus on **diversifying** advances by accelerating the **secured loans book**

Focused on **MSME and Supply Chain** with a secured/ end use mindset

Strong Technology Base with increasing digitization at the core

Access to **Low-cost Diversified Retail Deposit** base

Strong emphasis on **Good Corporate Governance**

2006

Incorporated as **Janalakshmi Financial Services Private Limited**

2008

Acquired **NBFC** Registration from RBI

2013

Converted to **NBFC-MFI**

2015

Converted into a **Public Limited Company**

2017

Small Finance Bank Licence granted by RBI

2018

Launch of **SFB** &
Launched **Gold Loans**

2019

Became a **Scheduled Commercial Bank** &
Launched **Affordable Housing Loans**

2021

AUM crosses
Rs. 150,000 Million

2020

Launched **2 Wheeler Loans**, **Digital Account Opening** & **KYC Process**

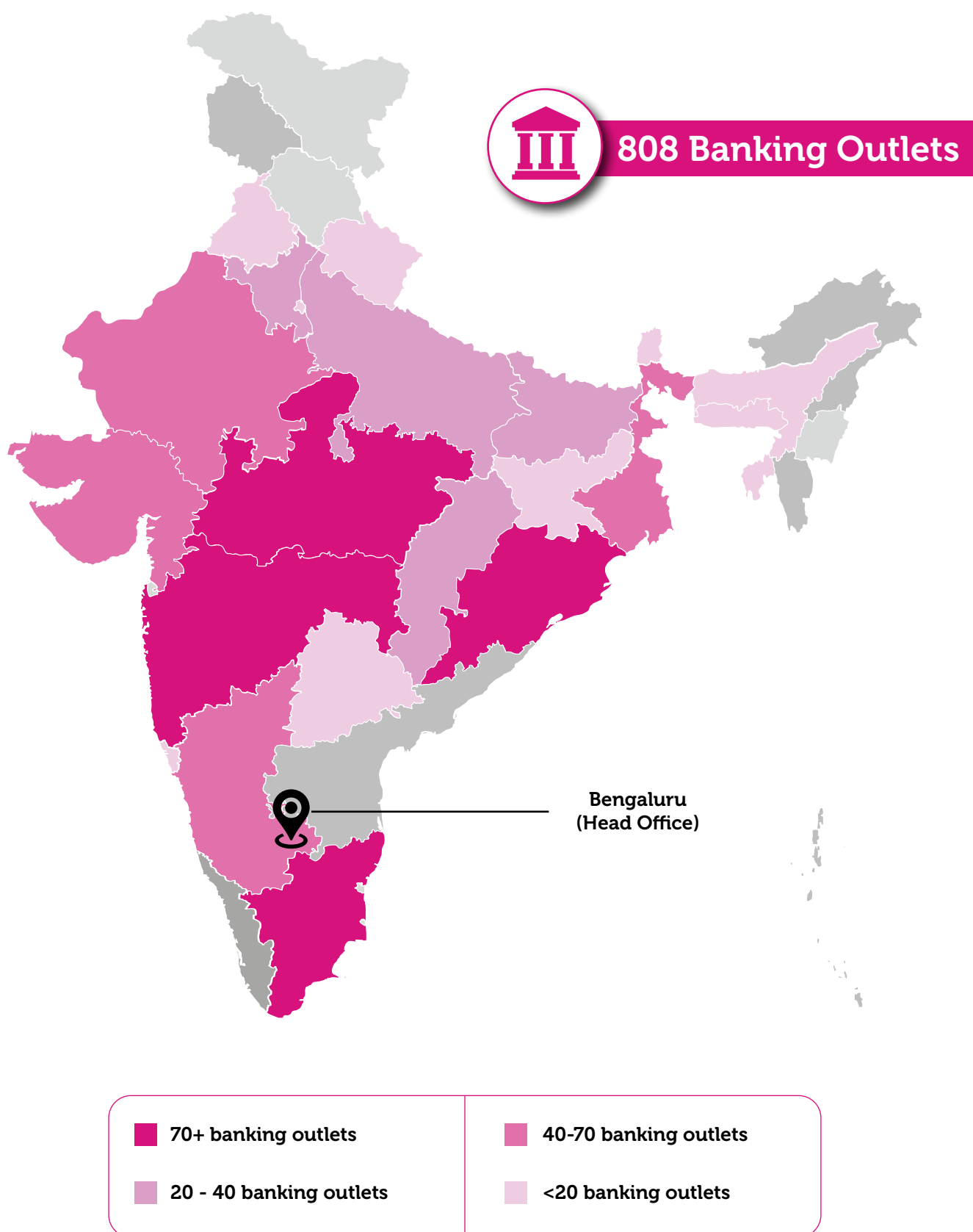
2023

AUM crosses **Rs. 200,000 Million**,
Crossed **750 Branches**

2024

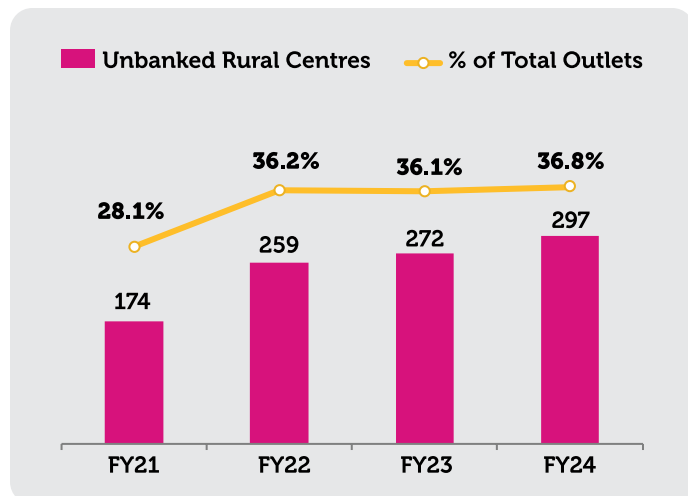
Listed on
BSE and NSE

DISTRIBUTION OF BANK BRANCHES

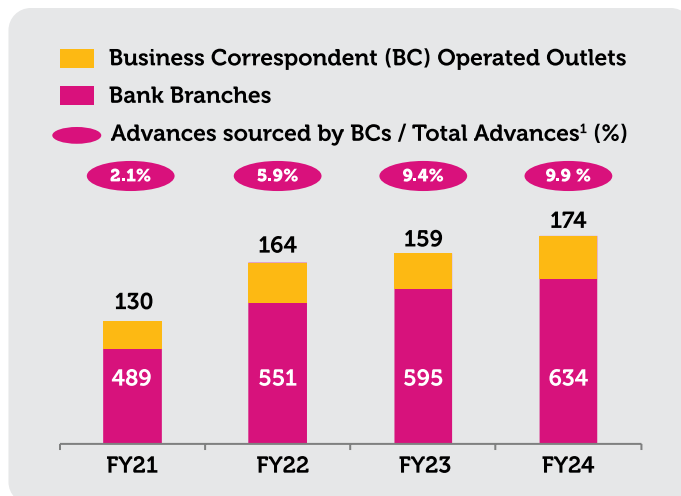


*As on 31st March, 2024

Presence in Unbanked Rural Centers



MFI through BCs



Key customer and delivery channel metrics



¹Advances includes IBPC & Securitisation Book

*As on 31st March, 2024

The Chairman's Message



Dear Stakeholders,

I am delighted to present to you the annual report for the financial year 2023-24. The year has proven to be very eventful for the bank, highlighted by the successful issue of the IPO, and its listing on the stock exchange. It has been a year of significant achievements fueled by our commitment to efficiency, customer-centricity, and good governance, and will forever hold a special place in our hearts.

Financial journey

During FY 2023-24, Jana Small Finance Bank witnessed its highest ever profit (after tax) of Rs. 670 crore, driven by our constantly improving asset quality. We have been able to operate with GNPA at 2.00% and NNPA at 0.5% (vs. 3.6% and 2.4% respectively last year), which is a clear reflection of the bank's strong risk management policy and sound growth strategy.

One of the key strategies is to grow the secured portfolio, focused on building a resilient bank. 59.6% of our assets are now secured. Our loan book grew by 24.9% during the year reaching Rs. 24,746 crore mark and the deposit book grew by 38% to Rs. 22,561 crore. This remarkable growth performance is a result of the hard work put in by our 21800 dedicated employees spread across 808 branches in 22 States & 2 UTs. 36.8% of our branches are in the unbanked and under-banked rural locations. The bank has a healthy capital adequacy ratio of 20.3%, and a provision coverage ratio of 73.7%.

Strong Leadership

We have a balanced Board with diverse experience and expertise. We have a strong management team with average experience of 27 years, ably led by Mr Ajay Kanwal, MD & CEO, who has recently been reappointed for a further 3-year term.

Technologically Driven Bank

Our relentless pursuit of efficiency is an outcome of our consistent emphasis on integrating technology into various facets of our operations. Whether it is leveraging BOTs for process automation or continually refining our applications, we remain fully committed to embracing technology for improving efficiency, bolstering customer service, and reducing Turnaround Time (TAT). At the same time, as a digitally driven bank, we are conscious of our responsibility towards data security, privacy and digital safety which are non-negotiable.

A Relationship-focused Bank

This year, we plan to deepen our already existing commitment to the noble national objective of financial inclusion of the under-served section of the society by deepening our customer relationship in all possible ways including offering multiple new banking products with a focused approach. We have taken up CSR activities spanning over 40 geographically dispersed projects in the areas of health, education, skill development, environment protection and the like, coordinated by our dedicated employees, with an objective of solidifying our bond with the community and reinforcing our core values as a responsible stakeholder in the society.

A trust-oriented Bank

We believe a good bank is the outcome of well defined strategy, good leadership, happy employees and most importantly good governance with strong belief in the values of honesty, discipline, respect and service. While we are committed to provide sustainable banking solutions to all with priority for MSME, rural, agriculture, retail, housing, vehicles, and micro-finance, we also strive for environmental protection, developing resilience against adverse impact of climate change, and for gender balance. This is how we would like to define who we are today.

A forward-looking Bank for the future

Reflecting on the remarkable journey of Jana Small Finance Bank, I am filled with overwhelming gratitude to all the stakeholders who have participated in our evolution. I extend my heartfelt thanks to each one of you for being an integral part of it. Your contributions and unwavering belief in us have been instrumental in making this journey possible. As we continue to progress as a forward-looking and futuristic bank, we count upon your support and trust, which will propel us towards excellence.

Thank you.

Dr. Subhash Khuntia

Part-Time Chairman and Independent Director

The MD & CEO's Message



Dear Stakeholders,

This year your Bank turned 6. Each year we add a solid building block to our Bank's foundation in our journey to become the leading digitized bank serving an aspirational India. This is a multi-year marathon has to be accomplished by one year sprints. Sprint 6.0 i.e. the Year 23-24 as we have turned 6 years old as a Bank, has been yet another significant year.

Being a leading bank means following the customer's life cycle journey, meeting a multitude of Banking requirements at every stage and becoming an anchor bank to our customers. Getting customers satisfied first gives us the right to grow with our customers. This means offering a full suite of products and services, multi-channel delivery and high levels of customer satisfaction and relationship management. It's challenging and very rewarding.

Sprint 6.0 i.e. 23-24 has made us a listed Bank, after a successful IPO. We increasingly reflect our customer's balance sheet as the Bank's largest asset base has the customer's anchor asset – his or her property. This asset also signifies a long relationship with each customer and his family and dovetails perfectly in our long term growth plans. It also makes it become a secure and diversified Bank.

Our growth rates reflect our age – outgrowing our clothes and shoes each year. At this tender age, we also battled COVID with no vaccines possible – just hard work, patience and belief. Our immunity systems have been over strengthened by this unexpected crisis. While GNPA and NNPA are back to pre Covid levels we additionally are well trained ourselves to fight the worst and succeed in the future too.

Our focus on risk management philosophy has driven us to be geographically diversified and this approach

took a few years to settle down, it is more intense and demanding than a geographically concentrated approach. We are proud to be in 24 states with 21,800 employees and the maximum asset or liability concentration is at 13%, a valuable quality in our tender age; both sustainable and supportive of growth.

Customer is core, Digital is transformational and Employees hold the key. Service and Governance cement the three for a solid foundation.

Customer is the Core and family makes the core even stronger.

All customers irrespective of economic strata, want the best – one stop, hassle-free, quick and maximum benefits. Customers always wanted it but given cost of delivery and low ticket sizes, most banks prioritized serving the affluent segment. Now with digital processes, geographical reach and focus from banks like ours, we can fulfill a wide spectrum of segments across variety of customer needs.

India is a fast-growing economy, with growing GDP per capita and growing urbanization. Banks have limitless opportunities to sustainably serve aspirational India.

Digital is transformational.

Digital is now everywhere with AI promising a generational shift in approach. We are fully invested and reinventing ourselves with new technologies every day. We cannot say we have arrived as there will always be something more, including cyber security, going digital, safely is key both for us and the customer.

For us, Digital has now moved from trial to embedded experience i.e. user – experience. Our mobile banking platform being rated 4.6 on play store speaks volumes about our ongoing commitment to innovation and service enhancement. Most of our onboarding and transactional banking happens digitally, bringing greater efficiencies and superior turnaround time. Additionally, our efforts were recognized in 2023 when we were honored with the Best Fintech & DPI Adoption award by the Indian Banking Association (IBA), further validating our dedication to embracing digital advancements.

We prioritize digital security as an integral aspect of our operations. To promote this, we conduct a weekly awareness campaign called "Janahit mein Jaari" on social media. Furthermore, we foster awareness through direct engagement with customers during our financial literacy camps. Additionally, our dedication to security is attested by our attainment of the ISO 27001 certification too.

Employee holds the Key, locking down employees is

always a work in progress.

The banker in a society undergoing transformation, with a growing economy and technology changing rapidly plays a key role in transformation. A banker to a person belonging to middle, aspirational India is very different from a banker for a large corporate. Getting employees enthused and framed for the first kind of role is far more difficult than the corporate ones. These bankers will be the differentiation, and will form a sustainable moat for the Bank we are building.

We have invested in the culture of our organization. Service, Respect, Honesty and Discipline are our core values. Being a young Bank (may we always have the belief and energy of the young), we instituted new ideas e.g. no cabin policy, eliminating physical and mental barriers to enhance a transparent culture, seamless flow of information, fuelling collaboration and promoting leadership development free of hierarchical constraints. Additionally, in 2023, we were honoured with the "National Best Employer" and "Dream Company to Work For" awards by the World HRD Congress, further validating our commitment to create a healthier workplace environment.

You can take an Indian outside his family but never the family outside an Indian. Customers and their families are our main focus, so are the employees and their families. So we instituted a Family Connect program. Through this initiative, we extend invitations to the families of our employees, allowing them to join in our celebrations and experience a strong sense of connection and belongingness within the Jana Family. Our Connect further expands to serving society with CSR initiatives led directly by employees through their community interactions.

Service and Governance

Our desire to service the underserved is underpinned by a robust customer service orientation and organization. We have deployed CRM to help us track and serve. We focus on root cause changes and know that one differentiation that can't be cloned is a service culture.

Belying our youth, we have always had the ambition of establishing governance standards, and have been striving incessantly towards creating such an organization with professional management, eminent board members and robust governance policies. A very distinguished Board led by Dr. Subhash Khuntia, an experienced team of bankers, have created a strong platform for governance. Striving for excellence in governance continues to be our top agenda.

Strong Performance

Our transformation journey whose roots go back to 2018 when the Bank was launched has finally started

showing solid financial performance. We spent the first few years from 2018 – 2021 transforming and changing but didn't have the financial results. Our completion of the transformation journey coincided with the end of COVID and since then financial performance has been exponentially rewarding.

As the Bank's portfolio is moving towards secured, the Bank's performance has started reflecting resilience in terms of asset quality, leading to improved growth of profits and margins. FY 2023-24, our Profit After Taxes after considering deferred tax asset (DTA) recognition witnessed a 162% YoY growth to Rs. 670 crores. The Profit Before Taxes excluding the DTA was 101% YoY to Rs. 514 crores. The Return on Assets (ROA) was 2.4% for FY 2023-24 increased from 1.1% for FY 2022-23. The GNPA and NNPA reduced to 2.1% (3.9% in March-23) and 0.6% (2.6% in March-23) respectively. Reflecting our conviction and commitment to growth, we grew our Gross Advances under Management in the year by 25% YoY of which our secured advances book forms 60% of Advances as on 31st March 2024. Our deposits grew faster than advances. Deposits grew by 38.2% to Rs. 22,571 crores. Our Capital Adequacy Ratio (CAR) stood at 20.3% with CET1 at 19.0%.

Moved first to time to "A" grade with **IND A-/Stable** rating for our Fixed Deposits and Non-convertible debentures (NCDs) Subordinated Debt by India Ratings. To us, this is another milestone and not our endpoint.

Thank You

God has been kind to send so many people to help the Bank – regulators, investors, board, employees, customers, advisors, media, partners, auditors and associations.

We are humble to accept that our successful journey so far wouldn't be possible without the help and blessings, sometimes invisible and most times visible. My heartfelt thanks to all such stakeholders and am sure you will smile when you read this report.

Looking Ahead

Feed the Focus. Stay on course and steady is not slow. Wish us the best for Sprint 7.0.

Ajay Kanwal

MD & CEO

BOARD OF DIRECTORS



Dr. Subhash Khuntia
Part-Time Chairman &
Independent Director



Ajay Kanwal
Managing Director &
Chief Executive Officer



Ramalingam Ramaseshan
Non-Executive
Independent Director



Krishnan Subramania Raman
Executive Director &
Chief Credit & Collections Officer



Chitra Talwar
Non-Executive
Independent Director



Ramesh Ramanathan
Non-Executive
Non-Independent Director



Kumbla Srinivas Nayak
Non-Executive
Independent Director



Rahul Khosla
Non-Executive
Non-Independent Director



Pammi Vijaya Kumar
Non-Executive
Independent Director

LEADERSHIP TEAM



Abhilash Sandur
Chief Financial Officer



Sumit Aggarwal
Head – MSE, Supply Chain
& Financial Institutions



Satish Ramachandran
Chief Risk Officer



Pradeep Rebello
Head – Two Wheeler Finance



Rajesh Rao
Chief Operating Officer



Chitra Menon
Chief Compliance Officer



Gopal Tripathi
Head of Treasury & Capital
Markets



Sudhir Madhavan
Head of Retail Financial Services



Amit Raj Bakshi
Chief Human Resource Officer



Shrinivas Murty
President & Head – Branch Banking
& Marketing



Ashish Gopal Saxena
Chief Information & Digital Officer



Lakshmi R N
Company Secretary & Compliance
Officer



Rincoo Ji Vachha
Head - Affordable & Micro Housing
Loans



Mahalingam Ramachandran
Head of Internal Audit

CSR REPORT

The CSR policy of the Bank is focused towards enabling a better life for the unserved and underserved sections of the society. Bank's CSR activities are based on the principles of being Diversified national with local Impact through Employee Engagement. We majorly focus on smaller proposals which has the ability to implement faster and has faster impact.

40 CSR proposals were done in FY 23 -24 in 13 states with average ticket size of around Rs. 6 lakhs. These Proposals are locally driven with the efforts of the team.

Majority of our CSR spends is towards promoting education followed by expenditure towards health care. Which together accounts to 60% of our total CSR spends.

Summary of Spends:

A) Promoting Education (Rs. 90,91,038)



- They account to 38% of CSR outflow
- 14 proposals
- Average ticket size : Rs. 6,49,360/-

Support provided, e.g.:

- Benches
- Fans
- Computers

B) Promoting Health Care (Rs. 53,67,456)



- They account to 22% of CSR outflow
- 10 proposals
- Average ticket size : Rs. 5,36,745/-

Support provided, e.g.:

- Medical Equipment
- Wheel Chairs
- Vehicle for Drug Transportation
- Medicine Supply to Poor

C) Livelihood Enhancement Projects (Rs. 29,54,466)



- They account to 12% of CSR outflow
- 5 proposals
- Average ticket size : Rs. 5,90,893/-

Support provided, e.g.:

- Smart Vision Glass for Blind
- Blue Asbestos Sheets for Fisherman
- Vehicle for Food Delivery

D) Poverty and Malnutrition (Rs. 25,00,000)

- They account to 10% of CSR outflow
- 1 proposal
- Average ticket size : Rs. 25,00,000/-

Support provided, e.g.:

- Mid Day meal for school going children in Karnataka

E) Maintaining quality of soil, air and water (Rs. 13,75,700)

- They account to 6% of CSR outflow
- 2 proposals
- Average ticket size : Rs. 6,87,850/-

Support provided, e.g.:

- Garbage pick up vans & Pollution control

F) Animal Welfare (Rs. 10,97,070)

- They account to 5% of CSR outflow
- 1 proposal
- Average ticket size : Rs. 10,97,070/-

Support provided, e.g.:

- Animal Ambulance

G) Safe Drinking Water (Rs. 10,61,580)

- They account to 4% of CSR outflow
- 6 proposals
- Average ticket size : Rs. 1,76,930/-

Support provided, e.g.:

- Drinking water to government / economically backward schools

H) Disaster management, including relief activities (Rs.5,63,354)

- They account to 2% of CSR outflow
- 1 proposal
- Average ticket size : Rs. .5,63,354/-

Support provided, e.g.:

- Helping chennai flood prone effective areas

DIRECTORS' REPORT

Your Directors are pleased to present the 18th Annual Report of the Company and the 7th Annual Report of Jana Small Finance Bank Limited along with the Audited standalone financial statements for the financial year ended 31st March 2024.

FINANCIAL SUMMARY:

[Rs. in 000's]

Particulars	2023-24	2022-23
Advances	23,11,12,739	17,75,95,554
Deposits and Borrowings	27,78,27,079	22,61,14,758
Total Income	4,68,40,563	3,69,98,750
Interest Expended	1,88,59,047	1,41,49,901
Operating Expenses	1,60,48,397	1,28,45,104
Provisions and contingencies	52,37,716	74,44,032
Profit for the year	66,95,403	25,59,713
Add: surplus brought forward from previous year	-	-
Less: loss brought forward from previous year	(3,90,78,736)	(4,08,30,298)
Amount available for appropriation	(3,23,83,334)	(3,82,70,585)
<u>Appropriations:</u>		
Dividend & Dividend Tax	-	-
Transfer to Statutory Reserve under section 17 of the Banking Regulation Act and other reserves	18,73,851	8,08,151
Surplus carried to Balance Sheet	(3,42,57,185)	(3,90,78,736)

OVERVIEW OF OPERATIONS:

The net Interest Income has grown from ₹1,660.0 crores in FY23 to ₹2,127.1 crores in FY24 an increase of 28.1%. The Profit Before Tax (PBT) has doubled from ₹256.0 crores in FY 2023 to ₹514.4 crores for FY24. Profit after tax (PAT) stood at ₹670 crores in FY24 as compared to ₹256 crores in FY23, registering a growth of 162%. The PAT for FY24 has reckoned ₹155 crores of Deferred Tax Asset in Q4-FY24.

The Asset Under Management witnessed a jump of 24.9% from ₹19,808 crores in FY23 to ₹24,746 crores for FY24. The secured portfolio grew by 33% year-on-year basis and is now near to 60% of the total Asset Under Management. Our deposits of your Bank grew by 38% during the year and stood at ₹22,571 crores. Retail Deposits including CASA constitute 61.0% of the overall deposits of the Bank.

The Capital Adequacy Ratio ("CRAR") was 20.3% as at March 31, 2024 (March 31, 2023: 15.6%) well above the statutory minimum requirement of 15%.

Cost to Income ratio for FY24 was 57.4% as compared to 56.2% for FY23. The Return on Assets improved significantly during the year and was at 2.37% during FY 2024 as compared to 1.13% in FY23. The increase in Return on Asset was primarily due to business growth coupled with improved asset quality and Deferred Tax Assets ("DTA"). The number of banking outlets increased to 808 in March 2024 from 754 in March, 2023.

The asset quality of your Bank has significantly improved, with GNPA at 2.0% (vs. 3.6% in FY23) and NNPA at 0.5% (vs. 2.5% in FY23).

Please note IBPC and Securitization book is included for the purpose of GNPA/NNPA, ROA, ROE and Network is after considering DTA of Rs. 155 crores for FY24.

DIVIDEND AND TRANSFER TO RESERVES:

In compliance with Section 15 of the Banking Regulation Act, 1949 your Board of Directors have not recommended any dividend for the financial year 2023-24.

Further, the Board has recommended transfer of Rs. 187.39 crores from the profit/surplus to reserves, as against Rs. 80.82 crores transferred during the previous year.

SHARE CAPITAL:

The authorised capital of the Bank as on 31st March 2024 is Rs. 5,85,00,00,000 (Rupees five hundred and eighty five crores), comprising 13,50,00,000 (Thirteen Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten) each and 45,00,00,000 (Forty Five Crore) preference shares of Rs. 10/- (Rupees Ten) each. The paid up capital of the Bank stood at Rs. 10,45,90,275 equity shares of Rs. 10/- (Rupees Ten) each.

During the year Bank raised capital by way of private placement, ESOP allotment, rights issue and Initial Public Offerings. Details of capital augmentation is as under:

Particulars	No. of equity shares
Equity shares as at the beginning of the year	5,49,78,703
(+) stock option exercised	1,14,071
(+) rights issue of equity shares issued during the year	1,48,50,632
(+) preferential issue of equity shares issued during the year	24,39,607
(+) conversion of CCPS into equity shares	2,10,47,842
(+) Initial Public Offer of equity shares issued during the year	1,11,59,420
Equity shares outstanding as at the end of the year	10,45,90,275

DEBT INSTRUMENTS:

As at 31st March 2024, details of rated, listed and unlisted, unsecured, subordinated, redeemable lower Tier II bonds in the form of Non-Convertible Debentures are as under:

Sr No	ISIN	Series	Listed/unlisted	No of Units	Face Value	Total Value (in Rs.)	Issue Date	Maturity Date	Current Interest Rate
1	INE953L08329	023	Listed	3,300	2,27,272.73	75,00,00,000	22-12-2015	07-07-2027	13.80%
2	INE953L08295	048A	Listed	1,750	10,00,000	1,75,00,00,000	29-06-2019	29-06-2025	14.50%
3	INE953L08303	048B	Listed	500	10,00,000	50,00,00,000	10-07-2019	10-07-2025	13.15%
4	INE953L08311	049A	Un-listed	500	10,00,000	50,00,00,000	31-08-2021	30-11-2026	13.50%
	Total			6,050		3,50,00,00,000			

CREDIT RATING:

The ratings assigned by ICRA/ and India Ratings & Research Private Limited for various instruments are:

Instrument	Rating	Rating Agency
NCD	[ICRA]A- (Stable)	ICRA Limited
NCD	IND A- / Stable	Indian Ratings & Research Private Limited
Fixed deposits	IND A- / Stable	Indian Ratings & Research Private Limited

BOARD OF DIRECTORS:

At the end of financial year 2023-24, the composition of Board was as under:

Name of Director	Designation
Dr. Subhash Khuntia	Part-Time Chairman & Independent Director
Mr. Ajay Kanwal	Managing Director & Chief Executive Officer
Mr. K S Raman	Executive Director
Mr. Ramesh Ramanathan	Non-Executive Director
Mr. R Ramaseshan	Independent Director
Mrs. Chitra Talwar	Independent Director
Mr. Rahul Khosla	Non-Executive Director
Mr. K Srinivas Nayak	Independent Director
Mr. Pammi Vijaya Kumar	Independent Director

During the financial 2023-24, the Board met 21 times and the intervening gap between the meetings were within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS:

All Independent Directors have submitted the required declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act 2013 and Regulation 16(1)(b) and Regulation 25(8) of the SEBI Listing Regulations. The Board had assessed the veracity of the confirmations submitted by Independent Directors, as required under Regulation 25(9) of the SEBI Listing Regulations.

In the opinion of the Board, all Independent Directors are independent of the Management. During the year, there has been no change in the circumstances affecting their status as Independent Directors of the Bank and they are not debarred from holding the office of Director under any order of the Securities and Exchange Board of India or any other statutory/regulatory authority.

In the opinion of the Board, Independent Directors are persons of integrity and possess the requisite experience, expertise and proficiency required under all applicable laws and policies of the Bank.

PERFORMANCE EVALUATION:

The Nomination & Remuneration Committee in their meeting held on 27th April 2024 took note of the evaluation report of the Board's performance including Directors' own performance and committees of the Board. The Committee deliberated on various evaluation attributes indicated in the evaluation questionnaire for all directors and after due deliberations made an objective assessment and evaluated that all directors in the Board have adequate expertise drawn from diverse backgrounds and businesses and bring specific competencies relevant to the Bank's business and operations.

The Committee found that the performance of all Directors was quite satisfactory and the functioning of the Board and its Committees were quite effective. The Committee evaluated Board's composition and Board's performance as a whole and expressed satisfaction in this regard. Further, the Committee's suggestion/feedback were duly taken note of by the Management.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Sections 134(3) (c) and 134(5) of the Companies Act, 2013 the Directors hereby confirm that –

- In the preparation of annual accounts for the year ended 31st March 2024, applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profits of the Company for the year ended on that date;
- The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing & detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a 'going concern' basis;
- The Directors have laid down internal financial controls to be followed and that such internal financial controls are adequate and are operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS:

Independent Directors of the Bank have attended various programs conducted by CAFRAL, IICA, Ministry of Corporate Affairs and IDRBT. They have also attended strategy discussions organised by the management team of the Bank. Details of the programmes attended by Independent Directors are available on the website of the Bank at <https://www.janabank.com/about-us/investor-relations/familiarisation-programme/>

AUDIT COMMITTEE RECOMMENDATIONS:

The Board has accepted all recommendations of the Audit Committee and hence no further explanations have been provided for in this Report.

KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL:

As of 31st March 2024, Mr. Ajay Kanwal, Managing Director & CEO, Mr. K S Raman, Executive Director, Mr. Abhilash Sandur, Chief Financial Officer and Mrs. Lakshmi R N, Company Secretary & Compliance Officer were the Key Managerial Personnel of the Bank in terms of Section 203(1) of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

During the year, Mr. Buvanesh Tharashankar ceased to be Chief Financial Officer of the Bank with effect from the close of business hours on 20th July 2023 and thereafter Mr. Abhilash Sandur took charge as the Chief Financial Officer of the Bank.

Ms. Usha Sonavaria ceased to be Chief Human Resource Officer of the Bank with effect from the close of business hours on 16th August 2023 and thereafter Mr. Amit Bakshi took charge as the Chief Human Resource Officer of the Bank.

AUDITS:**Statutory Audit**

For the financial year 2023-24, there are no qualification(s) or reservation(s) or adverse remark(s) or disclaimer(s) in the audit reports of the Standalone Financial Statements. Hence explanations or comments on the same are not required from the Board of Directors.

Audit for the financial year has been conducted by M/s. Brahmayya and Co., (Firm registration no. 000515S) Chartered Accountants, and M/s. M. M. Nissim and Co. LLP (Firm registration no. 107122W/W100672), Chartered Accountants, as Joint Statutory Auditors of the Bank.

Secretarial Audit

The Company has complied with all applicable provisions of the Secretarial Standards, provisions of the Companies Act, 2013.

Secretarial Audit for the year has been conducted by Mr. Nagendra D Rao, Practicing Company Secretary (M. No. FCS 5553 and COP 7731). The Secretarial Audit Report for the financial year 2023-24, forms part of the Annual Report.

The comments on the observations made by Secretarial Auditor are as under:

Observation 1: As per the provisions of Regulation 18 (1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the chairperson of the Audit Committee shall be present at the Annual General Meeting ("AGM") of the Bank. However, Mr. Srinivas Nayak, Chairman of Audit Committee was not present at the AGM held on 23rd June, 2023.

The absence of Chairman of Audit Committee has been taken note of by the Board. It was further noted that the absence of Mr. Srinivas Nayak from Annual General Meeting dated 23rd June 2023 was due to his pre-occupancy on that day.

Observation 2: Pursuant to the provisions of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed Company shall submit their Financial Results for every quarter except the last quarter within 45 days from the date of end of each quarter. However, the Bank has delayed submission of the financial results for the quarter ended December 31, 2023, which was submitted on 22nd February 2024.

The Bank listed its equity shares on the National Stock Exchange Limited and BSE Limited effective from 14th February 2024. Further, the Board considered the quarterly results for the quarter ended 31st December 2023 in its meeting dated 22nd February 2024 and submitted the results with stock exchanges on the same date. With the above exception, the Board placed on record its intention to comply with the statutory requirements within the stipulated timelines.

Cost Audit

The Bank is not required to appoint a Cost Auditor. Therefore, maintenance of cost records as specified under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Bank.

During the year under review, no frauds have been reported by the Statutory Auditors or the Secretarial Auditors under Section 143 (12) of the Companies Act, 2013.

INTERNAL CONTROL SYSTEMS:

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguard of its assets, prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial disclosures.

EMPLOYEES STOCK OPTION SCHEME AND OPTIONS GRANTED DURING FY 2023-24:

The Bank currently has two ESOP schemes i.e., (1) Employee Stock Option Scheme, 2017 and (2) Employee Stock Option Scheme, 2018.

Applicable disclosures with regard to Employee Stock Options granted during FY 2023-24 is provided as **Annexure I** to this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Pursuant to Section 186(11) of the Companies Act, 2013 loans made, guarantees given, securities provided or acquisition of securities by a banking company in the ordinary course of its business are exempted from the disclosure requirement under Section 134 (3)(g) of the said Act.

Details of Investments are given in Schedule 8 to the Financial Statements which forms a part of the Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year under review, there were no contracts or arrangements with related parties as referred to under Section 188(1) of the Companies Act, 2013.

RISK MANAGEMENT FRAMEWORK:

The Bank has put in place a comprehensive Risk Management framework supported by detailed policies and processes for management of Credit Risk, Market Risk, Liquidity Risk, Operational Risk and various other risks.

The Risk Management Committee of the Board has established a formal Risk Appetite Statement which governs the risk-taking activities in the Bank. The Risk Management Committee exercises oversight on the implementation of various risk management policies and processes and is also in charge of review of these and other policies from the risk perspective.

MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE BANK:

There are no material changes and commitments, affecting the financial position of the Bank subsequent to the close of the FY 2023-24.

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for the financial year 2023-24 is available in the Bank's website at: <https://www.janabank.com/about-us/investor-relations/annual-return/>

CORPORATE GOVERNANCE:

The Corporate Governance Report as detailed in Schedule V of SEBI (LODR) Regulations, 2015 along with the certificate issued by Mr. Nagendra D Rao, Secretarial Auditors of the Bank confirming compliance with Corporate Governance requirements is annexed to this report as **Annexure II** and **Annexure III** respectively.

DEPOSITS:

Being a banking company, disclosures relating to deposits as required under Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, read with Section 73 to 76 of the Act are not applicable to the Bank.

NOMINATION & REMUNERATION POLICY:

The Bank has adopted a Nomination and Remuneration Policy on Directors' Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters as provided under the provisions of Section 178(3) of the Companies Act, 2013. The Policy is available at the website of the Bank at <https://www.janabank.com/about-us/leadership-governance/policies/>

INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

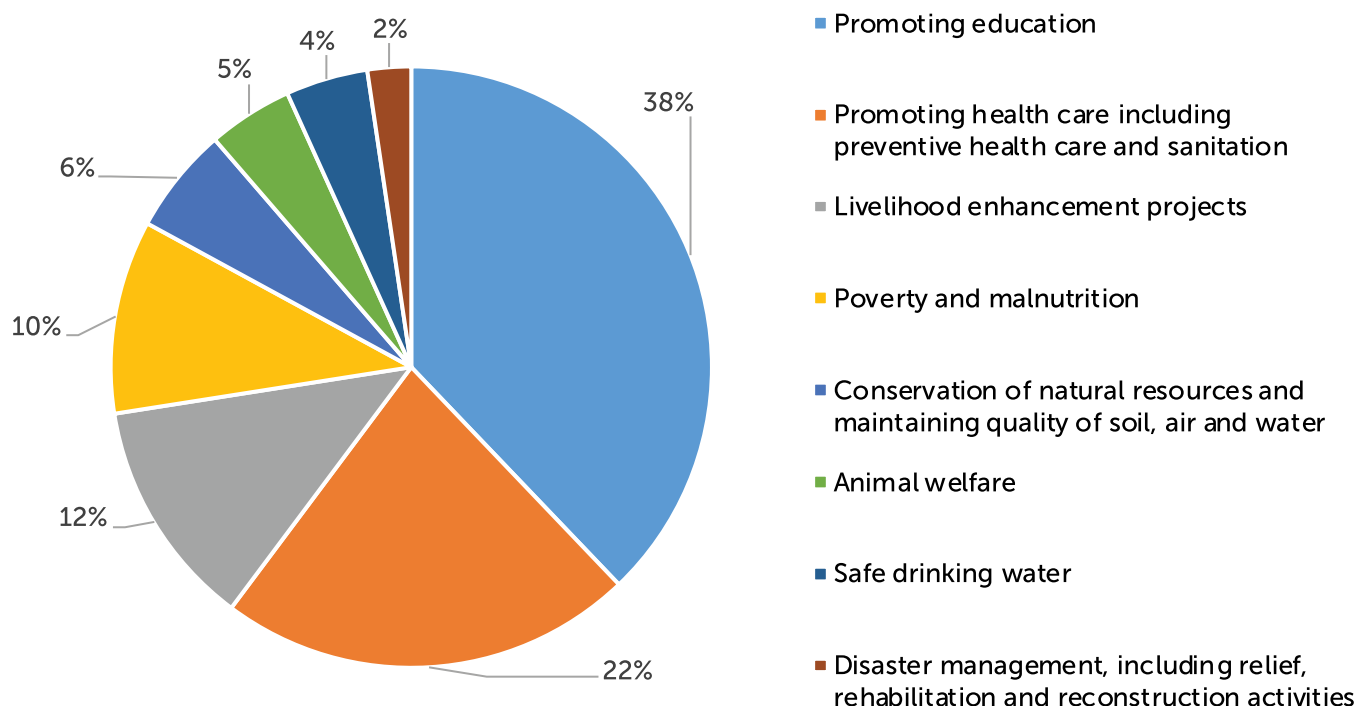
The Bank has adopted a Policy for Prevention of Sexual Harassment ("POSH Policy") at the workplace under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee ("ICC") has been constituted in compliance with the provisions of the Act and the POSH Policy to review, investigate and take suitable action on complaints. An Appellate Committee has also been constituted under the Policy before whom a complainant who is not satisfied with the decision of the ICC, can prefer an appeal.

Details of complaints received and resolved by the ICC during the FY 2023-24 are as follows:

Number of complaints pending at the beginning of the year	0
Number of complaints received during the year	5
Number of complaints disposed of during the year	5
Number of complaints pending at the end of the of the year	0

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

During the financial year 2023-24, the Bank undertook 40 CSR projects totaling to Rs. 2.4 crores. The category of CSR contribution has been provided below. Further, the detailed report along with composition of the Committee on CSR has been annexed to this report as **Annexure IV**.



VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, the Company has established a vigil mechanism for directors and employees to report genuine concerns. The vigil mechanism forms a part of the Whistle Blower Policy, which has been approved by the Board of Directors in their meeting held on 05th August 2014 as a NBFC-MFI.

After conversion into a Small Finance Bank, the Bank Board has approved the Whistle Blower Policy and Vigilance Policy, in their meeting held on 08th February 2018. The Policy has been hosted on the website of the Bank.

AWARDS AND RECOGNITIONS:

Calendar Year	Awards
2024	National Best Employer & Dream Company to work for by World HRD Congress
2024	Best Fintech & DPI Adoption by IBA (Indian Banking Association)
2023	Best Data Quality- SFB Consumer Award 2022-23 by TransUnion CIBIL Limited
2022	Award for 'Best IT Risk Management' by Indian Banks Association
2020	Campaign Decade - Plus - award by RMAI Flame Awards Asia
2020	Featured in 'Fortune – The top 500' list of largest corporations in India for the year 2020
2020	Winner at the cfi.co Inclusive Finance Awards for 'Best Inclusive Financial Service India 2020' by Capital Finance International
2020	CSR award for excellence in BFSI sector by Golden Globe Tigers 2020 in December 2020
2020	Campaign Decade - Plus - Gold award by RMAI Flame Awards Asia
2019	Runner-up at the Global Leadership Award 2019 by Dale Carnegie
2018	Winner at the cfi.co Finance Awards for 'Best Inclusive Financial Service India 2018' by Capital Finance International
2017	Featured in 'Fortune – The top 500' list of largest corporations in India for the year 2017
2017	Goodwill Brand Award 2017 by Process Evaluators and Research, BARC Asia
2016	'Best Financial Service Firm in India' by VC Circle for the year 2016

PARTICULARS OF EMPLOYEES:

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. In terms of Section 136 of the Act, the same would be available for inspection during working hours at the Registered Office of the Bank. A copy of this statement may be obtained by the Members by writing to the Company Secretary of the Bank.

The ratio of the remuneration of each Director and employees of the Bank as required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as **Annexure V**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

- A. Conservation of energy:** Not applicable
- B. Technology absorption:** Not Applicable
- C. Foreign exchange earnings and Outgo:** Foreign exchange earnings: **NIL** and Foreign exchange expenditure: Rs. 3.76 Crores.

OTHER DISCLOSURES:

- Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year:
Not applicable, as no such application was made by the Bank.
- Related party transactions:
The details of related party transactions have been provided as an **Annexure VI** to the Board Report in Form AOC-2.

ACKNOWLEDGEMENTS:

The Board of Directors place on record its gratitude for the support and co-operation from Reserve Bank of India, Securities Exchange Board of India, Customers, Shareholders, Vendors and Employees of the Bank.

**For and on behalf of the Board
For JANA SMALL FINANCE BANK LIMITED**

**Bengaluru
29th April 2024**

**Dr. Subhash Khuntia
Part-time Chairman & Independent Director
DIN: 05344972**

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

**Certificate pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,
The Members,
Jana Small Finance Bank Limited
The Fairway Business Park # 10/1,11/2,12/2B,
Off Domlur Koramangala Inner Ring Road,
Next to EGL, Challaghatta,
Bangalore – 560 071.

I have examined the relevant registers, records, forms and returns filed, notices and disclosures received from the Directors, minutes books, other books and papers of **Jana Small Finance Bank Limited** having **CIN U65923KA2006PLC040028** and having its present registered office at **The Fairway Business Park # 10/1,11/2,12/2B, Off Domlur Koramangala Inner Ring Road, Next to EGL, Challaghatta, Bangalore – 560 071** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the LODR'), as amended from time to time.

In my opinion and to the best of my information and according to the verifications (including DIN status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company, its officers, **I hereby certify that none of the Directors who were on the Board of the Company as on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.**

Ensuring the eligibility of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

I have conducted necessary verification as much as is appropriate to obtain reasonable assurance about the eligibility or disqualification of the Directors on the Board of the Company.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Bengaluru
Date : April 29th, 2024

Nagendra D. Rao
Practising Company Secretary
Membership No. FCS – 5553
Certificate of Practice – 7731
Peer Reviewed Unit
Peer Review Certificate No.: 672/2020
UDIN: F005553F000266165

EMPLOYEE STOCK OPTION SCHEME

Employees Stock Options as on 31st March 2024:

Particulars	As at and for the year ended 31st March 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
Amount received (in Rupees, inclusive of premium)	-	-	9,49,690	1,91,020

Employee-wise details of options granted/ surrendered during the year under ESOP Scheme:

1. Key Managerial Personnel:

Name of Employee	Designation	Number of option under ESOP 2017	Number of option under ESOP 2018	Options surrendered during the year ESOP 2017	Options surrendered during the year ESOP 2018
Mr. Ajay Kanwal	Managing Director & CEO	-	-	5,67,647	-
Mr. K S Raman	Executive Director	-	10,000	89,294	8,851
Mr. Buvanesh Tharashankar*	Chief Financial Officer	-	-	-	-
Mr. Abhilash Sandur#	Chief Financial Officer	16,503	10,000	1,557	4,336
Mrs. Lakshmi R N	Company Secretary	-	1,500	210	3,367

*Mr. Buvanesh Tharashankar ceased to be Chief Financial Officer of the Bank w.e.f. 20th July 2023.

#Mr. Abhilash Sandur took charge as Chief Financial Officer of the Bank w.e.f. 21st July 2023.

2. Any other employee who received grant of option amounting to 5% or more of options granted during that year:

Name of Employee	Designation	Number of option under ESOP 2017	Number of option under ESOP 2018
Mr. Sumit Aggarwal	Head - MSE, Supply chain & Financial Institutions	1,07,573	14,263

3. Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the bank at the time of grant: **NIL**

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

The Bank is committed to ensure high standards of transparency and accountability in all its activities. Best management practices and high levels of integrity in decision making are diligently followed to ensure sustained wealth generation and creation of value for all stakeholders. The Bank scrupulously adheres to principles of corporate governance at all times.

BOARD OF DIRECTORS

Composition

The Board of Directors ("Board") currently comprises nine directors drawn from diverse fields/professions, out of which five are independent directors (including one woman director). The composition of the Board is in conformity with the provisions of the Companies Act, 2013 (the Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein referred to as "Listing Regulations") and the Banking Regulation Act, 1949.

Sr. No.	Name of the Director	Designation	DIN
1	Dr. Subhash Khuntia	Part Time Chairman and Independent Director	005344972
2	Mr. Ajay Kanwal	Managing Director and Chief Executive Officer	007886434
3	Mr. Krishnan Subramania Raman	Executive Director	010380292
4	Mr. Ramesh Ramanathan	Non Independent and Non-Executive Director	000163276
5	Mr. R Ramaseshan	Independent Director	000200373
6	Mrs. Chitra Talwar	Independent Director	007156318
7	Mr. Rahul Khosla	Non Independent and Non-Executive Director	003597562
8	Mr. K. Srinivas Nayak	Independent Director	009094351
9	Mr. P. Vijaya Kumar	Independent Director	007492149

Board Meetings and Attendance at Board Meetings

The Board met 21 times during the financial year 2023-24 viz., on 17-Apr-23, 29-Apr-2023, 9-May-2023, 8-Jun-2023, 20-Jun-2023, 30-Jun-23, 20-Jul-2023, 29-Jul-23, 11-Aug-2023, 19-Oct-2023, 20-Nov-2023, 21-Dec-2023, 15-Jan-2024, 20-Jan-2024, 24-Jan-2024, 1-Feb-2024, 9-Feb-2024, 12-Feb-2024, 12-Feb-2024, 22-Feb-2024, 28-Mar-2024 and the gap between two meetings did not exceed one hundred and twenty days, as per the provisions of the Companies Act, 2013.

The dates for the board meetings are fixed after taking into account the convenience of all directors and sufficient notice is given to them. Detailed agenda notes are sent to the directors. All information required for decision making are included in the agenda note. Those that cannot be included in the agenda are tabled at the meeting.

The Managing Director & CEO appraises the Board on the overall performance of the Bank at every board meeting. The Board reviews the performance, approves capital expenditure, sets the strategy of the Bank and ensures financial stability. The Board takes on record the action taken by the management on all its decisions periodically.

Other Directorships and Committee Memberships/ Chairmanships as on March 31, 2024

In compliance with the Companies Act, 2013 and the Listing Regulations, none of the directors on the Board of the Bank is a director in more than 10 (Ten) Public Limited Companies (including "JSFB") or is a member of more than 10 (Ten) Board Committees (committees being the Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than 5 (Five) Board Committees as on March 31, 2024 across all listed companies and unlisted public companies in which he/she is a Director.

The details of Directorships and Committee positions held in other companies during the Financial Year ended March 31, 2024 and their attendance at Board Meetings and at the last Annual General Meeting ("AGM") are given below:

Sr. No.	Name of the Director	No. of Board Meetings attended during FY 2023-24 (No. of Meetings held)	Attendance at the last AGM held on 23rd June 2023	No. of Directorships in other Companies \$		Number of Committee positions in other companies \$\$	
				Member-ship	Chair-manship	Member-ship	Chair-manship
1	Dr. Subhash Khuntia	21 (21)	Yes	-	-	-	-
2	Mr. Ajay Kanwal	21 (21)	Yes	-	-	-	-
3	Mr. Krishnan Subramania Raman	8 (9)	No	-	-	-	-
4	Mr. Ramesh Ramanathan	15 (21)	No	2	2	4	1
5	Mr. R Ramaseshan	19 (21)	No	1	1	1	1
6	Mrs. Chitra Talwar	20 (21)	Yes	-	-	-	-
7	Mr. Rahul Khosla	12 (21)	No	-	-	-	-
8	Mr. K. Srinivas Nayak	19 (21)	No	1	-	1	1
9	Mr. P. Vijaya Kumar	21 (21)	No	-	-	-	-

\$Excluding Directorship in private limited companies and foreign companies

\$\$Membership in Audit Committee and Stakeholders' Relationship Committee in Public Limited Companies have been reckoned for Committee membership

Names of the listed entities (other than Jana Small Finance Bank Limited) where the Directors of the Bank hold Directorship and the category of directorship as on March 31, 2024

Sr. No.	Name of the Director	Listed entity in which they hold Directorship	Category of Directorship
1	Mr. R Ramaseshan	National Commodity Clearing Limited	Chairman and Independent Director
2	Mr. K. Srinivas Nayak	National Commodity Clearing Limited	Independent Director

There is no relationship between the directors inter-se and no shares are held by non-executive directors in the Bank. The Board has received declarations from independent directors as required under Section 149(7) of the Act and Regulation 25(8) of the Listing regulations and the Board is satisfied that independent directors meet the criteria of independence as mentioned in Section 149(6) of the Act and Regulation 16 of the Listing regulations.

Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided.

None of the Independent Directors had resigned from the Bank during the Financial Year 2023-24

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

During FY 2023-24, independent directors had a separate meeting on 22nd February 2024 without the presence of the management team and non-independent directors of the Bank. At the said Meeting, independent directors evaluated and reviewed the performance of Chairman, non-independent directors and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the bank management and the board.

CORE SKILLS / EXPERTISE / COMPETENCIES OF THE BOARD

The Bank's Board comprises qualified Members who possess the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board is committed to ensure that the Bank adheres to the highest standards of corporate governance.

The Bank, while considering a person for appointment as a director, determines the suitability of the person as a

director on the Board, based upon his/her qualification, track record, expertise, integrity and undertakes necessary due diligence to ensure that the appointee director fulfils the criteria for Board membership as mentioned in the policy for ascertaining 'fit and proper' status of directors.

In compliance with Section 10A of Banking Regulation Act, 1949 the Board of Directors of the Bank hold requisite professional and other experience which is tabled below:

Skills/ Expertise/ Competencies	SK	AK	KSR	RR	RS	CT	RK	SN	PVK
Accountancy			✓		✓		✓		
Agriculture and rural economy	✓				✓	✓			
Banking		✓	✓	✓			✓	✓	✓
Co-operation									
Economics	✓		✓		✓	✓	✓		
Finance	✓	✓	✓	✓	✓		✓		
Law	✓		✓		✓		✓		
Small scale Industry		✓	✓	✓					
Business Management	✓	✓	✓	✓			✓		
Information Technology	✓		✓	✓				✓	
Risk Management	✓		✓						
Human Resource	✓		✓						
Payments and settlement			✓				✓		
Health care and Insurance							✓		

SK: Dr. Subhash Khuntia; **AK:** Mr. Ajay Kanwal; **KSR:** Mr. K S Raman; **RR:** Mr. Ramesh Ramanathan; **RK:** Mr. Rahul Khosla; **RS:** Mr. R Ramaseshan; **CT:** Mrs. Chitra Talwar; **SN:** Mr. Srinivas Nayak; **PVK:** Mr. Pammi Vijaya Kumar

COMMITTEES OF THE BOARD

As on March 31, 2024, the Board had eleven (11) committees of the Board, constituted in accordance with the provisions of Companies Act, 2013, Listing Regulations and RBI guidelines and directions issued to banks from time to time.

AUDIT AND COMPLIANCE COMMITTEE

The Audit Committee assists the Board in the dissemination of financial information and in overseeing financial and accounting processes in the Bank. The terms of reference of the committee covers all matters specified in section 177 of the Companies Act, 2013 and as required by the Reserve Bank of India. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems/ financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the Bank. The Committee reviews compliance with legal and statutory requirements, quarterly, half yearly and annual financial statements and related party transactions and reports its findings to the Board. The Committee also recommends appointment of the internal auditor and statutory auditors. The Committee also looks into those matters specifically referred to it by the Board.

The Committee comprised the following directors as on 31st March 2024:

1. Mr. K. Srinivas Nayak (Committee Chairman)
2. Mr. R. Ramaseshan
3. Mr. Ramesh Ramanathan
4. Mrs. Chitra Talwar
5. Mr. P. Vijaya Kumar

The Audit & Compliance committee met thirteen (13) times during the financial year, on 29-Apr-2023, 8-May-2023, 20-Jul-23, 29-Jul-23, 10-Aug-2023, 11-Aug-2023, 18-Oct-2023, 19-Oct-23, 20-Nov-23, 23-Jan-24, 01-Feb-24, 21-Feb-24 and 22-Feb-24.

Statutory auditors were present at the audit committee meetings held on 29-Apr-2023, 11-Aug-2023, 19-Oct-23 and 22-Feb-24.

Name	No. of Meetings	
	Held	Attended
Mr. K. Srinivas Nayak (Committee Chairman)	13	11
Mr. Ramesh Ramanathan	13	10
Mr. R. Ramaseshan	13	12
Mr. Chitra Talwar	13	13
Mr. P. Vijaya Kumar	13	12

The terms of reference of the Committee:

The Committee is governed by the terms of reference specified by Companies Act 2013, RBI circulars issued from time to time & the regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Bank has adopted the terms of reference for the Committee from the three regulators which are listed as Annexure I, II and III to this Charter.

Annexure I

- (A) As per the provision of Section 177 of the Companies Act, 2013, the Committee shall act in accordance with the terms of reference specified in writing by the Board which shall inter alia, include
- The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
 - Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - Examination of the financial statement and the auditors' report thereon;
 - Approval or any subsequent modification of transactions of the company with related parties;
 - Scrutiny of inter-corporate loans and investments;
 - Valuation of undertakings or assets of the company, wherever it is necessary;
 - Evaluation of internal financial controls and risk management systems;
 - Monitoring the end use of funds raised through public offers and related matters.

The Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

The Committee shall have authority to investigate into any matter in relation to the items specified in sub-section (4) of Section 177 of the Companies Act, 2013 or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

Annexure II

- (B) Terms of Reference as per RBI Circular issued from time to time are as below:

Quarterly

Exposure to sensitive sectors i.e. capital market & real estate.

- KYC / AML Guidelines - (i) Review of implementation (ii) Review of compliance of concurrent audit reports with respect to adherence to KYC / AML guidelines at branches.
- Review of housekeeping - particularly balancing and reconciliation of long outstanding entries Suspense / Sundries / Drafts payable / paid / Funds in Transit / Clearing / SGL / CSGl accounts
- Review of compliance in respect of the Annual Financial Inspection conducted by RBI and any other inspection conducted by any regulators (ACB should review this on ongoing basis till the bank furnishes full compliance. ACB should closely monitor persisting deficiencies pointed out in RBI Inspection Reports)
- Review of Audit plan and status of achievement thereof.
- Review of significant Audit Findings of the following audits along with the compliance thereof - (i) LFAR

(ii) Concurrent Audit (iii) Internal Inspection (iv) I.S. Audit of Data Centre (v) Treasury and Derivatives (vi) Management Audit at Controlling Offices / Head Offices (vii) Audit of Service Branches (viii) Currency Chest (ix) FEMA Audit of branches authorized to deal in foreign exchange, etc.

- Compliance report on directives issued by ACB / Board / RBI.
- Report on compliance of clause 49 and other guidelines issued by SEBI from time to time.
- Report on compliance of regulatory requirement of Regulators in Host Countries in respect of overseas branches.
- Review of Frauds (frauds of Rs.1 crore and above to be reviewed as and when reported).
- Review of financial results for the quarter
- Review of information on violations by various functionaries in the exercise of discretionary powers.
- Information in respect of equity share holdings in borrower companies more than 30% of their paid up capital.
- Review First Year Audit Committee minutes and give recommendations.

Half Yearly

- Status of implementation of Ghosh and Jilani Committee reports
- Detailed report on fraudulent transactions relating to Internet Banking through phishing attacks pointing out in particular the deficiencies in the existing systems and steps taken by the IT department to prevent such cases.

Annual

- Change in accounting policy and practices which may have significant bearing on financial statements. A confirmation that accounting policies are in compliance with accounting standards and RBI guidelines.
- Review of IS Audit Policy
- Review of transactions with related parties
- Review of accounting policies / systems of the bank with a view to ensuring greater transparency in the bank's accounts and adequacy of accounting standards.
- Review of adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Review of the bank's financial and risk management policies.
- Review of annual accounts of the bank.
- Appointment of statutory auditors and review of performance - both for domestic and overseas operations.
- Penalties imposed / penal action taken against bank under various laws and statutes and action taken for corrective measures
- Review of report on Revenue leakage detected by Internal / External Auditors and status of recovery thereof - reasons for undercharges and steps taken to prevent revenue leakage.

Annexure III

(C) As per the regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the role of the Audit Committee and review of information by Audit Committee is as under:

- (1) Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Bank;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;

- d) Significant adjustments made in the financial statements arising out of audit findings;
- e) Compliance with legal requirements relating to financial statements;
- f) Disclosure of any related party transactions;
- g) Modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the Bank with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the Bank, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- (18) Periodic inspection report submitted by the RBI and Certificates/returns/reports to the RBI pertaining to the Audit Committee function
- (19) Annual Tax Audit statement and auditors report thereon
- (20) To review the functioning of the whistle blower mechanism;
- (21) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (22) To ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the Bank.
- (23) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Committee shall mandatorily review the following information:

- (1) Management discussion and analysis of financial condition and results of operations;
- (2) Statement of significant related party transactions (as defined by the committee), submitted by management;
- (3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) Internal audit reports relating to internal control weaknesses; and
- (5) The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the committee.
- (6) Statement of deviations as and when becomes applicable: {Need to review once the Bank get listed}
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (LODR) Regulations, 2015.
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/

prospectus/notice in terms of SEBI (LODR) Regulations, 2015.

Compliance Charter for the Audit and Compliance Committee of the Board (ACB)

Sl. No	Particulars	Frequency
1	Report on compliance breaches/failures, if any	Quarterly, Annually
2	Review of the annual compliance risk assessment	Annually
3	Review of the implementation of KYC-AML guidelines	Quarterly

NOMINATION AND REMUNERATION COMMITTEE

The Committee comprised the following directors for the year ended 31st March 2024:

1. Mr. R. Ramaseshan (Committee Chairman)
2. Mr. Ramesh Ramanathan
3. Ms. Chitra Talwar
4. Mr. Rahul Khosla
5. Dr. Subhash Khuntia
6. Mr. P. Vijaya Kumar

The Committee met nine (9) times in the financial year, on 29-Apr-2023, 8-May-2023, 8-Jun-2023, 20-Jul-2023, 10-Aug-2023, 18-Oct-2023, 20-Nov-2023, 4-Dec-2023 and 28-Mar-2024

Name	No. of Meetings	
	Held	Attended
Mr. R. Ramaseshan (Committee Chairman)	9	9
Mr. Ramesh Ramanathan	9	8
Mrs. Chitra Talwar	9	9
Mr. Rahul Khosla	9	6
Dr. Subhash Khuntia	9	9
Mr. P. Vijaya Kumar	9	8

The terms of reference of the Committee shall, inter alia, include

- a. Formulating the criteria for determining qualifications, compliance with the fit and proper criteria as required under the Reserve Bank of India guidelines for Licensing of Small Finance Banks in the private sector, positive attributes and independence of a director and recommends to the Board of directors a policy, relating to the remuneration of the directors, key managerial personnel and other employees.

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that

- (i) The level and composition of remuneration be reasonable and sufficient to attract, retain directors;
 - (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) Remuneration to directors, key managerial personnel and material risk indicators involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Bank and its goals and in accordance with extant guidelines of the RBI
- b. Formulating criteria for evaluation of performance of independent directors and the Board of Directors;
 - c. To ensure 'fit and proper' status of proposed/existing Directors;
 - d. Devising a policy on diversity of Board of Directors;
 - e. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of directors their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Bank shall disclose the remuneration policy and the evaluation criteria in its annual report;
 - f. Extending or continuing the term of appointment of an independent director, on the basis of the report of performance evaluation of independent directors;

- g. Recommending to the board, all remuneration, in whatever form, payable to whole time directors and material risk takers.
- h. Administering, monitoring and formulating detailed terms and conditions of the Employees Stock Option Scheme of the Bank
- i. Carrying out any other function as is mandated by the Board from time to time and / or enforced/mandated by any statutory notification, amendment or modification, as may be applicable; and
- j. Performing such other functions as may be necessary or appropriate for the performance of its duties.

The role of the Nomination and Remuneration Committee:

Nomination:

- Making recommendations to the Board on the necessary and desirable competencies of directors to ensure that the Board has an appropriate mix of skills, experience, expertise and diversity to enable it to discharge its responsibilities and deliver the Company's corporate objectives;
- At the request of the Board, making recommendations for the appointment and re-election of directors;
- Prior to recommending a candidate for appointment to the Board, undertaking checks as to a candidate's character, experience, education, criminal record and bankruptcy history and any other checks it considers appropriate;
- Establishing and, at the request of the Board, reviewing induction programmes for new directors and continuing education programmes for all directors in order to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of:
 - the industry within which the Company operates;
 - the Company's financial, strategic, operational and risk management position;
 - the culture and values of the Company;
 - the rights, duties and responsibilities of the directors;
 - the roles and responsibilities of the Company's senior management and its subsidiaries;
 - the role of the Committees;
 - meeting arrangements; and
 - director interaction with each other, senior executives and other stakeholders;
- Regularly reviewing the time commitment required from a non-executive director and whether non-executive directors are meeting this requirement;
- Evaluating the performance of the Board, its committees and directors in line with the processes approved by the Board from time to time;
- Developing, implementing and reviewing the Company's succession plans for membership of the Board to ensure:
 - an appropriate balance of skills, experience expertise and diversity; and
 - an appropriate structure and composition of the Board;
- Ensuring that all non-executive directors:
 - specifically acknowledge to the Company prior to being submitted for election or re-election that they will have sufficient time to meet what is expected of them; and inform the Chairman of the Company and the Committee before accepting any new appointments as directors of other companies; and
- Making recommendations to the Board in respect of the membership and chairmanship of the Audit & Compliance Committee and Risk Management Committee.

Remuneration:

- Determining and agreeing with the Board a framework or broad policy for the remuneration of the Managing Director and such other senior executives as it is designated by the Board to consider. No individual shall be directly involved in deciding his or her own remuneration;
- In determining such policy, taking into account all factors which it deems necessary. The objective of such policy shall be to ensure that senior executives of the Company are motivated to pursue the long-term growth and success of the Company within an appropriate control framework and that there is a clear relationship between senior executive performance and remuneration;
- Within the terms of the agreed policy, determining the total individual remuneration package of each senior executive ensuring an appropriate balance between fixed and incentive pay including, where appropriate, bonuses, incentive payments and shares or share options to reflect the short and long-term performance objectives appropriate to the Company's circumstances and goals;
- Determining the Company's recruitment, retention and termination policies and procedures for senior executives;
- Determining the policy for any incentive schemes to be operated by the Company and asking the Board, when appropriate, to seek shareholder approval for such schemes. The terms of any equity based remuneration schemes shall prohibit entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under these schemes;

- Determining the policy for superannuation arrangements for the Company's employees;
- Determining a framework or broad policy for the remuneration of the non-executive directors of the Company;
- Reviewing and reporting to the Board on the remuneration of directors, senior executives and all employees of the Company based on gender; and
- Reviewing and approving the corporate governance section of the Company's annual report.

Diversity:

- Ensuring that all decisions, frameworks and policies regarding nomination and remuneration are made giving regard to the Company's objectives in respect of promoting and maintaining diversity throughout the Company and on the Board;
- Reviewing, developing and making recommendations to the Board and, in particular, establishing measurable objectives to promote and maintain diversity throughout the Company and on the Board; and
- On at least an annual basis, reviewing and reporting to the Board on: - the Company's progress against the measurable objectives set by the Board for achieving greater gender diversity; and - the Company's compliance with the Diversity Policy, and where necessary, making recommendations to the Board on any changes to the Diversity Policy or the measurable objectives for achieving greater gender diversity.

RISK MANAGEMENT COMMITTEE:

As on 31st March 2024, the composition of the Risk Management Committee was as follows:

1. Mr. P. Vijaya Kumar (Committee Chairman)
2. Mr. Ajay Kanwal
3. Mr. R. Ramaseshan
4. Mr. Rahul Khosla
5. Dr. Subhash Khuntia
6. Mr. K Srinivas Nayak
7. Mr. K S Raman

The Committee met four (4) times during the year under review. The dates of the meeting were 8-May-2023, 10-Aug-2023, 18-Oct-23, 21-Feb-2024

Name	No. of Meetings	
	Held	Attended
Mr. P. Vijaya Kumar (Committee Chairman)	4	4
Mr. Ajay Kanwal	4	4
Mr. R. Ramaseshan	4	4
Dr. Subhash Khuntia	4	4
Mr. Rahul Khosla	4	1
Mr. K. Srinivas Nayak	4	4
Mr. K. S. Raman	1	1

Terms of reference of the Committee:

The Committee of the Bank is governed by the terms of reference as specified by SEBI LODR Regulations and applicable provisions of the Banking Regulation Act, 1949 (as amended), applicable RBI guidelines/ circulars/ notifications issued from time to time and any other applicable law or enactment for the time being in force and issued by the Board from time to time.

- a. To ensure that all current and future material risk exposures of the Bank are assessed, identified, quantified, appropriately mitigated and managed;
- b. To establish a framework for the risk management process and to ensure its implementation in the Bank;
- c. To ensure that the Bank is taking appropriate measures to achieve a prudent balance between risk and reward in both ongoing and new business activities;
- d. Review and recommend changes, from time to time, to the Risk Management plan and/ or associated frameworks, processes and practices of the Bank;
- e. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices;

- f. Perform other activities related to this charter as requested by the Board of Directors or to address issues related to any significant subject within its term of reference.
- g. Evaluate the overall risks faced by the Bank and determining the level of risks which will be in the best interest of the Bank.
- h. Identify, monitor and measure the risk profile of the Bank.
- i. Develop policies and procedures, verify the models that are used for pricing complex products, review the risk models as development takes place in the market and also identify new risks.
- j. Design stress scenarios to measure the impact of unusual market conditions and monitor variance between the actual volatility of the portfolio value and that predicted by risk measures.
- k. Monitor compliance of various risk parameters by operating departments.
- l. Review the outsourcing functions of the Bank.
- m. Review of risk management practices, procedures and systems to ensure that the same are adequate to limit all potential risks, faced by the Bank to prudent levels (Annually). (Risk Management Framework to be reviewed for adequacy).
- n. Limit Management Framework to be defined by outlining of the tolerance limits. Any exceptions and breaches to be reported on a quarterly basis.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As on 31st March 2024, the composition of the Corporate Social Responsibility Committee was as follows:

1. Mrs. Chitra Talwar – Committee Chairperson
2. Dr. Subhash Khuntia
3. Mr. Ajay Kanwal
4. Mr. K. S. Raman

The Committee did met four (4) times during the year under review. The dates of the meeting were 9-May-2023, 10-Aug-2023, 18-Oct-2023 and 24-Jan-2024

Name	No. of Meetings	
	Held	Attended
Mrs. Chitra Talwar (Committee Chairperson)	4	4
Mr. Ajay Kanwal	4	4
Dr. Subhash Khuntia	4	4
Mr. K. S. Raman	1	1

The terms of reference of the committee include:

- a. Formulation of a corporate social responsibility policy of the Board, indicating the activities to be undertaken by the Bank in areas or subjects specified in the Companies Act, 2013. The activities should be within the list of permitted activities specified in the Companies Act, 2013 and the rules thereunder;
- e. Recommending the amount of expenditure to be incurred, such amount to be at least 2% of the average net profit of the Bank in the three immediately preceding financial years;
- f. Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programmes or activities undertaken by the Bank;
- g. Monitoring the corporate social responsibility policy from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- h. Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
- i. Identifying and appointing the corporate social responsibility team of the Bank including corporate social responsibility manager, wherever required; and
- j. Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Bank.

INFORMATION TECHNOLOGY STRATEGY COMMITTEE:

As on 31st March 2024, the composition of the Information Technology Strategy Committee was as follows:

1. Mrs. Chitra Talwar (Committee Chairman)
2. Mr. Ajay Kanwal
3. Mr. R. Ramaseshan
4. Dr. Subhash Khuntia
5. Mr. K. Srinivas Nayak

The Committee met four (4) times during the year under review. The dates of the meeting were 8-May-2023, 10-Aug-2023, 18-Oct-23 and 21-Feb-2024

Name	No. of Meetings	
	Held	Attended
Ms. Chitra Talwar (Committee Chairman)	4	3
Mr. Ajay Kanwal	4	4
Mr. R. Ramaseshan	4	4
Dr. Subhash C. Khuntia	4	4
Mr. K. Srinivas Nayak	4	4

Terms of reference:

The Committee is governed by the terms of reference as specified by RBI circulars issued from time to time.

1. To approve IT strategy and policy documents
2. To ensure that the management has an effective strategic planning process
3. To ensure that IT strategy is aligned with the business strategy
4. To ensure that investments in Information Technology represent a balance of risks and benefits for sustaining Bank's growth and within the acceptable budget.
5. To monitor IT resources required to achieve strategic goals and provide high-level direction for sourcing and use of IT resources.
6. To oversee implementation of processes and practices and ensuring that maximum value is delivered to business
7. To ensure that all critical projects have a component for 'project risk management' from IT perspective (by defining project success measures and following up progress on IT projects).
8. To define and ensure effective implementation of standards of IT Governance, Business Continuity and Data Governance.
9. To ensure that there is an appropriate framework of information security risk assessment within the Bank.

CUSTOMER SERVICE COMMITTEE:

As on 31st March 2024, the composition of the Customer Service Committee was as follows:

1. Mrs. Chitra Talwar (Committee Chairman)
2. Dr. Subhash Khuntia
3. Mr. Ajay Kanwal
4. Mr. K. Srinivas Nayak
5. Mr. P. Vijaya Kumar

The Committee met 4 (Four) times during the year under review. The dates of the meeting were 8-May-2023, 10-Aug-2023, 18-Oct-23 and 21-Feb-2024

Name	No. of Meetings	
	Held	Attended
Mrs. Chitra Talwar (Committee Chairman)	4	3
Dr. Subhash Khuntia	4	4
Mr. Ajay Kanwal	4	4
Mr. K. Srinivas Nayak	4	4
Mr. P. Vijaya Kumar	4	4

The terms of reference of the Customer Service Committee include:

1. To review the level of customer service in the Bank including customer complaints and the nature of their resolution;

2. To provide guidance in improving the level of customer service;
3. To ensure that the Bank provides and continues to provide best-in-class services across all its category of customers to help the Bank in protecting and growing its brand equity;
4. To formulate a comprehensive Deposit Policy incorporating issues such as death of a depositor for operations of his/her accounts, annual survey of depositor satisfaction, product approval process and triennial audit of customer services;
5. To oversee the functioning of the internal committee for customer service;
6. To evolve innovative measures for enhancing the quality of customer service and improving the overall satisfaction level of customers.
7. To ensure implementation of directives received from RBI with respect to rendering of services to Bank customers

The key roles & responsibilities of the Committee are provided below:

1. Approving the various policies that relate to customer service; examples thereof include and are not limited to:
 - Comprehensive Deposit Policy
 - Cheque Collection Policy
 - Customer Compensation Policy
 - Customer Grievance Redressal Policy
2. Reviewing metrics and indicators that provide information on the state of customer service in the Bank; providing direction to the management of the Bank on actions to be taken to improve the metrics;
3. Reviewing the actions taken/ being taken by the Bank to standardize the delivery of customer experience across all branches;
4. Reviewing results of the surveys conducted that provide quantitative and qualitative information on the state of customer experience;
5. Providing inputs on the products introduced by the Bank with a view to ensure suitability and appropriateness;
6. Monitoring the implementation of the Banking Ombudsman Scheme with particular reference to:
 - Reviewing all the awards against the Bank with a focus on identifying issues of systemic deficiencies and the Bank's plan to address these deficiencies;
 - Reviewing all awards that remain unimplemented after 3 months from the date of the award with the reasons thereof; to report to the Board such delays in implementation without valid reasons and for initiating remedial action;
7. Review, on an overall basis, the customer service aspects in the Bank on the basis of the detailed memorandum submitted in this regard and report to the Board of Directors thereafter; this is done once every six months and based on the review, the Committee will direct the Bank to initiate prompt corrective action wherever service quality / skills gaps have been noticed;
8. Monitoring the activities of the Standing Committee on Customer Service (executive level committee) on a quarterly basis;

COMMITTEE FOR MONITORING LARGE VALUE FRAUDS

As on 31st March 2024, the composition of the Committee for Monitoring Large Value Frauds was as follows:

1. Dr. Subhash Khuntia (Committee Chairman)
2. Mr. Ajay Kanwal
3. Mr. Ramesh Ramanathan
4. Mr. R Ramaseshan
5. Ms. Chitra Talwar
6. Mr. P. Vijaya Kumar
7. Mr. K. S. Raman

The Committee did not meet during the year under review.

The terms of reference of the Committee are as under:

The Committee is governed by the terms of reference as specified by RBI circulars issued from time to time.

- A. Identify the systemic lacunae, if any, that facilitated perpetration of the fraud and put in place measures to plug the same;
- B. Identify the reasons for delay in detection, if any, reporting to top management of the Bank and RBI;
- C. Monitor progress of CBI / Police Investigation and recovery position;
- D. Ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time;

- E. Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls;
- F. Put in place other measures as may be considered relevant to strengthen detective and preventive measures against frauds;

CREDIT COMMITTEE

As on 31st March 2024, the composition of the Credit Committee was as follows:

1. Mrs. Chitra Talwar (Committee Chairperson)
2. Mr. Ramesh Ramanathan
3. Mr. P. Vijaya Kumar

The Committee met four (4) times during the year under review. The dates of the meeting were 9-May-2023, 11-Aug-2023, 19-Oct-2023 and 22-Feb-2024

Name	No. of Meetings	
	Held	Attended
Mrs. Chitra Talwar (Committee Chairperson)	4	4
Mr. Ramesh Ramanathan	4	1
Mr. P. Vijaya Kumar	4	4

The terms of reference of the Committee are as under:

1. Review credits approved by the Credit Approval Committee of the Bank under its authority
2. Approve credits beyond the authority of the Credit Approval Committee of the Bank.

WILLFUL DEFAULTERS COMMITTEE

As on 31st March 2024, the composition of the Wilful Defaulters Committee was as follows:

1. Mrs. Chitra Talwar (Committee Chairperson)
2. Mr. R. Ramaseshan
3. Mrs. Chitra Talwar

The Committee met once during the year under review. Date of meeting: 21st February 2024.

Name	No. of Meetings	
	Held	Attended
Mr. Ajay Kanwal - Committee Chairman	1	1
Mr. R. Ramaseshan	1	1
Mrs. Chitra Talwar	1	1

The terms of reference of the Committee are as under:

The Committee of the Bank will be governed by the terms of reference as specified by RBI Circular issued from time to time and issued by Board from time to time.

To review the order of the executive level committee that identifies accounts to be reported as willful default to comply with the regulatory guidelines. The Order shall become final only after it is confirmed by the Review Committee.

IPO COMMITTEE

As on 31st March 2024, the composition of the IPO Committee was as follows.

1. Dr. Subhash Khuntia (Committee Chairman)
2. Mr. Ajay Kanwal
3. Mr. Ramesh Ramanathan
4. Mr. R. Ramaseshan
5. Mrs. Chitra Talwar

The Committee met three (3) during the year under review. The dates of the meeting were 30-Jul-2023, 01-Feb-24 and 06-Feb-24

Name	No. of Meetings	
	Held	Attended
Dr. Subhash Khuntia (Committee Chairman)	3	3
Mr. Ajay Kanwal	3	3
Mr. Ramesh Ramanathan	3	2
Mr. R. Ramaseshan	2	0
Mrs. Chitra Talwar	2	2

The terms of reference of the Committee are as under:

- A. To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, the RBI, SEBI, the relevant registrar of companies and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications/ amendments as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus as applicable;
- B. To finalize, settle, approve, adopt and file in consultation with the BRLMs where applicable, the DRHP, the RHP, the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/ corrections/ modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;
- C. To decide in consultation with the BRLMs on the actual Offer size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band (including offer price for anchor investors), bid period, Offer price, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations in relation to the Offer;
- D. To appoint and enter into and terminate arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, public offer account bank, sponsor bank, advertising agency, legal advisors, auditors, and any other agencies or persons or intermediaries to the Offer, including any successors or replacements thereof, and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with the BRLMs;
- E. To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the DRHP, the RHP, the Prospectus, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement, agreements with the registrar to the offer and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Offer, legal advisors, auditors, stock exchange(s), BRLMs and any other agencies/ intermediaries in connection with the Offer with the power to authorise one or more officers of the Bank to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer;
- F. To seek, if required, the consent and/ or waiver of the lenders of the Bank, customers, parties with whom the Bank has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/ or waivers that may be required in relation to the Offer or any actions connected therewith;
- G. To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Bank to execute all documents/ deeds as may be necessary in this regard;
- H. To open and operate bank accounts of the Bank in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Bank to execute all documents/ deeds as may be necessary in this regard;
- I. To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;
- J. To accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws;
- K. To approve code of conduct as may be considered necessary by the IPO Committee or as required under

applicable laws, regulations or guidelines for the Board, officers of the Bank and other employees of the Bank;

- L. To approve the implementation of any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the applicable laws or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and listing agreements to be entered into by the Bank with the relevant stock exchanges, to the extent allowed under law;
- M. To issue receipts/ allotment letters/ confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Bank with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorize one or more officers of the Bank to sign all or any of the afore stated documents;
- N. To authorize and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;
- O. To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/ confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLMs;
- P. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and/ or modify, as the case maybe, agreements and/ or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Bank to execute all or any of the aforestated documents;
- Q. To make applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Bank where necessary;
- R. To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment, terms of the IPO, utilisation of the IPO proceeds and matters incidental thereto as it may deem fit;
- S. To submit undertaking/ certificates or provide clarifications to the SEBI, Registrar of Companies, Karnataka at Bengaluru and the relevant stock exchange(s) where the Equity Shares are to be listed;
- T. To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the Listing Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Listing Committee shall be conclusive evidence of the authority of the Listing Committee in so doing;
- U. To delegate any of its powers set out under (a) to (q) hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of the Bank;
- V. To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;
- W. To approve the list of 'group of companies' of the Bank, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the DRHP, RHP and Prospectus;
- X. Deciding, negotiating and finalising the pricing and all other related matters regarding the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with applicable laws;
- Y. taking on record the approval of the Selling Shareholders for offering their Equity Shares in the Offer for Sale;
- Z. to withdraw the DRHP or the RHP or to decide to not proceed with the Offer at any stage in accordance with Applicable Laws and in consultation with the BRLMs; and
- AA. To appoint, in consultation with the BRLMs, the registrar and other intermediaries to the Offer, in accordance with the provisions of the SEBI Regulations and other Applicable Laws including legal counsels, banks or agencies concerned and entering into any agreements or other instruments for such purpose, to remunerate all such intermediaries/ agencies including the payments of commissions, brokerages, etc. and to terminate any agreements or arrangements with such intermediaries/ agents."

STAKEHOLDERS RELATIONSHIP COMMITTEE

As on 31st March 2024, the composition of the Stakeholders Relationship Committee was as follows:

1. Dr. Subhash Khuntia (Committee Chairman)
2. Mr. Ajay Kanwal
3. Mr. R. Ramaseshan

The Committee met once during the year under review on 21st February 2024.

Name	No. of Meetings	
	Held	Attended
Dr. Subhash Khuntia (Committee Chairman)	1	1
Mr. Ajay Kanwal	1	1
Mr. R. Ramaseshan	1	1

The terms of reference of the Committee are as under:

Terms of reference of the Stakeholders Relationship Committee shall include the following:

- A. To resolve grievances of the security holders of the Bank including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc. and assisting with the quarterly reporting of such complaints.
- B. To review measures taken for effective exercise of voting rights by shareholders.
- C. To review adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent.
- D. To review the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Bank.
- E. Formulation of procedures in line with statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- F. To redress shareholders' and investors' complaints/ grievances such as transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.
- G. To approve, register, refuse to register transfer or transmission of shares and other securities;
- H. To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Bank;
- I. Allotment and listing of shares, approval of transfer or transmission of shares, debentures or any other securities;
- J. To authorise affixation of common seal of the Bank;
- K. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/ security(ies) certificate(s) of the Bank after split/ consolidation/ rematerialization and in Replacement of those which are defaced, mutilated, torn or old, decrepit, worn out or where the pages on reverse for recording transfers have been utilized;
- L. To approve the transmission of shares or other securities arising as a result of death of the sole/ any joint shareholder;
- M. To dematerialize or rematerialize the issued shares;
- N. To Ensure proper and timely attendance and redressal of investor queries and grievances;
- O. To carry out any other functions contained in the SEBI Listing Regulations, Companies Act, 2013 and/ or equity listing agreements (if applicable), as and when amended from time to time; and
- P. To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

MEETING OF INDEPENDENT DIRECTORS:

Independent Directors of the Bank met during the year on 22nd February 2024 to review the performance of non-independent directors and the Board as a whole, review the performance of the Chairperson of the Board and accessed the quality, quantity and timeliness of flow of information between the Bank management and the Board.

During the financial year ended 31st March, 2024 independent directors did not have any pecuniary relationship with the Bank; neither did they have any transactions with the Bank.

ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETING:

The details of the Annual General Meetings / Extraordinary General Meeting held in the last three years are as follows:

General Body Meeting	Date, Time & Venue	No. of Special Resolution passed
Extra – Ordinary General Meeting	18th January 2024 at 4:00 p.m. at the registered office address : "The Fairway Business Park, # 10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring road, Next to EGL Business Park, Challaghatta, Bengaluru – 560071	2
Extra – Ordinary General Meeting	4th September 2023 at 11:30 a.m. at the registered office address : "The Fairway Business Park, # 10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring road, Next to EGL Business Park, Challaghatta, Bengaluru – 560071	2
Extra – Ordinary General Meeting	26th July 2023 at 3:00 p.m. at the registered office address : "The Fairway Business Park, # 10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring road, Next to EGL Business Park, Challaghatta, Bengaluru – 560071	4
17th Annual General Meeting	23rd June 2023 at 3:30 p.m. at the registered office address : The Fairway Business Park, # 10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring road, Next to EGL Business Park, Challaghatta, Bengaluru – 560071	5
Extra – Ordinary General Meeting	1st August 2022 at 11:00 a.m. at the registered office address : "The Fairway Business Park, # 10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring road, Next to EGL Business Park, Challaghatta, Bengaluru – 560071	1
16th Annual General Meeting	30th May 2022 at 11:00 a.m. at the registered office address : The Fairway Business Park, # 10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring road, Next to EGL Business Park, Challaghatta, Bengaluru – 560071	4
15th Annual General Meeting	19th August 2021 at 11:00 a.m. at the registered office address : The Fairway Business Park, # 10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring road, Next to EGL Business Park, Challaghatta, Bengaluru – 560071	3

WHISTLE BLOWER POLICY

The Bank has a whistle blower policy, which was approved by the Board on 8th Feb 2018. The policy provides a whistle blowing route to employees, including part time, temporary and contract employees and directors of the organisation.

Summary of the policy:

- The policy defines incidents that are required to be reported by a whistle blower, the concerns and safeguards to the whistle blower.
- The procedure for raising an issue under the policy as well as the investigation process and reporting of the whistle blowing incidents are detailed in the policy.

Mandatory Requirements

The Bank is in compliance with the mandatory requirements as specified in Regulation 34(3) of the Listing Regulations.

Non-Mandatory Requirements

1. Quarterly, half-yearly and annual results of the bank are available in the website of the Bank and are also published in widely circulated newspapers.
2. The Bank has a record of unqualified financial statements since inception.
3. During the year, the Chief Compliance Officer and the Head of Internal Audit Department have had separate discussions with the Audit Committee without the presence of the management team.
4. The Bank has complied with the requirement of having separate persons to the post of Chairman and Managing Director / Chief Executive Officer.

COMPLIANCES:

There were no instances of non-compliance by the Bank on any matter related to capital markets, nor have any penalty/stricture been imposed on the Bank by the Registrar of Companies, Reserve Bank of India, Stock Exchanges or SEBI or any other statutory authority on such matters except as stated below, wherein the Bank has paid fine to BSE Limited.

Regulation 52(2)(f)	Rs. 40,000 plus GST 18% (There was a delay of 7 days in submission of quarterly financial results for the quarter ended 31st December 2023)
Regulation - 60(2)	Rs. 10,000 plus GST 18% (There was a delay of 2 days in intimation of the record date for payment of interest to debenture holders)

DETAILS OF REMUNERATION PAID TO DIRECTORS

The details of remuneration paid to Directors for the financial year 2023-24, has been uploaded in website of the Bank as part of Annual Return at: <https://www.janabank.com/about-us/investor-relations/annual-return/>

DETAILS OF SHARES AND CONVERTIBLE SECURITIES HELD BY NON-EXECUTIVE DIRECTORS

As on 31st March 2024, none of the non-executive directors held any convertible securities or shares of the Bank.

UNCLAIMED SUSPENSE ACCOUNT

As on 31st March 2024, there are 36 shares in the unclaimed suspense account.

GENERAL SHAREHOLDER INFORMATION**Annual General Meeting**

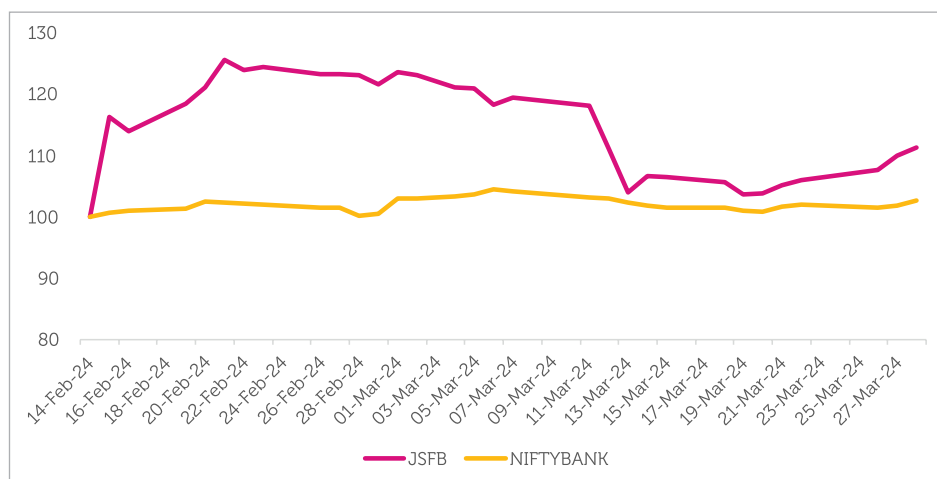
Date and time:	Wednesday, 19th June 2024, 11:00 a.m
Venue:	By Video-Conferencing/other Audio Visual Means ("VC/OAVM"). The registered office of the Bank ("The Fairway Business Park", # 10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring road, Next to EGL Business Park, Challaghatta, Bengaluru – 560071) shall be deemed to be the venue of the meeting
Financial year	01st April 2023 to 31st March 2024
Dividend payment date	NA
The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such Stock exchange(s):	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001. National Stock Exchange of India Limited Exchange Plaza, C-1, Block G Bandra Kurla Complex, Bandra (East) Mumbai, Maharashtra - 400 051
Listing Fees	Annual listing fees for the financial year 2023-24 has been paid
Stock Code	BSE - 544118 NSE - JSFB
ISIN	INE953L01027
Record Date	11-June-2024
Market price data- high, low during each month in last financial Year	Details are provided in the table below

Performance in comparison to broad - based indices such as BSE Sensex, CRISIL Index, etc.	Details are provided in the chart below
Registrar and Share Transfer Agents	KFin Technologies Limited (Earlier known as KFin Technologies Private Limited), Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032, Telangana State (TS) Ph. no. : +91 040 67161602
Share transfer system	100% of the equity shares of the Bank are in electronic form. Transfer of shares which are currently traded in demat form are processed by the Depositories through its Depository Participants with no involvement of the Bank.
Distribution of shareholding (as on 31.03.2024)	Details are provided in the chart below
Dematerialization of shares and liquidity (as on 31.03.2024)	100% of the shares are held in dematerialized form
Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity date and likely impact on equity	NIL
Commodity price risk or foreign exchange risk and hedging activities	NIL
Debenture Trustees	Soham Vaidya Catalyst Trusteeship Limited Unit No-901, 9th Floor, Tower-B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai-400013 T +91 22 4922 0555 Email id: dt.mumbai@ctltrustee.com
Address for correspondence	Company Secretary & Compliance Officer Jana Small Finance Bank Limited "The Fairway Business Park", # 10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring road, Next to EGL Business Park, Challaghatta, Bengaluru – 560071 T +91 80 4602 0100 Email id: investor.grievance@janabank.com

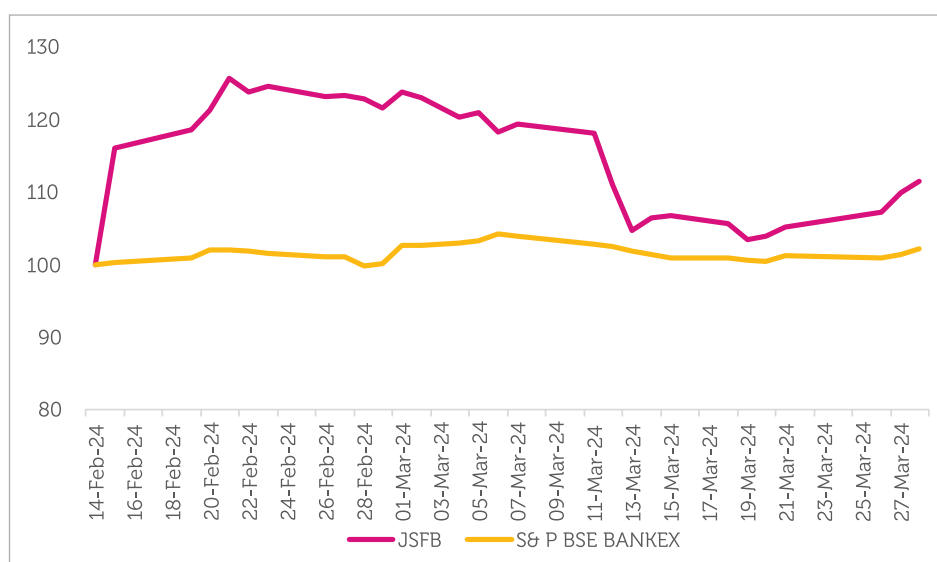
Market price data - High, Low during each month in the Financial Year 2023-24:

Month	BSE				NSE			
	Open Price	High Price	Low Price	Close Price	Open Price	High Price	Low Price	Close Price
Feb-24	396.0	481.8	365.0	447.6	396.0	482.0	365.0	448.2
Mar-24	447.2	462.0	368.7	410.6	450.2	465.0	368.2	409.6

Performance of the Bank' Vs Nifty Bank



Performance of the Bank's share Vs S&P BSE BANKEX



Shareholding Pattern as on 31st March 2024

Category	Total Shares	% To Equity
PROMOTERS	2,35,75,790	22.541092
FOREIGN CORPORATE BODIES	2,92,07,084	27.925239
RESIDENT INDIVIDUALS	2,54,04,381	24.289429
BODIES CORPORATES	1,40,65,061	13.447771
QUALIFIED INSTITUTIONAL BUYER	70,88,917	6.777797
MUTUAL FUNDS	25,58,577	2.446286
FOREIGN PORTFOLIO - CORP	11,99,795	1.147138
ALTERNATIVE INVESTMENT FUND	7,12,000	0.680752
H U F	3,16,020	0.302150
PRIVATE COMPANIES	2,45,782	0.234995
NON RESIDENT INDIAN NON REPATRIABLE	1,80,847	0.172910
NON RESIDENT INDIANS	35,474	0.033917
TRUSTS	540	0.000516
CLEARING MEMBERS	7	0.000007
Total	10,45,90,275	100.00

Distribution of equity shareholding as on 31st March 2024

Category (Shares)	No. of Shareholders	% of Shareholding	Total Shares
1 - 5000	70,465	97.459268	30,36,821
5001 - 10000	1,178	1.629277	7,34,164
10001 - 20000	248	0.343006	3,65,536
20001 - 30000	72	0.099582	1,85,468
30001 - 40000	36	0.049791	1,31,859
40001 - 50000	47	0.065005	2,27,383
50001 - 100000	73	0.100965	5,79,019
100001 & Above	183	0.253105	9,93,30,025
Total	72,302	100.00	10,45,90,275

FAIR PRACTICES CODE

The Bank has adopted the Fair Practices Code pursuant to the RBI guidelines issued in this regard, which is placed on the Bank's website and displayed at all branches of the Bank.

MD & CEO and CFO Certificate:

A certificate dated 29th April 2024 pursuant to the Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part B of Schedule II thereof, from the Managing Director & CEO and the Chief Financial Officer on the financial statements of the Bank for the financial year ended 31st March 2024, was placed before the Board at its meeting held on 29th April 2024.

Code of Conduct:

The Bank has laid down a Code of Conduct for Board of Directors and Senior Management. The same is available on the website of the Bank at www.janabank.com.

The certificate by the Managing Director & Chief Executive Officer of the Bank regarding compliance with the Code of Conduct for Directors and Senior Management is given below:

This is to confirm that:

The Bank has obtained from the Directors and Senior Management personnel affirmation that they have complied with the Code of Conduct for Directors and Senior Management of the Bank for of the financial year ended 31st March, 2024

Disclosure of materially significant related party transactions and policy on dealing with related party transactions.

There were no materially significant related party transactions having potential conflict with the interests of the Bank during the financial year 2023-24. All related party transactions entered into during the financial year were in the ordinary course of business and on arm's length basis and approved by the Audit Committee.

The particulars of transactions between the Bank and its related parties, as defined under Section 2(76) of the Act and in Accounting Standard 18, are set out in the financial statements. The Board has put in place a policy on dealing with related party transactions and material related party transactions and the same is available in the Bank's website.

Internal Code of Conduct for Prevention of Insider Trading

The Board has adopted an Internal Code of Conduct for Prevention of Insider Trading in the securities of the Bank. The Code inter alia requires Designated Persons obtaining pre-clearance from the appropriate authority in the Bank for dealing in the securities of the Bank as per the criteria specified therein and prohibits the purchase or sale of securities of the Bank while in possession of Unpublished Price Sensitive Information in relation to the Bank besides during the period when the trading window is closed. The period of trading window closure is intimated to all concerned well in advance from time to time.

Certification on non-incurrence of disqualification

M/s. Nagendra D Rao, Practicing Company Secretaries have certified that none of the Directors on the Board of the Bank have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority.

Details of fee paid to Joint Statutory Auditors

The total fee paid by the Bank for the services rendered by Joint Statutory Auditors for FY 2023-24 is given below:

Particulars	Fees (Rs. In lakhs)
(1) In capacity as Auditors	137.29
• Audit fees	117.72
• Tax Audit	2.18
• Statutory Certificates	-
• Other Reporting Services	0.39
• Reimbursement of expenses	17.00
(2) Other Capacity	2.18
IPO Related Services	306.80
Total	444.09

DETAILS OF UTILIZATIONS OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32(7A)

The Bank had fully utilized the funds raised through preferential issue and qualified institutions placement (Pre IPO).

DISCLOSURE BY BANK AND ITS SUBSIDIARIES OF LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED

The aforesaid disclosure is exempt for listed banks.

DISCLOSURE OF POLICY ON DETERMINING MATERIAL SUBSIDIARIES

There are no subsidiaries for the Bank. Hence, the disclosure is not applicable.

TRANSFER OF UNCLAIMED / UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

There are no unclaimed / unpaid dividend liable to be transferred to IEPF during the year 2023-24.

For and on behalf of the Board
For JANA SMALL FINANCE BANK LIMITED

Bengaluru
29th April 2024

Dr. Subhash Khuntia
Part-time Chairman & Independent Director
DIN: 05344972

Ajay Kanwal
Managing Director & CEO
DIN: 07886434

Corporate Governance Compliance Certificate

To the Members of
Jana Small Finance Bank Limited,
The Fairway Business Park #10/1,11/2,12/2B,
Off Domlur Koramangala Inner Ring Road,
Next to EGL, Challaghatta,
Bangalore - 560 071.

I have examined the compliance of the conditions of Corporate Governance by **Jana Small Finance Bank Limited ('the Company')** for the year ended on **March 31, 2024**, as stipulated under Regulations 17 to 27, clauses (a) to (m), (o) to (oa), (q) to (r), (t) to (w) and (y) to (z) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management, **I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2024 except Regulation 18 (1)(d) as Mr. Srinivas Nayak, Chairman of Audit Committee was not present at the Annual General Meeting held on 23rd June, 2023.**

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Bengaluru
Date : April 29th, 2024

Nagendra D. Rao
Practising Company Secretary
Membership No. FCS – 5553
Certificate of Practice – 7731
Peer Reviewed Unit
Peer Review Certificate No.: 672/2020
UDIN: F005553F000266220

CSR POLICY

Jana Small Finance Bank (JSFB) strives to be a customer centric organization that delivers essential financial services at scale to various customer segments in a robust and transparent manner. Recognizing the communities in which JSFB works and vision for positive impact, JSFB conducts its business with a strong Double-Bottom-Line approach. This is exemplified both with routine business operations as well as the programs JSFB sponsors for its customers, employees and community at large.

JSFB's Vision for Corporate Social Responsibility (CSR): JSFB aspires to further its social and environmental commitment by incorporating the vision of CSR laid out by the government in its Companies Act, 2013. JSFB intends to integrate the CSR guidelines in its business operations as well as outline a strategy to invest its CSR monies in socially and environmentally beneficial outcomes.

The CSR Committee will be in charge & render the following functions

- Developing the CSR strategy and operationalizing institutional mechanisms.
- Preparing a detailed plan on CSR activities.
- Making decisions regarding the expenditure on CSR activity.
- Making decisions on the types of activities to be undertaken.
- Delineating roles and responsibilities of various stakeholders.
- Ensuring the establishment of a monitoring and evaluation mechanism

Jana Small Finance Bank Limited's (JSFB) CSR Policy intends to integrate the CSR guidelines in its business operations as well as outline a strategy to invest its CSR budget in socially and environmentally beneficial outcomes. JSFB will, therefore, through self-driven or partner with a diverse range of stakeholders including well-established NGOs, government bodies and community representatives for its CSR activities.

Meetings

During the year 2023-24, four CSR Committee Meetings were held on: 09th May 2023; 10th August 2023; 18th October 2023 and 24th January 2024

Composition of CSR Committee:

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Chitra Talwar	Chairperson	4	4
2.	Mr. Ajay Kanwal	Member	4	4
3.	Dr. Subhash Khuntia	Member	4	4
4.	Mr. K S Raman	Member	1	1

Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Bank

Composition of CSR committee	https://www.janabank.com/about-us/leadership-governance/committees-of-board/
CSR Policy	https://www.janabank.com/images/policies/csr-policy.pdf
CSR projects approved by the Board	https://www.janabank.com/images/PDF/CSR-projects-for-the-year-2023-24.pdf

Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)

- NA

Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

- NA

Average net profit of the company as per section 135(5)

Rs. 1,18,19,95,232

CSR details:

Two percent of average net profit of the company as per section 135(5)	Rs. 2,36,39,905
Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	-
Amount required to be set off for the financial year, if any	-
Total CSR obligation for the financial year	Rs. 2,36,39,905

CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year.(in Rs.)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
Not Applicable					

Details of CSR amount spent against ongoing projects for the financial year	- NA
Details of CSR amount spent against other than ongoing projects for the financial year	- Annexure A
Amount spent in Administrative Overheads	- NIL
Amount spent on Impact Assessment, if applicable	- NA
Total amount spent for the Financial Year	- NA

Excess amount for set off, if any

Particulars	Amount (Rs.)
Two percent of average net profit of the company as per section 135(5)	2,36,39,905.00
Total amount spent for the Financial Year	2,40,10,664.00
Excess amount spent for the financial year	3,70,759.00
Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
Amount available for set off in succeeding financial years	3,70,759.00

Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
Not applicable							
	TOTAL						

Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

S. No.	Project ID	Name of the project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (Rs)	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed / Ongoing.
Not applicable								
	TOTAL							

In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)	NA
a. Date of creation or acquisition of the capital asset(s). b. Amount of CSR spent for creation or acquisition of capital asset. c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	
Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)	

For Jana Small Finance Bank Limited

Ajay Kanwal
Managing Director & CEO

Chitra Talwar
Chairperson – CSR Committee

Bengaluru
29th April 2024

S. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration number
1.	Tirunelveli corporation Schools	Promoting education	No	Tamil Nadu	Tirunelveli	4,25,000.00	Yes	NA	NA
2.	Humanity Hospital	Promoting health care including preventive health care and sanitation	No	West Bengal	Bardhaman district	6,97,000.00	Yes	NA	NA
3.	Sishu Vidyavithi school	Promoting education	No	West Bengal	South 24 Parganas	1,99,000.00	Yes	NA	NA
4.	Odisha state cashew development corporation	Safe drinking water	No	Odisha	Bhubaneswar	47,500.00	Yes	NA	NA
5.	PRAVATI JANASEVA FOUNDATION	Livelihood enhancement projects	No	Odisha	Bhadrak	65,450.00	Yes	NA	NA
6.	Akshya Patra : Mid day meal	Poverty and malnutrition	Yes	Karnataka	Bengaluru	25,00,000.00	No	Akshya Patra : Mid day meal	CSR00000286
7.	Saurashtra Kidney Research Institute	Promoting health care including preventive health care and sanitation	No	Gujarat	Rajkot	4,50,000.00	Yes	NA	NA
8.	Xavier Hazaribagh Association a) Catholic Ashram High School b) St. Xavier's High School Sitagarh	Promoting education	No	Jharkhand	Hazaribagh	20,09,840.00	Yes	NA	NA
9.	Odisha State Pollution board	Conservation of natural resources and maintaining quality of soil, air and water	No	Odisha	Bhubaneswar	7,49,890.00	Yes	NA	NA
10.	Salem Municipal Corporation	Promoting health care including preventive health care and sanitation	No	Tamil Nadu	Salem	12,08,867.00	Yes	NA	NA

S. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration number
11.	Municipal Corporation, Chandigarh	Animal welfare	No	Punjab	Chandigarh	10,97,070.00	Yes	NA	NA
12.	Health & Care Foundation Hospital	Promoting health care including preventive health care and sanitation	No	Gujarat	Ahmedabad	7,43,200.00	Yes	NA	NA
13.	Seva bharti Purbanchal	Promoting health care including preventive health care and sanitation	No	Assam	Guwahati	5,00,516.80	Yes	NA	NA
14.	Bharat Sevashram Sangha	Promoting health care including preventive health care and sanitation	No	West Bengal		2,03,797.00	No	Bharat Sevashram Sangha	CSR00000812
15.	Alfresco Skills Forum	Promoting education	No	Uttar Pradesh	Agra	12,90,000.00	Yes	NA	NA
16.	Bargach Foundation	Promoting education	No	West Bengal	North 24 Parganas	8,82,600.00	Yes	NA	NA
17.	Shishu Shiksha Samiti	Promoting education	No	Assam	Kamrup Metropolitan	5,51,000.00	Yes	NA	NA
18.	Research & Development Corporation for Bicycle & Sewing Machine	Promoting education	No	Punjab	Ludhiana	5,31,000.00	Yes	NA	NA
19.	Baksara Co Operative Credit Society Ltd	Promoting education	No	West Bengal	Howrah	4,36,943.00	Yes	NA	NA
20.	Jyotiba Phule Vidhyala	Promoting education	No	Uttar Pradesh	Rampur	2,12,400.00	Yes	NA	NA
21.	Parul Institution	Livelihood enhancement projects	No	Gujarat	Vadodara	12,19,886.00	Yes	NA	NA
22.	Guwahati Municipal Corporation	Conservation of natural resources and maintaining quality of soil, air and water	No	Assam	Guwahati	6,25,810.00	Yes	NA	NA

S. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration number
23.	Lokmangal Foundation	Livelihood enhancement projects	No	Maharashtra	Solapur	4,00,850.00	Yes	NA	NA
24.	Nutan Shikshan Prasarak Mandal	Safe drinking water	No	Maharashtra	Jalgaon	3,04,636.00	Yes	NA	NA
25.	Rotary International	Safe drinking water	No	Odisha	Bhubaneswar	2,78,775.00	No	Rotary International	CSR00008486
26.	Cuddalore fishing harbour	Livelihood enhancement projects	No	Tamil Nadu	Cuddalore	2,53,200.00	Yes	NA	NA
27.	Mahanaar palika Madhamik Vidyalaya	Promoting education	No	Maharashtra	Aurangabad	2,43,590.00	Yes	NA	NA
28.	Primary school of Panagalli	Promoting education	No	Tamil Nadu	Dharmapuri	97,000.00	Yes	NA	NA
29.	Rotary Club of Chennai Towers charitable trust	Livelihood enhancement projects	No	Tamil Nadu	Chennai	10,15,080.00	No	Rotary Club of Chennai Towers charitable trust	CSR00007195
30.	Arpan Divyang Public School	Promoting health care including preventive health care and sanitation	No	Chhattisgarh	Raipur	6,30,000.00	Yes	NA	NA
31.	Ankitgram Sewadham Ashram	Promoting health care including preventive health care and sanitation	No	Madhya Pradesh	Ujjain	6,28,375.00	Yes	NA	NA
32.	Health & Care Foundation Hospital	Promoting health care including preventive health care and sanitation	No	Gujarat	Ahmedabad	2,44,200.00	Yes	NA	NA
33.	Asha Kendra	Promoting health care including preventive health care and sanitation	No	Maharashtra	Aurangabad	61,500.00	Yes	NA	NA

S. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration number
34.	Moyna Adarsha Sikshayatan School	Safe drinking water	No	West Bengal	Medinipur East	2,21,769.20	Yes	NA	NA
35.	The Progressive Education Society's Urdu High school	Safe drinking water	No	Maharashtra	Solapur	1,73,500.00	Yes	NA	NA
36.	Zilha Parishad Kendra School, Katfal	Safe drinking water	No	Maharashtra	Solapur	35,400.00	Yes	NA	NA
37.	Govt Girls Senior Secondary School	Promoting education	No	Rajasthan	Jaipur	3,73,400.00	Yes	NA	NA
38.	Govt Upper Primary School Dhani Lalu Singh	Promoting education	No	Rajasthan	Jaipur	2,88,925.00	Yes	NA	NA
39.	Flood relief - Chennai	Disaster management, including relief, rehabilitation and reconstruction activities	No	Tamil Nadu	Chennai	5,63,354.00	No	Rotary District 3232 Charitable Trust	CSR00008192
40.	B.K Academy Soharia	Promoting education	No	Odisha	Bhubaneswar	15,50,340.00	Yes	NA	NA

Annexure V

PARTICULARS OF EMPLOYEES

CORPORATE GOVERNANCE PHILOSOPHY

The Bank is committed to ensure high standards of transparency and accountability in all its activities. Best management practices and high levels of integrity in decision making are diligently followed to ensure sustained wealth generation and creation of value for all stakeholders. The Bank scrupulously adheres to principles of corporate governance at all times.

i.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Dr. Subhash Khuntia : 5.5:1 Mr. Ajay Kanwal : 197:1 Mr. K S Raman : 80:1
ii.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Managing Director & CEO : 4% Executive Director# : 5% Chief Financial Officer* : 58% Company Secretary : 21%
iii.	The percentage increase in the median remuneration of employees in the financial year;	3.47%
iv.	The number of permanent employees on the rolls of company;	21,800
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average percentile increase in salaries of employees other than managerial personnel: 8.8%. Average percentile increase in salaries of managerial personnel: 4%
vi.	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

Mr. K S Raman was elevated as Executive Director of the Bank w.e.f. 01st January 2024.

*Mr. Abhilash Sandur was elevated as Chief Financial Officer of the Bank w.e.f 21st July 2023.

STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY:

Particulars of employees remuneration, as required under section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms a part of this report. Considering first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report, excluding the said information, was sent to the members of the Bank and others entitled thereto. The said information is available for inspection at the registered office of the Bank during working hours up to the date of ensuing annual general meeting. Any member interested in obtaining such information may write to the Company Secretary at lakshmi.rn@janabank.com in this regard.

For and on behalf of the Board
For JANA SMALL FINANCE BANK LIMITED

Bengaluru
29th April 2024

Dr. Subhash Khuntia
Part-time Chairman & Independent Director
DIN: 05344972

Ajay Kanwal
Managing Director & CEO
DIN: 07886434

Annexure VI

FORM NO. AOC. 2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: All Related Party Transactions are at arm's length.
2. Details of material contracts or arrangement or transactions at arm's length basis:

a. Name(s) of the related party and nature of relationship	:	Jana Urban Foundation and Mr. Ramesh Ramanathan, Director of the Board is also a Director & Chairman of Jana Urban Foundation.
b. Nature of contracts/ arrangements/ transactions	:	Trademark Licence Agreement
c. Duration of the contracts/ arrangements/ transactions	:	Perpetuity, effective from 01st November 2019 and shall continue in perpetuity, except as modified pursuant to clause 6.1 of the Trademark Licence Agreement
d. Salient terms of the contracts or arrangements or transactions including the value, if any	:	The licence agreement is for usage of "J" Logo and word "JANA" by the Bank which is owned by Jan Urban Foundation
e. Date(s) of approval by the Board, if any	:	24th October 2019
f. Amount paid as advances, if any	:	NIL

**For and on behalf of the Board
For JANA SMALL FINANCE BANK LIMITED**

**Bengaluru
29th April 2024**

**Dr. Subhash Khuntia
Part-time Chairman & Independent Director
DIN: 05344972**

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE, OPPORTUNITIES, OUTLOOK AND THREATS

The global economy has shown tremendous resilience despite steep rate hikes by global central banks after inflation spike. Though the growth has not got affected significantly but inflation came under control prompting market to price rate cuts aggressively in 2024 by central banks particularly Federal Reserve. But communication from Federal Reserve have warned market against this aggressive pricing of rate cuts which pushed the rates higher again. As growth is not getting affected despite steep rate hikes and the inflation is still not completely under control, Central Banks are patient to see through this cycle and not in hurry to cut rates, unless growth falters. Geo-Political development is keeping financial market cautious but so far they have remain largely unaffected. Effect of this on crude price is closely watched as this can be important trigger for global economy. Gold off late have appreciated sharply because of geo-political tension and buying interest of some central banks.

On domestic front GDP growth continue to be strong. The Second advance estimate released by National Statistical Office (NSO) for 2023-24 projected the growth at 7.6% making India the fastest growing country among large economies. On supply side gross value added (GVA) expanded by 6.9% in 2023-24. The manufacturing and services sectors turning out to be key drivers. Real GDP growth for Q3: 2023-24 is placed at 8.4%. Headline CPI inflation moderated to 5.3% in October 2023- February 2024 from an average of 5.5% in H1 2023-24. Food inflation continue to remain volatile. Core inflation has been steadily declining with a print of 3.4% in February 2024. This is a goldilocks situation for us having high growth with moderate inflation.

Banking industry continue to look healthy with robust credit growth nearing 20% for the industry. The deposit remain a challenge for banking industry with growth of 13.8%. A healthy growth in economy provide opportunity for Banks to grow their asset books, Under-pricing of risk in good times is a normal mistake which can be a risk. On liability side the deposit growth vis-a-vis credit demand remain a challenge. With healthy capital position, sound economy banks have opportunity to grow. Funding this growth and negative impact on economy due to global headwind can be a risk.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Net Interest Income has grown to ₹2,127.1 crores in FY24 vs ₹1,660.0 crores in FY23, up by 28.1% YoY. The Bank has earned a Net Profit before Tax (PBT) of ₹514.4 crores for the FY24, which has doubled from the FY23 PBT of ₹256.0 crores. Profit after tax (PAT) stood at ₹669.5 crores in FY24 as compared to ₹256 crores in FY23, registering a growth of 162% YoY. PAT for FY24 considers ₹155 crores of DTA recognized in Q4-FY24. Bank's AUM Portfolio witnessed a jump of 24.9% from ₹19,808 crores in FY23 to ₹24,746 crores for the FY24. Our Secured AUM grew by 33% year-on-year basis and constituted to almost 60% of the AUM. Our Deposits stood at ₹22,571 crores which grew by 38% Y-o-Y. The Retail Deposits including CASA constituted to 61.0% of the overall deposits of the Bank. The Capital Adequacy Ratio ("CRAR") was 20.3% as at March 31, 2024 (March 31, 2023: 15.6%) well above statutory minimum requirement of 15%. Cost to Income ratio for the FY24 was 57.4% as compared to 56.2% for the FY23. There was a substantial improvement in Return on Assets for FY24 was at 2.37% compared to 1.13% in FY23, primarily driven by business growth coupled with improved asset quality. The number of banking outlets increased to 808 in March 2024 from 754 in March, 2023. Our asset quality has significantly improved, with GNPA at 2.0% (vs. 3.7% in FY23) and NNPA at 0.5% (vs. 2.5% in FY23).

Note:

1. IBPC and Securitization book is included for the purpose of GNPA/NNPA
2. PAT, ROA, ROE and Networth is after considering DTA of Rs. 155 crores for FY 24

Profit & Loss summary

₹ Crores

Particulars	FY 2023-24	FY 2022-23
Net Interest Income	2,127.14	1,660.02
Other Income	671.01	624.86
Net Total Income	2,798.15	2,284.88
Operating Expenses	1,604.84	1,284.51
Operating Profit	1,193.31	1,000.37
Provisions and Contingencies	678.96	744.40
PBT	514.35	255.97
Provision for Tax	-155.19	0.00
PAT	669.54	255.97

Profitability: Profit After Tax (PAT) grew by 161.57% from ₹ 255.97 crore in FY 2022-23 to ₹ 669.54 crore in FY 2023-24.

Earnings: Our total income climbed by 26.60% from ₹ 3,699.88 crore in FY 2022-23 to ₹ 4,684.06 crore in FY 2023-24, due to a 30.51% increase in interest income. Our net interest income grew by 28.14% from ₹ 1,660.02 crore in FY 2022-23 to ₹ 2,127.14 crore in FY 2023-24, primarily due to a robust 30.13% growth in advances.

Net Interest Margin: Our Net Interest Margin has increased to 8.00% in FY 2023-24 from 7.84% in FY 2022-23.

Key ratios

The following table sets forth, for the periods indicated, the key financial ratios:

Particulars	FY 2023-24	FY 2022-23
Return on average equity (%) ¹	26.85%	16.70%
Return on average assets (%) ²	2.37%	1.13%
Net interest margin (%)	8.00%	7.84%
Cost to income (%) ³	57.35%	56.22%
Debt Equity Ratio	1.46	3.53
Provision coverage ratio ⁴	73.70%	34.01%
Basic Earnings per share (₹)	90.85	47.47

1. Return on equity ratio is computed with reference to monthly average of total equity (including reserve & surplus).
2. Return on average assets is computed with reference to average working funds. 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.
3. Cost represents operating expense. Income represents net interest income and non-interest income.
4. Provision coverage ratio does not include technical write offs. Including technical write off, Provision coverage ratio is 96.90% (March 31, 2023: 88.89%)

Non – Interest Income

₹ Crores

Particulars	FY 2023-24	FY 2022-23
Commission, exchange and brokerage	486.20	308.40
Profit on sale of Investments	9.26	2.96
Profit / (loss) on sale of land, buildings and other assets(net)	-0.58	-0.97
Miscellaneous Income	176.14	314.48
Of which:		
Profit on Sale of Assets to ARC	85.31	186.59
PSLC income	51.63	49.52
Recoveries from written off accounts	36.21	70.65
Lease income	0.00	6.04

₹ Crores

Particulars	FY 2023-24	FY 2022-23
Others	2.99	1.68
Total Non – Interest Income	671.01	624.86

Balance Sheet

₹ Crores

Particulars	FY 2023-24	FY 2022-23
Liabilities		
Capital	104.59	324.98
Reserves and Surplus	3,472.51	1,472.28
Deposits	22,571.25	16,334.02
Borrowings	5,211.46	6,277.46
Other Liabilities and Provisions	1,349.98	1,234.96
Total Liabilities	32,709.78	25,643.69
Assets		
Cash and balances with RBI	1,025.59	1,010.94
Balances with banks and money at call and short notice	1,028.54	1,076.37
Investments	6,737.69	5,221.22
Advances	23,111.27	17,759.56
Fixed assets	141.59	127.75
Other assets	665.10	447.85
Total Assets	32,709.78	25,643.69

Deposits: Our deposits base grew by 38.19% to ₹ 22,571.25 crore in FY 23-24 from ₹ 16,334.02 crore in FY 2022-23.

Deposits

₹ Crores

Particulars	FY 2023-24	FY 2022-23
I. Demand deposits		
i. From banks	192.55	72.93
ii. From others	1055.96	639.46
II. Savings bank deposits	3,198.41	2,588.57
III. Term deposits		
i. From banks	5,702.11	3,635.71
ii. From others	12,422.22	9,397.35
Total Deposits	22,571.25	16,334.02
From Banks	5,894.66	3,708.64
From others	16,676.59	12,625.38

Gross Advances

₹ Crores

Sectors	FY 2023-24	FY 2022-23
Agriculture and Allied Activities	5,118.50	4,127.95
Industrial Sector	1,875.93	1,318.25
Service Sector	6,187.43	4,405.02
Retail Loans	10,293.72	8,149.51
Total	23,475.58	18,000.74

Non-Performing Assets**₹ Crores**

Particulars	FY 2023-24	FY 2022-23
Gross NPA	494.33	709.19
Gross NPA to Gross Advances	2.11%	3.94%
Net NPA	130.02	468.00
Net NPA to Net Advances	0.56%	2.64%

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The fiscal year 2023-24 marked a remarkable era for our bank, characterized by a substantial 20% surge in our workforce. This growth underscores our commitment to nurturing a culture of excellence and innovation, attracting and retaining the best talents across the industry. Anchored in our well-established HR protocols, we endeavour to create an inclusive atmosphere where every employee feels respected, appreciated, and motivated to unleash their fullest potential.

No. of Employees	31 March 2024	31 March 2023
	21,800	18,184

The accomplishments of the past year also highlight the pivotal role of employees' in not only driving the bank's growth but also in shaping its culture and reputation in the industry. This alignment is key to building a cohesive workforce that is motivated by a shared purpose and committed to the bank's long-term success.

The recognition from the World HR Congress, with awards for 'Best Employer to Work For' and the National Best Employer Brand, further underscores the effectiveness and impact of the bank's human resources strategies. Such accolades are a testament to our unwavering commitment to excellence in people management practices and our proactive approach to fostering a supportive work environment. They serve as benchmarks for what the bank has achieved in terms of employer branding and setting high standards for employee engagement and satisfaction.

In the spirit of fostering growth and embracing innovation, Jana Bank has made a strategic move by integrating a significant number of fresh graduates and early-career professionals into its workforce. We take pride in the fact that nearly 30% of our workforce have started their corporate careers with Jana Bank. This initiative underlines the bank's commitment to revitalizing its organizational ecosystem with youthful energy, fresh perspectives, and innovative ideas, essential for staying competitive and impactful in the rapidly evolving banking landscape.

The extensive on-boarding and training of 14,000+ new hires is a testament to Jana's dedication to integrating employees seamlessly into its operations and culture. Such a rigorous program not only equips the workforce with necessary operational competencies but also fosters a sense of belonging and commitment to the company's values. This approach is critical for building a cohesive and capable team ready to tackle future challenges.

Understanding the importance of nurturing this new talent, Jana Bank has instituted comprehensive training and mentorship programs designed specifically to cater to the unique needs of fresh graduates and early-career professionals. This initiative aims to equip them with the necessary knowledge, skills, and understanding to excel in their roles and contribute effectively to the bank's objectives.

The strategic integration of new talent, coupled with a robust framework for employee development, positions Jana Bank not just as a formidable player in the banking sector but as a forward-thinking institution that prioritizes the growth and advancement of its workforce. By continuing to invest in its employees, Jana Bank is setting the stage for innovation, leadership, and success in the years to come. During the year, the bank promoted and mobilised nearly 40% of its workforce giving them growth and learning opportunity within the bank.

Jana's comprehensive training initiatives and commitment underline its strategic approach to workforce development, regulatory adherence, and organizational culture enhancement. By successfully training its employees in mandatory compliance, Jana not only meets regulatory standards but also instills ethical practices within its workforce. The commitment to IT security is equally significant, with 8,951 employees receiving specialized training to protect sensitive data and counter cyber threats effectively. This focus on security is crucial in today's digital age, where information breaches can have severe repercussions. During the fiscal year 2023-24, we made significant strides in our training initiatives, with 25000+ unique employees participating in various training programs.

Details of employees' undergone training

Training Programs	No. of Employees
On-boarding & Induction	13,874
Functional Induction	13,215
Mandatory Compliance Training	15,014
Jana Excellence Training	874
Digital Payment Awareness	5,413

As we venture into the upcoming fiscal year, our focus remains on enhancing our people-led initiatives to support the bank's strategic goals. Together, we move forward to another year of achievements and transformations, underpinned by the unwavering dedication and resilience of our esteemed workforce.

The strategic importance of diversity in Jana's operations underscores a proactive adaptation to the evolving financial landscape, ensuring the organization remains competitive and innovative. The enhancement of a diverse workforce facilitates quicker adaptation to market shifts, anticipates trends more accurately, and meets the broad and varying needs of a diverse customer base. This diversity is not just a matter of corporate equity but a strategic imperative that directly contributes to Jana's resilience and growth.

The overall increase in diversity to 12.4%, up by 17% from the previous financial year, is a testament to the on-going effort to improve the diversity. This incremental progress, although seemingly modest, marks a significant stride towards achieving a more inclusive and varied workforce that mirrors the diversity of the society it serves. It's particularly noteworthy in branch banking, where the representation of women in positions in Branch Banking at 26% and Branch Operations at 30% including in rural locations stands out, illustrating Jana's commitment to not just attracting but also carving out suitable roles for women employees across locations.

At the beginning of the year, the bank had 18,184 employees and by the end of the year it reached to a count of 21,800 increasing the headcount by 20%. With the growth, the bank in line with Industry-faced challenge, witnessed attrition during the year. In our analysis, we understand that 32% of our workforce are early starters, and thus the attrition amongst this segment is high at 25% that impacts overall attrition. We recognise that this further necessitate a more comprehensive approach to address the challenge.

The bank was further able to re-hire 700+ employees during the year. The strategy of promoting a robust rehire culture through an alumni portal is particularly noteworthy. This approach not only helps in keeping the former employees engaged with the bank but also develops a strong sense of community and belongingness among them. By fostering such a culture, Jana Bank creates a continuous loop of engagement, where the alumni feel valued and remain connected to the organization beyond their tenure.

Our belief in establishing and nurturing strong ties between employees and leadership is exemplary and stands as a fundamental principle for achieving strategic alignment across all levels of the organization. The bank takes immense pride as the senior leadership commits itself to traveling each month to various branch locations, making themselves accessible and working along with the employees in field. Leadership being accessible and open to input from all levels of staff, sends a powerful message about the value placed on everyone's contribution. This approach not only facilitates enhanced communication but also empowers employees by valuing their insights, thereby fostering a culture of mutual respect and trust. Such an environment is conducive to innovation and effective problem-solving, as people feel more comfortable and encouraged to voice their ideas and solutions. Furthermore, the cultivation of these relationships helps in breaking down hierarchical barriers, promoting a more collaborative and agile work environment.

Furthermore, the bank's innovative approach on Family Connect Programs at each branch location, to involving employees' families has amplified its commitment to work-life balance and holistic employee well-being. In the last fiscal year, 325 family connect events were planned which were attended by 11,024 employees and their families. This strategy not only enhances loyalty and morale but also solidifies the bank's reputation as a family-oriented and supportive employer. Recognizing that employees' personal lives influence their work performance and satisfaction, Jana Bank smartly invests in building a strong and inclusive community that extends beyond the traditional workplace. Such initiatives are crucial in today's dynamic work environment where the lines between personal and professional lives are increasingly blurred.

Jana Bank's focus on Rewards and Recognition alongside fostering connections with employees' families underscores a deep-rooted appreciation for the human element. Near 25% of our employees, i.e. 4,838 were recognised across

the bank, showcasing an impressive commitment to acknowledging individual and team contributions that serves as a tangible manifestation of the bank's values. Such a remarkable number of recognitions sends a clear message about the bank's dedication to uplifting its workforce and maintaining a high level of engagement and motivation among its employees.

Moreover, these family connect events serve as a strategic touchpoint to reinforce the bank's values and mission with not just the employees but their families as well, creating a broader sense of belonging and loyalty. This approach is a testament to the bank's understanding that a supportive work environment and a harmonious work-life balance are key drivers of employee retention and satisfaction.

Incorporating these strategic practices into the fabric of the bank's way of working not only promotes a culture of continuous improvement and open communication but also significantly impacts the overall well-being, productivity, and commitment of employees.

In summary, the bank's approach to building strong relationships with employees through personal engagement, comprehensive on boarding, and development initiatives, spearheaded by leadership and Human Resource, is a robust strategy for fostering a supportive, inclusive, and dynamic work environment. This not only aligns with the bank's values but also positions it as an attractive employer capable of attracting and retaining the best talent in a competitive industry. Continuous assessment and adaptation of these strategies will ensure their sustained effectiveness and relevance, contributing significantly to the bank's overall success and resilience.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

For Liabilities:

Jana bank offers all forms of Liability accounts i.e. Savings, Current, Fixed and Recurring. Deposits form an integral part of any banking operation and building granularity in deposit building is of paramount experience

- In liabilities, we cater to all types of clients i.e.
 - o Individual : Senior Citizens, Non Resident Individuals (incl. OCI holders), Resident Individuals, Minors, etc.
 - o Non - individuals : Sole Proprietors, Private Limited company, Partnership company, Public Limited company, TASC, etc.

As on 31st March 24, Liability book growth details are as follows :

- CASA deposit grew by 35%
- TD deposits grew by 39%
- CASA ratio stands @ 20%
- In FY 24, we have added over 92,000 liability clients
- Within 2 months of launching HNI program, bank has on-boarded following nos. of clients :
 - o Exclusive : 1500+ clients
 - o Premier : 1700+ clients

Product	Mar-24	Mar-23	YTD Growth	Growth %
CASA BALANCE	4,447	3,301	1,146	35%
TD BALANCE	18,124	13,033	5,091	39%
Retail TD	9,328	8,166	1,162	14%
Bulk TD	8,796	4,867	3,929	81%
Total Deposits	22,571	16,334	6,237	38%

For Affordable Housing:

India's affordable housing market holds immense potential for addressing the housing needs of its burgeoning population. Following a period of subdued growth in FY20 through FY22 primarily attributed to pandemic, Affordable Housing Finance Companies (AHFCs) experienced a resurgence in growth during FY23, expanding by 27% year-over-year. This growth trajectory is expected to continue, with CareEdge Ratings forecasting a 29% growth in FY24 and a further 30% in FY25 for AHFCs. The optimistic outlook for AHFCs is supported by several factors, including their relatively smaller base compared to traditional banking institutions and prime housing finance entities, their capacity to penetrate unorganized market segments, and their adept appraisal skills. These competencies enable AHFCs to effectively serve customers who may not meet the prime credit criteria.

Source: Care Ratings FY24-25

For MSME:

MSME sector plays a vital role by contributing significantly to economic growth and creating employment opportunities. India has 633.9 lakh micro, small and medium enterprises contributing to almost a third of country's GDP. As of August 2023, MSMEs employed 12.36 crore people in India. The rural-urban distribution reveals that 51 per cent of MSMEs, totalling 324.9 lakh enterprises, are located in rural areas, while the remaining 49 per cent, comprising 309 lakh enterprises, are located in urban areas.

Source: MSME INDUSTRY OUTLOOK by Infomerics Ratings Credit Rating Agency (SEBI Registered/RBI Accredited)

We offer tailor made financial solutions business loans to assist MSME fulfilling their existing business needs as well as achieve their business goals and future expansions:

- Term Loans for Business Purpose
- Term Loans for Commercial Property Purchase
- Overdraft Facility for Daily Business Need
- Facility for purchase of Inventory
- Bank Guarantees
- Customized Current Accounts designed for MSME Need

As on 31st March'24

- AUM - Asset Book: Rs. 3,317 Crores (YTD Growth of 21 %)
- Liability book for MSME Customers : 161 Crores

For Two wheeler

The Indian two-wheeler sector represents more than just a market; it serves as a dynamic engine driving the nation's progress. According to a recent TechSci Research report titled "India Two Wheeler Market - Industry Size, Share, Trends, Competition Forecast & Opportunities, 2029," this industry stood at a substantial USD 16.63 Billion in 2023 and is projected to grow with a commendable CAGR of 10.29% in the forecast period from 2024 to 2029.

The historical roots of the Indian two-wheeler industry run deep, with motorcycles and scooters being the cornerstone of personal mobility for decades. The two-wheeler market in India is witnessing a paradigm shift, fuelled by the rise of new-age start-ups such as Ola Electric and Ather Energy.

Jana Small Finance Bank provides loan for purchasing Two Wheeler/ Electric Two Wheeler to Existing & New to Bank Customers.

As of 31st March'24 TW Portfolio book: - 487 Crores (YTD growth of 107%).

For Microfinance

Jana Bank offers small ticket size loans (primarily MFI) to its customers through its Retail financial services vertical in the forms of Agri Group Loans, Group loans, Individual loans and Gold loans, these loans are offered to the customers who are unbanked/underbanked to bring them into the formal financial banking fold

1. Agri Group Loan: Loan offered to the group of customers under JLG model to customers involved in Agri/agri allied activity in predominantly Rural/Semi Urban location
2. Group Loan: Loan offered to the group of customers under JLG model to customers in predominantly Urban/metro location
3. Individual Loan: Individual loans offered to a graduated customers who has taken a Group/Agri group loan once with the bank
4. Gold Loan: Loans offered against Gold as a collateral

Product	Mar-24	Mar-23	Growth
Group Loans	803	686	17%
Agricultural Loans	3,899	3,094	26%
Individual loans	5,299	4,982	6%
Total unsecured	10,004	8,763	14%
Gold Loans	290	225	29%

TPP Function:

Jana Bank is registered as corporate agent with IRDAI for solicitation of Insurance business. The Bank offers multiple products across Life & Non-Life Insurance to its asset as well as retail branch banking customers.

The Bank is currently tied up with 3 Life Insurance (ICICI Prudential Life, Bajaj Allianz Life & Kotak Life) and 2 Non-Life Insurance (ICICI Lombard & Bajaj Allianz General) partners. Solicitation of Insurance is restricted to Jana Bank's customers and is purely on voluntary basis.

For Investment products, the bank has partnered with Axis securities for offering 3 in 1 a/c to its customer which is a combination of Savings, Demat & Trading a/c. The Bank has also started distribution of Mutual funds recently and have partnered with Axis AMC, IPRU AMC & SBI AMC for MF Distribution.

1. Credit Life Insurance: Credit Life Insurance product is offered to Bank's loan customer across RFS, AHL & MHL, TW & MSE vertical.
2. Non-Life Group Insurance: The Bank also offers multiple Non-Life Insurance products like Hospicash Insurance, Credit linked health plans, Collateral policies etc to its loan customers.
3. Retail Life Insurance: Bank offers various categories of life insurance plans like Traditional, term, ULIPs, Guaranteed Benefits plan etc to its customer in Branch Banking. The solicitation is done by certified staff as per extant regulations and restricted to Jana Bank's customer only.
4. Retail Non-Life Insurance: The Bank also offers various solutions to its Branch Banking customer across Non-Life Insurance which typically includes Health Policies, Motor Insurance, Fire Insurance, Travel Insurance, Liability Insurance etc.

Type	2022-23	2023-24	YTD Growth	Growth %
Credit Life	253.8	299.2	45.4	18%
Non-Life Group	38.7	56.4	17.7	46%
Retail Life	37.5	40.9	3.4	9%
Retail General	15.3	18	2.7	18%
Total	345.2	414.5	69.3	20%

Persistency	2022-23	2023-24	Growth%
LI Persistency	62%	72%	16%

Details	FY 2023-24
Count of 3 in 1 a/c opened	1653
MF AUM	~ 30 crs

For Payments & Cards :

Jana Bank offers various digital assets to the customers for their ongoing Payment and Investment needs. Various Payment products like UPI, IMPS, RTGS, NEFT, Card Payments, NACH are offered to the customers which facilitate the CASA and TD growth for the Bank. These products not only facilitate payments for Liability Business but also Collection for the Loan Business.

As of 31st March 2024, Annualised growth rates :

Product		FY2023-24	FY2022-23	YTD Growth	Growth %
UPI	Volume	2,68,33,967	1,66,81,688	1,01,52,279	61%
	Value	4,612.95	2,616.71	1,996.24	76%
IMPS	Volume	13,49,742	10,99,081	2,50,661	23%
	Value	2,892.34	1,747.65	1,144.69	65%
RTGS	Volume	64,357	39,556	24,801	63%
	Value	10,143.74	6,889.08	3,254.67	47%
NEFT	Volume	3,68,290	4,79,065	-1,10,775	-23%
	Value	2,124.18	2,219.41	-95.23	-4%

Product		FY2023-24	FY2022-23	YTD Growth	Growth %
NACH	Volume	75	14	61	436%
	Value	1.23	0.06	1.17	1872%
Cards	Volume	1,62,047	1,85,711	-23,664	-13%
	Value	86.80	90.67	-3.87	-4%
Total	Volume	2,87,78,478	1,84,85,115	1,02,93,363	56%
	Value	19,861.24	13,472.90	6,302	47%

Value Rs. in crores. Please note that the NEFT and Card transaction volumes have reduced as they have been overtaken by UPI and IMPS which are more preferred mode of payments.

- Jana Carded customer percentage is @ 75% in the last Financial year
- AEPS Off Us Issuance transactions volume for the month of Mar 24 was 18,619 amounting to Rs. 4.19 Crore
- Mobile Banking ranking on the Playstore was 4.6 as on Mar 24 (highest among the peer banks)
- YoY growth on Mobile Banking Activation is 59%
- Bank Merchant QR implementation were at 13,955 with 81% activation (atleast one transaction)
- Overall Digital Banking growth rate was at 79%
- PoS installed at Jana Bank Merchant Locations – 2200 +
- PoS transactions done till date at Jana Merchant locations are 21,226 and value is Rs. 7.27 crore

The Bank has set up a Business Correspondent (BC) Channel with an objective for greater financial inclusion and increasing the outreach of the banking sector to the underserved population who act as the Bank's representative in Unbanked Rural Centre / unserved Banking location which helps facilitate financial services like Opening Bank accounts and helping in financial transaction like cash deposits / Cash withdrawal / fund transfers etc. The mentioned services empower the villagers to access Banking services at low cost.

As on 31st March, 2024 the Bank has engaged with 21 BC partners having 174 BC Agents spread across 12 states providing financial services to our Customers.

The Bank is live with AEPS issuance on the BC channel for services like Cash Deposit, Cash Withdrawal, Balance Enquiry, Mini Statement to facilitate customer's banking transactions. JSFB is also working on initiatives like AEPS Acquiring to strengthen the BC channel and improving visibility.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Bank's Internal Audit function provides independent assurance to the Board of Directors on an ongoing basis on the quality and effectiveness of its internal controls, risk management, governance, systems and processes. The internal audit function in the Bank has sufficient authority, stature, independence, resources and co-sourced specialised vendors, thereby enabling Internal Auditors to carry out their assignments with objectivity. The Bank's Internal Audit Function works in close co-ordination with second line of defence i.e. Risk Management Department and Compliance Department.

Internal Audit department develops an annual Audit Plan using appropriate risk based methodology, including risks or control concerns identified by Management and the Audit Committee, and submits that plan to the Audit Committee for review and approval. The annual Audit Plan covers all the Banking outlets (including BC's), Central Functions, Information System (IS) and Credit Process based on the regulatory guidelines issued by the RBI, Guidance Note on Risk Based Internal Audit (2002) and Internal Audit Policy framed by the bank.

Information System (IS) Audit is also part of internal audit function. The scope of IS audit covers all information systems used by the Bank in related activities viz. system planning, organisation, acquisition/ development, implementation, delivery and support to end-users. The scope also covers monitoring of implementation in terms of its process effectiveness, input/output controls and accomplishments of system goals. All IS audits are carried out periodically by a team of CISA qualified auditors and external CERT-in empanelled firms.

Internal Audit team carries audit diligently as per the approved plan, highlights the concerns at appropriate levels and reviews necessary corrective actions and ensures continuous engagement with stakeholders including regulators, investors and management for all key issues identified concerning with improvement in policies, procedures or their compliance.

RISKS AND CONCERNS

Managing risk is fundamental to ensuring the sustainable performance and organisational stability. Jana Small Finance Bank ("the Bank") recognizes that risk management is integral to sound business practices and endeavours to ensure that risks are identified, assessed, measured (where possible) and managed in a timely manner.

Integrated Risk Management framework

The Bank adopts an integrated risk management approach in order to develop a comprehensive view of risks faced in its businesses. The Bank's risk management framework aligns risk and capital management to business strategies, aims to protect its financial strength and reputation and ensures support to business activities for adding value to customers while creating sustainable shareholder value. The Bank has a risk management structure that augments its risk evaluation and management capabilities while allowing it to stay nimble to adapt to the changing business and regulatory environment in an efficient and effective manner. The Board of Directors is responsible for the governance of risks and approves the Bank's risk management policies. To ensure a focused approach, the Board has delegated the responsibility to Risk Management Committee of the Board, which reviews the implementation of risk management policies and monitors the risk mitigation measures. The Bank has various executive-level Committees such as Executive Risk Management Committee (Executive RMC), Asset Liability Management Committee (ALCO), Product Risk Management Committee (PRC), Functional Operational Risk Management Committee (FORC), Zonal Risk Management Committee (ZRMC), Customer Service Committee and Information Security Committee, among others, which meet periodically to review the risks comprehensively in the respective areas. The Bank also has an independent risk management function headed by the Chief Risk Officer.

Executive RMC is given the responsibility for governing all the Bank's risks through a rollup of all risks for Risk aggregation, addressing corrective actions and to govern the corrective actions. The chairperson of the executive RMC is the CEO while CRO is a member and the convenor. Bank manages risks through a comprehensive framework of functional and unit KRIs for granular Risk self-assessment; review of KRIs and incidents by zonal-level committees and function-level committees for all enterprise processes.

Monitoring of KRIs

The Bank has identified over 242 KRIs over 12 functional verticals to monitor risk as part of the Operational Risk Management Framework. The thresholds for the KRIs have been finalised in consultation with the stakeholders. The threshold breaches are monitored the by the zonal and functional level committees and aggregated to the Executive RMC for review and governance.

Incident reporting

Process gaps or unforeseen events resulting in operational risk are reported through an incident reporting process. These incidents are subsequently reviewed to identify the cause and take corrective action and preventive action, as applicable. The incident description, root-cause and corrective actions are presented to the Executive RMC for review and guidance to strengthen controls.

Outsourcing Risk

'Outsourcing' is defined as the Bank's use of a third party (either an affiliated entity within the corporate group or an entity that is external to the corporate group) to perform certain activities on a continuing basis that would normally be undertaken by the Bank itself, now or in the future. Key activities undertaken for Outsourcing risk assessment include the following : onboarding risk assessment covering financial strength; review of outsourcing contracts by the legal team, reference checks from other principals using their services and review of internal controls and service quality and ongoing risk monitoring to ensure that the renewal and updation of contracts, review of performance and business continuity. Bank outsourcing Risk is governed by the Executive RMC.

Business Continuity Management (BCP)

Bank's BCP framework aims to ensure continued service to customers during unforeseen adverse events. Bank's BCP governance includes periodical Business Impact Analysis (BIA), BCP testing and outsourcing reviews to monitor its BCP preparedness on an ongoing basis. The Bank's Business Continuity Plan is governed by Executive RMC. For IT and Information Security processes, there are well-defined BCP testing protocols along with roles and responsibilities for disaster recovery programs. For non-IT, BCP is tested through periodic drills conducted to test the effectiveness of alternatives and recovery plans. Bank outsourcing Risk is governed by the Executive RMC.

Credit Risk

The Bank has put in place prudent risk management practices to manage Credit risk, beginning with the development and monitoring of statistical scorecards to screen borrowers' credit worthiness, sound collateral assessment practices, robust assessment of borrower limits through credit policies and underwriting practices, disbursement related controls, early warning reviews to detect early signs of stress, risk grading of borrowers after 6 months on books and monitoring of accounts, to make sure that the potential losses arising out of Credit Risk are minimised. In FY23, the Bank focussed on further strengthening its risk management framework and undertaken several measures to strengthen the processes. The Bank Product Risk Committees (PRCs) conduct an in-depth analysis of key portfolio segments to identify pockets of stress within sub-segments like geography, ticket size, and customer segment, among others, on a regular basis and based on the findings, actions were taken to ensure there is no dilution in the overall asset quality of the Bank. In addition, the Bank through the PRCs conducts regular assessments of the Credit Scorecards to make sure that the Scorecard are discriminating the customer's credit worthiness effectively. The Early Warning Signal framework supports the monitoring of Large Borrowers by reviewing qualitative and quantitative metrics to judge signs of stress. The Bank's provisioning policy is conservation. In the past, Bank has been proactive in taking additional provisions to account for signs of stress wherever observed in the Bank's portfolios. Stress testing forms an integral part of risk monitoring. The Bank carries out periodic stress testing to measure the effect of COVID, demonetization as well as other economic developments, to gain insights on the impact of extreme situations on the Bank's risk profile, and capital position.

Operational Risk Management

Operational Risk is "the risk of loss resulting from inadequate or failed internal processes, people, systems or from external events. It excludes Strategic and Reputational Risks but includes Legal Risk". Strategic and Reputational risks are second-order effects of Operational Risk. Legal risk includes, however, is not limited to, exposure to penalties, fines, punitive damages arising out of supervisory action, civil litigation damages, related legal costs and any private settlements. Bank has a framework of Functional Operational Risk Management Committee (FORC) chaired by the respective functional heads and Zonal Risk Management Committee (ZRMC) chaired by designated zonal heads to oversee the functioning, implementation, and maintenance of operational risk management activities in the respective functions and areas, The FORCs and the ZRMCs report to the Executive RMC.

ALM and Market Risk Management

Market Risk is defined as the possibility of loss to a Bank caused by changes in the market variables such as interest rates, credit spreads, equity prices, etc. The Treasury Middle Office(TMO) unit is responsible for identifying and escalating any risk, limit excesses on a timely basis. The unit is also responsible for establishing a comprehensive risk management policy to identify, measure and manage liquidity and interest rate risk. The TMO unit monitors the investment portfolio and the daily activities carried out by Treasury along with the set risk tolerance limits as per market risk policy such as VaR, PV01, and Modified Duration. The impact of interest rate risk on trading books is actively measured using trading book risk metrics like PV01, duration etc. The Bank assesses interest rate risk in the balance sheet from both earnings and economic perspectives. Liquidity risk is assessed from both structural and dynamic perspectives, and the Bank uses various approaches like the stock approach, cash flow approach and stress test approach to assess liquidity risk. The risk team monitors the broad liquidity profile of the Bank through the Liquidity Coverage Ratio, Net Stable Funding Ratio and Structural Liquidity Statement.

Information Security Risk

The Bank has a robust risk management framework in place to identify, assess and manage information security risks and has made significant progress in enhancing its information security governance through monitoring at the IT steering and Information Security Committees. The Information Security Management System, Information Technology Division is Certified on ISO/IEC 27001:2013 Standard by British Standard Institute (BSI)

The Bank's information Security committee addresses information and cyber security-related risks. The function is governed by Board-approved policies on information security and cyber security. Bank carries out periodical awareness exercises to ensure employees are updated on information security practices. It has invested in strong technical and administrative controls to proactively prevent, detect, contain and respond to any suspicious activity. The Bank has deployed a layered security defence with the latest technology tools to defend and protect information and assets. These include but are not limited to next-gen firewalls, intrusion prevention systems and anti-DDoS, next-gen anti-malware, proactive defence through web application firewalls, periodic vulnerability and penetration testing, security architecture review and data security assessments. A security operation centre is in place which monitors alerts and anomalies 24x7 in the Bank's perimeter and internal network and systems. The Bank has put

in place controls to ensure that security controls are on par with the defined standards. It periodically conducts phishing awareness and simulation exercises. Further, the advisories and alerts from regulators and CERT-In are acted upon to strengthen the Bank's cyber and information security. The Bank also regularly participates in cyber drills conducted by the Institute of Development and Research on Banking Technology (IDRBT).

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Corporate Identity Number (CIN) of the Listed Entity	:	U65923KA2006PLC040028
Name of the Listed Entity	:	Jana Small Finance Bank Limited
Year of incorporation	:	2006
Registered office address	:	The Fairway Business Park, First Floor, # 10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring road, Next to EGL Business Park, Challaghatta, Bengaluru – 560071
Corporate address	:	The Fairway Business Park, First Floor, # 10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring road, Next to EGL Business Park, Challaghatta, Bengaluru – 560071
E-mail	:	investor.grievance@janabank.com
Telephone	:	080-46020100
Website	:	www.janabank.com
Financial year for which reporting is being done	:	2023-24
Name of the Stock Exchange(s) where shares are listed	:	BSE Limited and National Stock Exchange Limited
Paid-up Capital	:	1,04,59,02,750
Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	:	Mrs. Lakshmi R N Company Secretary & Compliance Officer lakshmi.rn@janabank.com 080-46020100
Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis	:	Standalone basis

II. Products/services

1. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial and Insurance service	Banking activities by Central, Commercial and Savings banks	100%

2. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Retail Banking, Treasury, Wholesale Banking, and other Banking Operations	64191	100%

III. Operations

3. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	-	825	825
International	-	None	None

4. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	21 states and 3 union territories
International (No. of Countries)	-

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not applicable

c. A brief on types of customers

Bank caters to a diverse set of customer base which includes Individuals/Non Individuals/NR/ Government/ MSME/Large Corporates/Farmers etc.

IV. Employees

5. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	21,800	19,164	88%	2,636	12%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	21,800	19,164	88%	2,636	12%
WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total workers (F + G)	0	0	0	0	0

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	0.0	0.0	0.0%	0	0.0%
2.	Other than Permanent (E)	0.0	0.0	0.0%	0	0.0%
3.	Total differently abled employees (D + E)	0.0	0.0	0.0%	0	0.0%
WORKERS						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
6.	Total differently abled workers (F + G)	NA	NA	NA	NA	NA

6. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	1	11%
Key Management Personnel	4	1	25%

7. Turnover rate for permanent employees and workers

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	32%	5%	37%	38%	6%	43%	48%	7%	55%
Permanent Workers	0	0	0	0	0	0	0	0	0

V. Holding, Subsidiary and Associate Companies (including joint ventures)

8. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
NOT APPLICABLE				

VI. CSR Details

9. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes
(ii) Turnover (in Rs.) – 46,84,05,63,000
(iii) Net worth (in Rs.) – 35,66,49,96,36,674

VII. Transparency and Disclosures Compliances

10. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	N/A						
Investors (other than shareholders)							

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes, https://www.janabank.com/images/policies/customer-grievance.pdf	159	-	-	-	-	-
Employees and workers		10	0	-	15	0	-
Customers		4,317**	262	-	5,708*	231	-
Value Chain Partners		-	-	-	-	-	-
Other (please specify)		-	-	-	-	-	-

**Of the 4,317 complaints received in the year 2023-24, 917 pertain to ATM Disputes
*Of the 5,708 complaints received, 951 complaints pertain to ATM Disputes for 2022-23

11. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Financial Inclusion and inclusive Banking	Opportunity	Banks' vision is to promote financial inclusion and inclusive banking to unserved and underserved segment in semi urban and rural areas		Positive
2	Financial Inclusion and inclusive Banking	Risk	Unsecured lending to MFI segment and repayment driven by cash mode	Credit Bureau and Scorecard driven acquisition. Moving towards digital collections/ standing instruction/NACH. Robust audit checks in place.	Negative
3	Risk Management	Opportunity	"Risk Management is an independent function. The overall risk management framework is overseen by the RMC of the Board and is governed by a Board approved policy for each risk family. Bank's loan acquisition and lifecycle management is driven by scorecard-based model and risk based pricing to build a sustainable lending book."		Positive
4	Transparency and disclosure	Opportunity	"Disclosures on the website on Fair Practice Code and Schedule of Charges ensures transparency to customers. Disclosure on the website with respect to investors presentation, periodical returns / disclosure with stock exchanges."		Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Corporate Governance & Ethics	Opportunity	Bank emphasizes strong corporate governance and ethics which will have a positive impact on sustainable performance.		Positive
6	Corporate Governance & Ethics	Risk	Misinformation/ misconception, wrong decision regarding the aspect can lead to negative business implications	Bank has a robust governance framework which includes a self-assessment risk framework that encompasses all businesses and functional units of the Bank at the Head Office and at the Zonal levels	Negative
7	Customer Privacy	Risk	Failure in any aspect might leads to customer dissatisfaction and regulatory action.	Bank has robust policy around data privacy and code of conduct which ensures customer data privacy is maintained.	Negative
8	Data Security	Risk	Failure in data security can lead to reputation and regulatory risk	"Controls – Network access control, Antivirus, Penetration test, Dark- web monitoring, Malware monitoring and other threat monitoring, Data Leakage Prevention solution. IT and InfoSec audit, IT security risk reporting, IT security risk governance."	Negative
9	Data Security	Opportunity	Appropriate and adequate safety systems create trust and confidence in the Bank.		Positive
10	Customer Satisfaction	Opportunity	Banks policies, products and services focus on a customer centric approach and timely and transparent communication.		Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Customer Satisfaction	Risk	Failure in any aspect might lead to loss of business opportunity.	Bank has a robust customer grievance redressal mechanism and proactively does customer satisfaction surveys. Feedback obtained is considered for improvements.	Negative
12	Training and development	Opportunity	Employee training and development to improve quality and retention of high quality employees across the Bank.		Positive
13	Training and development	Risk	Inadequate training and development can inhibit business development and employee attrition	Bank conducts various trainings regularly through physical and digital mode.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	No	-	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	No	-	No	Yes
c. Web Link of the Policies, if available	https://www.janabank.com/about-us/leadership-governance/policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	No	No	No	No	No	No	No	No	No
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, and Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	NA	NA	NA	NA	NA	NA	NA	NA	NA
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	No	No	No	No	No	No	No	No	No
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	No	No	No	No	No	No	No	No	No

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) The Bank has listed its equity shares recently and has been evaluating to incorporate the same.										
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).		Managing Director & CEO								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.		No, the Bank currently does not have any such Committee								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	The policies have been reviewed by the Board and suitable suggestions are advised, if any									Annually								
Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.										P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
										No, However all policies of the Bank have been developed after detailed consultation and are evaluated internally.								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	No, However all policies of the Bank have been developed after detailed consultation and are evaluated internally.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	NOT APPLICABLE								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/ No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors	4	Strategy, IT & cyber security, customer education and protection, Leadership	Strategy (100%), IT & cyber security (12.5%), customer education and protection (12.5%), Leadership (11.12%)
Key Managerial Personnel	4	IT Security Awareness Report Phishing Awareness	100%
Employees other than BoD and KMPs	147	AML Awareness Program, FRM, KYC, Compliance, Phishing Reporting, IT Security, HRMS-Workline Program, Digital Payment Awareness ¹	82%
Workers	NOT APPLICABLE		

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)

Monetary

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In Rs.)	Brief of the Case	Has an appeal been referred? (Yes/No)
Penalty/ Fine	-	BSE Limited	a) 47,200 b) 11,800	a. a) Non- submission of the financial results within the time prescribed under the SEBI Regulation. b. b) Delay in intimation of record date for payment of interest to Debenture Holders	
Settlement	NIL				
Compounding fee					

Non - Monetary

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

S. No.	Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
		NIL

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

Yes we have implemented a code of conduct that prohibits employees from receiving illegal gratification or engaging in corrupt practices.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	Current financial year	Previous financial year
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

Category	Number (CY)	Remarks (CY)	Number (CY)	Remarks (PY)
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	Nil	-	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	Nil	-	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.
– **Not applicable**

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Category	Current FY	Previous FY	Details of improvements in environmental and social impacts
R&D	NOT APPLICABLE		
Capex			

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No): **Not applicable**
b. If yes, what percentage of inputs were sourced sustainably?: **Not applicable**
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.- (a) Plastics (including packaging) : NA (b) E-waste: NA (c) Hazardous waste: NA (d) other waste: **Not applicable**
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same: **Not applicable**

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees (Permanent Employees).

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	19,164	19,164	100%	19,164	100%	0	0.00%	103	0.5%	NA	NA
Female	2,636	2,636	100%	2,636	100%	114	4.3%	0	0.0%	NA	NA
Total	21,800	21,800	100%	21,800	100%						
Other than permanent Employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

b. Details of measures for the well-being of workers. (Permanent Workers).

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0
Other than permanent Employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	No. of employees covered as a % of total employees (CY)	No. of workers covered as a % of total workers (CY)	Deducted and deposited with the authority (Y/N/N.A.) (CY)	No. of employees covered as a % of total employees (PY)	No. of workers covered as a % of total workers (PY)	Deducted and deposited with the authority (Y/N/N.A.) (PY)
PF	100	NA	Y	100	NA	Y
Gratuity	100	NA	Y	100	NA	Y
ESI	NA	NA	NA	NA	NA	NA
Others - please specify	NA	NA	NA	NA	NA	NA

3. Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. The Bank has made conscious efforts in this direction at its Corporate Office and branch offices.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, Equal Opportunity is covered under the Bank's Employee Policy.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	83%	83%	NA	NA
Female	78%	78%	NA	NA
Total	81%	81%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Yes
Other than Permanent Employees	Yes

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY2023-24			FY2022-23		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union(B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union(D)	% (D/C)
Total Permanent Employees	0	0	0	0	0	0
- Male	0	0	0	0	0	0
- Female	0	0	0	0	0	0
Total Permanent Workers	0	0	0	0	0	0
- Male	0	0	0	0	0	0
- Female	0	0	0	0	0	0

8. Details of training given to employees and workers:

Category	FY2023-24					FY2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	19,402	0	NA	14,191	73	17,901	0	0	9,647	53
Female	2,686	0	NA	2,250	83	2,281	0	0	1,465	64
Total	22,088	0	NA	16,441		20,182	0	0	11,112	
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

9. Details of performance and career development reviews of employees and workers

Category	FY2023-24			FY2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	19,164	0	0.0%	16,244	0	0.0%
Female	2,636	0	0.0%	1,940	0	0.0%
Total	21,800	0	0.0%	18,184	0	0.0%
Workers						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Total	0	0	0	0	0	0

10. a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

Yes. All branches and offices have CCTV cameras and fire extinguishers. Mock drills are performed periodically.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Fire safety hazards are identified at periodic intervals and mock drills are conducted for emergency preparedness

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

The Bank continuously monitors potential work related hazards and takes necessary action as may be required. In respect of any Work-related incidents and potent, are reported to the respective HR and Admin point of contacts by employees

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY2023-24	FY2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	NA	NA
Total recordable work-related injuries	Employees	0	0
	Workers	NA	NA
No. of fatalities	Employees	0	0
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

- The Bank has covered all its employees under group medical insurance and group health insurance.
- Conducted blood donation camps
- CCTV and fire extinguishers are in place at Head office, branches and other offices.

13. Number of complaints on the following made by employees and workers

Category	FY2023-24			FY2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% (by entity)
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

NOT APPLICABLE**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Bank has various engagement programmes which provide insight into the grass root level stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1.	Communities	The Bank identifies its business model with grass root level enterprises promoted by women, underprivileged and socially backward areas, persons with disabilities, etc.	Across various modes	Frequently through outreach	Awareness building and inclusive financing
2.	Investors	No	Interactive and well defined formats of communication and engagement	Quarterly or as required	Quarterly or as required
3.	Employees	No	Interactive and well defined formats of communication and engagement	Frequently through outreach	Engagement and outreach

4.	Customers	No	Across various modes	Frequently/ on daily basis	Awareness building and inclusive financing
5.	Value Chain Partners	No	-	-	-
6.	Other	No	-	-	-

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY2023-24			FY2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	0	NA	NA	0	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total Employees	NA	NA	NA	NA	NA	NA
Total Permanent Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total Workers	NA	NA	NA	NA	NA	NA

- Details of minimum wages paid to employees, in the following format:

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	21,800	260	1.2%	21,540	98.8%	18,184	88	0.5%	18,096	99.5%
Male	19,164	233	1.2%	18,931	98.8%	16,244	80	0.5%	16,164	99.5%
Female	2,636	27	1.0%	2,609	99.0%	1,940	8	0.4%	1,932	99.6%
Other than Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0

3. Details of remuneration/salary/wages, in the following format:

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	3	2,16,09,375	0	NA
Key Managerial Personnel	3	2,16,09,375	1	47,36,140
Employees other than BoD and KMP	19,161	2,70,510	2,635	2,50,000
Workers	0	0	0	0

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

No, we don't have human right policy, however similar case handled by HR Team

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Employees are advised to write to janahotline@janabank.com in case of any concern or issue which they wish to bring to the management's notice, and ashc@janabank.com for matters relating to Sexual Harassment. The same is looked at by the Investigation Officer or POSH Committee of the bank on priority, and all findings related to the matter are submitted before the Compliance and Ethics Committee of the bank. The Compliance and Ethics Committee takes the decision based on which the execution authority (HR Team) implements the decision. Further, post the decision from Compliance and Ethics Committee, the employee if not in agreement with the Committee's decision can further make an appeal to the Appeals Committee, which re-looks into the investigations and facts of the matter.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	5	0	-	6	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Bank has adopted a Policy for Prevention of Sexual Harassment ("POSH Policy") at the workplace under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee ("ICC") has been constituted in compliance with the provisions of the Act and the POSH Policy to review, investigate and take suitable action on complaints. An Appellate Committee has also been constituted under the Policy before whom a complainant who is not satisfied with the decision of the ICC can prefer an appeal.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No. The Bank currently does not have any clauses or obligations related to human rights, in its business agreements

9. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0
Forced/involuntary labour	0
Sexual harassment	0
Discrimination at workplace	0
Wages	0
Others – please specify	0

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

NOT APPLICABLE

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity.

Parameter	FY 2023-24	FY 2022-23
Total electricity consumption (A)	24,840 GIGA JOULES	NA
Total fuel consumption (B)	1,01,400 litres of diesel	NA
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	-	-
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – **No**

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

NOT APPLICABLE

3. Provide details of the following disclosures related to water, in the following format: Water withdrawal by source (in kilolitres)

Parameter	FY 2023-24	FY2022-23
Water withdrawal by source (in kilolitres)		
i. Surface water	NA	NA
ii. Groundwater	NA	NA
iii. Third party water	1,09,055	NA
iv. Seawater / desalinated water	NA	NA
v. Others	NA	NA
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,09,055	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity. KL / of	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – **No**

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

NOT APPLICABLE

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	-	-	-
SOx	-	-	-
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **NO**

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format.

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	NA	NA
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	NA	NA
Total Scope 1 and Scope 2 emissions per rupee of turnover	-	NA	NA
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – **No**

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. - **No**

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)	0	0
Plastic waste (A)	0	0
E-waste(B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	0	0
Total (A + B + C + D + E + F + G + H)	0	0

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	0	0
Total (A + B + C + D + E + F + G + H)	0	0

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i. Recycled	0	0
ii. Re-used	0	0
iii. Other recovery operations	0	0
Total	0	0
Category of waste		
i. Incineration	0	0
ii. Landfilling	0	0
iii. Other disposal operations	0	0
Total	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NOT APPLICABLE

1. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Bank has adopted digitization of its operations, thereby minimizing usage of paper.

2. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NOT APPLICABLE			

3. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

S. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NOT APPLICABLE						

4. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Refer remarks below.				

Remarks: The Company ensures that it follows the norms and local laws as applicable at its various branches/offices pan-India. It has not anyway /in any particular case or event been called upon for any non-compliances or been penalised in anyway.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
Indian Banks Association; Indian Institute of Banking & Finance; Microfinance Institutions Network; FIMMDA; Association of Karnataka Microfinance Institutions; Micro Finance Association of Uttar Pradesh; International market Assessment India Pvt Ltd; Sa-Dhan and Association of Small Finance Banks of India.
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/ National)
1.	Indian Banks Association	National
2.	Indian Institute of Banking & Finance	National
3.	Microfinance Institutions Network	National
4.	FIMMDA	National
5.	Association of Karnataka Microfinance Institutions	State
6.	Micro Finance Association of Uttar Pradesh	State
7.	International market Assessment India Pvt Ltd	National
8.	Sa-Dhan	National
9.	Association of Small Finance Banks of India	National
10.	0	0

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

S. No.	Name of the authority	Brief of the case	Corrective action taken
1.	0	0	0

PRINCIPLE 8 Businesses should promote inclusive growth and equitable developmentEssential Indicators

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL						

- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in FY (in Rs.)
NIL						

- Describe the mechanisms to receive and redress grievances of the community:

The Bank has mentioned in the customer service SOP that the customer may walk up to branch or contact the call centre to report any complaint. The Officer at the Branch or Call Centre would understand the exact complaint and raise a Service Request for further follow up and timely closure. Once resolution is received, the customer is informed and the complaint closed in the system post customer confirmation.

- Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Category	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	NOT APPLICABLE	
Sourced directly from within the district and neighbouring districts		

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible mannerEssential Indicators

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback

The Bank has suitable grievance redress mechanism in place and also has a toll-free number where the customer can lodge a complaint or provide their feedback. A dedicated customer service team addresses the customer complaints and feedbacks. The customers can also use internet banking and mobile banking applications to raise their queries, complaints and feedbacks, in addition to the traditional approach of raising such issues through the branch banking network.

- Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	NOT APPLICABLE
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at the end of the year	Remarks	Received during the year	Pending resolution at the end	Remarks
Data privacy	NIL					
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

Category	Number	Reasons for recall
Voluntary recalls	NIL	NOT APPLICABLE
Forced recalls	NIL	NOT APPLICABLE

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Bank follows a highly structured and regulated framework on cyber security and ensures that cyber security related risks (example data privacy) as also safety and security of banking operations for customers via internet banking or branch banking is optimally secure and safe.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

NOT APPLICABLE

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
<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>	<ul style="list-style-type: none"> • 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. • 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. • Selected the borrowers based on quantitative and qualitative risk factors for their assessment

<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 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>	<p>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.</p> <p>Performed other substantive procedures including but not limited to the following:</p> <ul style="list-style-type: none"> ❖ Selected sample of performing loans and assessed them independently as to whether these should be classified as NPA; ❖ For sample selected, examined the security valuation, financial statements and other qualitative information of the borrowers; ❖ 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; ❖ 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; ❖ 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 ❖ Assessed the adequacy of disclosures against the relevant accounting standards and RBI requirements relating to NPAs.
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Information Technology ("IT") Systems and Controls impacting Financial Reporting

Key Audit Matter	How our audit addressed the key audit matter
<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 consistently for reliable financial reporting.</p> <p>We have identified 'IT systems and controls' ("in-scope" IT systems) as key audit matter because of the</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"> • 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.

<p>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.</p>	<ul style="list-style-type: none"> • 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. <p>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.</p> <p>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.</p>
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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.
12. 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 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;
 - (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.
- 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

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.

Opinion

8. 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)

For M M Nissim & Co LLP

Chartered Accountants

(Firm Registration No. 107122W/ W100672)

G. Srinivas

Partner

Membership No. 086761

UDIN: 24086761BKCIZE3466

Place: Bengaluru

Date: April 29, 2024

Navin Kumar Jain

Partner

Membership No. 090847

UDIN: 24090847BKFEGY7024

Place: Bengaluru

Date: April 29, 2024

BALANCE SHEET

AS AT MARCH 31, 2024

[Rs. in 000's]

	Schedule	As at 31.03.2024	As at 31.03.2023
CAPITAL AND LIABILITIES			
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
TOTAL		32,70,97,825	25,64,36,896
ASSETS			
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
TOTAL		32,70,97,825	25,64,36,896
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

For and on behalf of the Board of Directors

Jana Small Finance Bank Limited

Navin Kumar Jain

Partner

Membership Number: 090847

Bengaluru, April 29, 2024

Krishnan Subramania Raman

Executive Director

DIN: 10380292

Ajay Kanwal

Managing Director & CEO

DIN: 07886434

For Brahmayya & Co.,

Chartered Accountants

ICAI Firm Registration No: 000515S

R Ramaseshan

Independent Director

DIN: 00200373

Abhilash Sandur

Chief Financial Officer

G. Srinivas

Partner

Membership No: 086761

Bengaluru, April 29, 2024

Lakshmi R N

Company Secretary

Bengaluru, April 29, 2024

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2024

[Rs. in 000's]

Particulars	Schedule	Year ended 31.03.2024	Year ended 31.03.2023
I. INCOME			
Interest earned	13	4,01,30,453	3,07,50,103
Other income	14	67,10,110	62,48,647
TOTAL		4,68,40,563	3,69,98,750
II. EXPENDITURE			
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
TOTAL		4,01,45,160	3,44,39,037
III. PROFIT/(LOSS)			
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)
TOTAL		(3,23,83,333)	(3,82,70,585)
IV. APPROPRIATIONS			
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)
V. EARNINGS PER EQUITY SHARE			
(Face value of per share ₹ 10)			
Basic (₹)		90.85	47.47
Diluted (₹)		90.72	42.64

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

For and on behalf of the Board of Directors

Jana Small Finance Bank Limited

Navin Kumar Jain

Partner

Membership Number: 090847

Bengaluru, April 29, 2024

Krishnan Subramania Raman

Executive Director

DIN: 10380292

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For Brahmayya & Co.,

Chartered Accountants

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R Ramaseshan

Independent Director

DIN: 00200373

Abhilash Sandur

Chief Financial Officer

G. Srinivas

Partner

Membership No: 086761

Bengaluru, April 29, 2024

Lakshmi R N

Company Secretary

Bengaluru, April 29, 2024

CASH FLOW STATEMENT

FOR THE PERIOD ENDED MARCH 31, 2024

[Rs. in 000's]

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
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
Operating profit before working capital changes (i)	1,13,26,558	1,07,75,328
Movement in working capital		
(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
Net change in working capital (ii)	(25,31,885)	(2,20,53,533)
Direct taxes (paid)/refund (iii)	(17,25,684)	(93,625)
Net cash flow from operating activities (i)+(ii)+(iii) (A)	70,68,989	(1,13,71,830)
B. CASH FLOW USED IN INVESTING ACTIVITIES		
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)
Net cash (used in) investing activities (B)	(78,00,860)	(43,44,636)
C. CASH FLOW FROM FINANCING ACTIVITIES		
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
Net cash used in financing activities (C)	3,34,756	2,10,36,152
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	(3,97,115)	53,19,686
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.

CASH FLOW STATEMENT

FOR THE PERIOD ENDED MARCH 31, 2024 (CONTD.)

As per our report of even date

For M M Nissim & Co LLP

Chartered Accountants

ICAI Firm Registration No: 107122W/W100672

For and on behalf of the Board of Directors

Jana Small Finance Bank Limited

Navin Kumar Jain

Partner

Membership Number: 090847

Bengaluru, April 29, 2024

Krishnan Subramania Raman

Executive Director

DIN: 10380292

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For Brahmayya & Co.,

Chartered Accountants

ICAI Firm Registration No: 000515S

R Ramaseshan

Independent Director

DIN: 00200373

Abhilash Sandur

Chief Financial Officer

G. Srinivas

Partner

Membership No: 086761

Bengaluru, April 29, 2024

Lakshmi R N

Company Secretary

Bengaluru, April 29, 2024

SCHEDULES FORMING PART OF THE BALANCE SHEET

AS AT MARCH 31, 2024

[Rs. in 000's]

Particulars	As at 31.03.2024	As at 31.03.2023
SCHEDULE 1 - CAPITAL		
Authorised Capital		
Equity		
13,50,00,000 (March 31, 2023: 10,00,00,000) Equity Shares of ₹ 10 each	13,50,000	10,00,000
Preference		
45,00,00,000 (March 31, 2023: 45,00,00,000) Preference Shares of ₹ 10 each	45,00,000	45,00,000
Issued, Subscribed, Called up and Paid-Up Capital		
Equity		
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
Preference		
Nil (31 March 2023: 27,00,00,000) 16% Non-Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each fully paid up	-	27,00,000
TOTAL	10,45,903	32,49,787
SCHEDULE 2 - RESERVES AND SURPLUS		
I. STATUTORY RESERVE		
Opening balance	18,90,956	12,51,028
Add: Additions during the year	16,73,851	6,39,928
Less: Deductions during the year	-	-
TOTAL	35,64,807	18,90,956
II. CAPITAL RESERVE		
Opening balance	2,09,437	2,00,074
Add: Additions during the year	-	9,363
Less: Deductions during the year	-	-
TOTAL	2,09,437	2,09,437
III. CAPITAL REDEMPTION RESERVE		
Opening balance	-	-
Add: Additions during the year	2	-
Less: Deductions during the year	-	-
TOTAL	2	-
IV. SHARE PREMIUM		
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)
TOTAL	6,42,07,278	5,09,75,221
V. GENERAL RESERVE		
Opening balance	1,44,101	1,44,101
Add: Additions during the year	1,70,738	-
Less: Deductions during the year	-	-
TOTAL	3,14,839	1,44,101

SCHEDULES FORMING PART OF THE BALANCE SHEET

AS AT MARCH 31, 2024 (CONDT.)

[Rs. in 000's]

Particulars	As at 31.03.2024	As at 31.03.2023
VI. INVESTMENT RESERVE		
Opening balance	3,026	2,937
Add: Additions during the year	-	89
Less: Deductions during the year	-	-
TOTAL	3,026	3,026
VII. INVESTMENT FLUCTUATION RESERVE		
Opening balance	3,76,888	2,18,117
Add: Additions during the year	2,00,000	1,58,771
Less: Deductions during the year	-	-
TOTAL	5,76,888	3,76,888
VIII. BALANCE IN PROFIT & LOSS ACCOUNT	(3,42,57,184)	(3,90,78,736)
TOTAL (I TO VIII)	3,46,19,093	1,45,20,893
SCHEDULE 3 - DEPOSITS		
A. I. Demand deposits		
i. From banks	19,25,535	7,29,307
ii. From others	1,05,59,584	63,94,568
II. Savings bank deposits	3,19,84,079	2,58,85,692
III. Term deposits		
i. From banks	5,70,21,074	3,63,57,094
ii. From others	12,42,22,216	9,39,73,497
TOTAL (I TO III)	22,57,12,488	16,33,40,158
B. I. Deposits of branches in India	22,57,12,488	16,33,40,158
II. Deposits of branches outside India	-	-
TOTAL (I TO II)	22,57,12,488	16,33,40,158
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
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
II. Borrowings outside India	-	-
TOTAL (I and II)	5,21,14,591	6,27,74,600
*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)		
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
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
TOTAL (I to V)	1,34,99,758	1,23,49,586

SCHEDULES FORMING PART OF THE BALANCE SHEET

AS AT MARCH 31, 2024 (CONDT.)

[Rs. in 000's]

Particulars	As at 31.03.2024	As at 31.03.2023
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand	6,03,705	4,99,000
II. Balances with Reserve Bank of India		
a) In Current accounts	82,02,185	57,10,394
b) In Other accounts	14,50,000	39,00,000
TOTAL (I TO II)	1,02,55,890	1,01,09,394
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
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)	-	-
TOTAL (i to ii)	1,02,85,361	1,07,63,690
II. Outside India		
i) In Current accounts	-	-
ii) In Other deposit accounts	-	-
iii) Money at call and short notice	-	-
TOTAL (I TO III)	-	-
GRAND TOTAL (I to II)	1,02,85,361	1,07,63,690
* 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
TOTAL	6,73,76,897	5,22,12,244
II. Investments Outside India	-	-
TOTAL	-	-
GRAND TOTAL (I to II)	6,73,76,897	5,22,12,244
III. Investments		
i) Gross value of investments		
a) In India	6,87,53,511	5,22,12,244
b) Outside India	-	-
TOTAL	6,87,53,511	5,22,12,244

SCHEDULES FORMING PART OF THE BALANCE SHEET

AS AT MARCH 31, 2024 (CONTD.)

[Rs. in 000's]

Particulars	As at 31.03.2024	As at 31.03.2023
ii) Depreciation/provision for investments		
a) In India	13,76,614	-
b) Outside India		
TOTAL	13,76,614	-
iii) Net value of investments		
a) In India	6,73,76,897	5,22,12,244
b) Outside India	-	-
TOTAL	6,73,76,897	5,22,12,244
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
TOTAL	23,11,12,739	17,75,95,554
B. i) Secured by tangible assets *	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
TOTAL	23,11,12,739	17,75,95,554
* Including advance against book debt		
C. I. Advances in India		
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).		
C. II. Advances outside India	-	-
TOTAL	23,11,12,739	17,75,95,554
SCHEDULE 10 - FIXED ASSETS		
I. Premises		
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	-	-
TOTAL	-	-
II. Other fixed assets (including furniture and fixtures)		
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
	72,09,885	70,91,488
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
TOTAL	14,15,910	12,77,487
GRAND TOTAL (I and II)	14,15,910	12,77,487

SCHEDULES FORMING PART OF THE BALANCE SHEET

AS AT MARCH 31, 2024 (CONTD.)

[Rs. in 000's]

Particulars	As at 31.03.2024	As at 31.03.2023
SCHEDULE 11 - OTHER ASSETS		
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)		
TOTAL	66,51,028	44,78,527
SCHEDULE 12 - CONTINGENT LIABILITIES		
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
TOTAL	26,35,000	7,71,752

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 2024

[Rs. in 000's]

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
SCHEDULE 13 - INTEREST EARNED		
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		
TOTAL	4,01,30,453	3,07,50,103
SCHEDULE 14 - OTHER INCOME		
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# [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
TOTAL	67,10,110	62,48,647
SCHEDULE 15 - INTEREST EXPENDED		
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
TOTAL	1,88,59,047	1,41,49,901
SCHEDULE 16 - OPERATING EXPENSES		
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
TOTAL	1,60,48,397	1,28,45,104

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.
- 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.

SCHEDULE TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

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.

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.

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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.

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

SCHEDULE TO THE FINANCIAL STATEMENTS

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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'.

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 sale criteria being fully met with) and consideration is received. Sales / transfers that do not meet true sale criteria are accounted for as borrowings. For a securitisation or direct assignment transaction, the Bank recognises profit upon receipt of the funds and loss is recognised at the time of sale.

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.

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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.

9. FOREIGN CURRENCY TRANSACTIONS:

- 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.
- 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.

SCHEDULE TO THE FINANCIAL STATEMENTS

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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.

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 balances 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.

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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.

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.

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:

- i. Treasury includes all investment portfolios, Profit / Loss on sale of Investments, equities, income from money market operations.

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- ii. Corporate / Wholesale Banking includes all advances to companies and statutory bodies, which are not included under Retail Banking.
- iii. Retail Banking includes lending to and deposits from retail customers and identified earnings and expenses of the segment.
- iv. 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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(All amounts are in Indian Rupees in Crores unless otherwise stated)

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
Total capital (Tier 1 + Tier 2)	3,557.54	2,040.95
Total Risk Weighted Assets (RWAs)	17,517.59	13,112.36
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%
Capital to RWAs ratio (%) (CRAR) (Total Capital as a percentage of RWAs)	20.31%	15.57%
Leverage Ratio	10.14%	6.65%
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

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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 shares	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
Equity shares outstanding as at the end of the year	10,45,90,275	104.59	5,49,78,703	54.98

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)	-	-
Preference shares outstanding as at the end of the year	-	0.00	27,00,00,000	270.00

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
Basic earnings per share ₹	90.85	47.47
Weighted average number of equity shares in computing the diluted earnings per share	7,38,02,550	6,00,34,836
Diluted earnings per share ₹	90.72	42.64
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

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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).

4. Employees Stock Option Plan Scheme

The Bank has share-based payment schemes for its 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.

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)

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	One year from the date of grant		
	25% after two years from the date of grant			
	25% after three years from the date of grant			
	Balance 25% after four years 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	Continued employment / service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be		
	The NRC shall have the power to accelerate Vesting of all Unvested Options of an Employee who is considered a Good Leaver.	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		

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)

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		One year from the date of grant	
	25% after two years from the date of grant			
	25% after three years from the date of grant			
	Balance 25% after four years 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		Continued employment/ service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be	
	The NRC shall have the power to accelerate Vesting of all Unvested Options of an Employee who is considered a Good Leaver.		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	

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)

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 March 31, 2024	For the year ended March 31, 2023
Employee Stock Option expenditure	10.44	2.68
Restrictive Stock Units expenditure	0.39	1.92
TOTAL	10.83	4.60

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
Variables		
1. Risk free interest rate	6.92% - 7.10%	6.96% - 7.01%
2. Expected life (in years)	5.0	3.5

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	ESOP 2017 & 2018	ESOP (RSU) 2017 & 2018
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
Variables	
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.

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)

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
Held to Maturity										
Gross	4,052.23	-	-	-	-	4,052.23	-	-	-	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-
Net	4,052.23	-	-	-	-	4,052.23	-	-	-	-
Available for Sale										
Gross	2,182.40	-	-	-	640.72	2,823.12	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	(137.66)	(137.66)	-	-	-	-
Net	2,182.40	-	-	-	503.06	2,685.46	-	-	-	-
Held for Trading										
Gross	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-
Total Investments	6,234.63	-	-	-	640.72	6,875.35	-	-	-	-
Less: Provision for non-performing investments	-	-	-	-	(137.66)	(137.66)	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
Net	6,234.63	-	-	-	503.06	6,737.69	-	-	-	-

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)

5. Investments

5(a) Composition of Investment Portfolio

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
Held to Maturity										
Gross	3,348.48	-	-	-	-	3,348.48	-	-	-	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-
Net	3,348.48	-	-	-	-	3,348.48	-	-	-	-
Available for Sale										
Gross	1,579.27	-	-	-	293.48	1,872.75	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
Net	1,579.27	-	-	-	293.48	1,872.75	-	-	-	-
Held for Trading										
Gross	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-
Total Investments	4,927.74	-	-	-	293.48	5,221.22	-	-	-	-
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-
Net	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.

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)

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

Particulars	March 31, 2024	March 31, 2023
i) Movement of provisions held towards depreciation on investments		
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	-
ii) Movement of Investment Fluctuation Reserve (IFR)		
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
ii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT / Current Category	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.

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)

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)
Total	503.06	-	-	-	503.06

Amounts reported under these columns above are not mutually exclusive

During the previous year ended March 31, 2023, 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)	293.48	-	-	-	293.48
7. Provision held towards depreciation	-	-	-	-	-
Total	293.48	-	-	-	293.48

Amounts reported under these columns above are not mutually exclusive

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)

5(f) Repo/ Reverse Repo Transactions

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

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as at March 31, 2024
Securities sold under repo				
i. Government securities	-	-	-	-
a) MSF (Repo with RBI)	1.00	200.00	8.04	-
b) Tri-Party Repo (TREPS)	1.05	734.86	73.56	-
c) Market Repo (CROMS)	7.77	100.00	1.05	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities (SLTRO)	800.00	800.00	800.00	800.00
Securities purchased under reverse repo				
i. Government securities	-	-	-	-
a) LAF (Reverse Repo with RBI)	200.00	1,100.00	128.22	-
b) Tri-Party Repo (TREPS)	20.00	899.48	118.01	353.65
c) Market Repo (CROMS)	39.99	1,199.91	145.46	616.91
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	-	-	-	-

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

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as at March 31, 2023
Securities sold under repo				
i. Government securities	-	-	-	-
a) MSF (Repo with RBI)	1.00	650.00	4.93	-
b) Tri-Party Repo (TREPS)	14.00	969.51	200.58	-
c) Market Repo (CROMS)	0.95	384.95	55.05	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities (SLTRO)	800.00	800.00	800.00	800.00
Securities purchased under reverse repo				
i. Government securities	-	-	-	-
a) LAF (Reverse Repo with RBI)	250.00	930.00	44.84	-
b) Tri-Party Repo (TREPS)	49.99	899.48	31.29	899.48
c) Market Repo (CROMS)	9.91	99.84	5.50	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	-	-	-	-

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)

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
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-performing Advances	
Gross Standard Advances and NPAs						
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	

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	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-performing Advances	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	135.66	234.69	6.47	0.03	241.19	376.85
Add: Fresh provisions made during the year ^s					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
Net NPAs						
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	

As at March 31, 2023

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-performing Advances	
Gross Standard Advances and NPAs						
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	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	76.13	232.88	10.77	-	243.65	319.78
Add: Fresh provisions made during the year ^s					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

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

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)

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
Sub - Total (A)	941.85	3,744.36
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
Sub - Total (B)	576.52	3,061.55
Closing balance (A-B)	365.33	682.81

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
A . Priority Sector			
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%
Sub total (A)#	18,849.16	443.65	2.35%

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)

Sector	March 31, 2024		
	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
B. Non Priority Sector			
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%
Sub total (B)	4,626.43	50.68	1.10%
Total (A+B)	23,475.59	494.33	2.11%

*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.

Sector	March 31, 2023		
	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A . Priority Sector			
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%
4. Personal loans*	5,821.13	444.04	7.63%
Sub total (A)#	14,453.63	653.06	4.52%

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)

Sector	March 31, 2023		
	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
B. Non Priority Sector			
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	-	-	-
4. Personal loans*	1,727.49	17.85	1.03%
Sub total (B)	3,547.11	56.13	1.58%
Total (A+B)	18,000.74	709.19	3.94%

*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:

- 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
- 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.

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:

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)

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	Infomerics	100% to 150%	144.74	175.19
RR1	ICRA	100% to 150%	20.96	-
RR1+	Infomerics	More than 150%	236.54	-
Under planning period			218.87	101.42

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)

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)
Closing Balance	1.42	1.53
Unamortised provision debited from 'other reserves' as at the end of the year	Nil	Nil

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
Total	40.38	8.69	-	7.02	24.67

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)

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
Total	177.79	51.92	0.19	50.22	75.65

*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

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)

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.

Particulars	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%

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
(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)

9. Exposures

9(a) Exposure to real estate sector

Category	March 31, 2024	March 31, 2023
A) Direct exposure	3,832.64	2,417.34
(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) Indirect exposure	-	-
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).

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)

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

Particular	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

Particular	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

Particular	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

Particular	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 NPA exposure to total Gross NPAs	4.86%	4.70%

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)

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	-	-	-
Total	22,571.25	23,111.27	6,737.69	5,211.46	1,028.54	-	-

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)

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

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

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	-	-
Total	16,334.02	17,759.56	5,221.22	6,277.46	1,076.37	-	-

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.

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)

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 (average)*	Total weighted value (average)		Total unweighted value (average)*	Total weighted value (average)		Total unweighted value (average)*	Total weighted value (average)		Total unweighted value (average)*	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	
Cash Outflows												
2. Retail deposits and deposits from small business customers, of which:	9,660.68	654.70		10,131.44	914.51		10,477.54	1,035.16		10,746.06	1,061.12	
(i) Stable deposits	6,227.27	311.36		1,972.60	98.63		251.90	12.60		269.64	13.48	
(ii) Less stable deposits	3,433.41	343.34		8,158.84	815.88		10,225.64	1,022.56		10,476.42	1,047.64	
3. Unsecured wholesale funding, of which:	1,214.33	116.06		1,126.49	220.93		1,277.70	594.79		1,483.45	757.07	
(i) Operational deposits (all counterparties)	-	-		-	-		-	-		-	-	
(ii) Non-operational deposits (all counterparties)	1,214.33	116.06		1,126.49	220.93		1,277.70	594.79		1,483.45	757.07	
(iii) Unsecured debt	-	-		-	-		-	-		-	-	
4. Secured wholesale funding	242.73	242.73		108.89	108.89		272.7	27.27		-	-	
5. Additional requirements, of which	117.97	5.90		133.02	6.65		139.39	6.97		156.60	9.43	
(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	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	
8. Total cash outflows	11,454.75	1,199.49		11,786.55	1,461.11		12,116.14	1,742.62		12,702.88	1,973.58	
Cash Inflows												
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	
12. Total cash inflows	1,012.88	506.82		1,162.14	613.80		1,168.03	593.80		1,118.16	564.05	
13. Total 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	
14. Total Net Cash Outflows	10,441.87	692.67		10,624.41	847.31		10,948.11	1,148.82		11,584.72	1,409.53	
15. Liquidity Coverage Ratio (%)		669.38%			555.93%			376.82%			391.33%	

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)

12. Liquidity Coverage Ratio (Contd.)

Particulars	June 30, 2022		September 30, 2022		December 31, 2022		March 31, 2023	
	Total unweighted value (average)*	Total weighted value (average)	Total unweighted value (average)*	Total weighted value (average)	Total unweighted value (average)*	Total weighted value (average)	Total unweighted value (average)*	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
Cash Outflows								
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	372.1	1.78	34.37	1.64	34.37	1.64	34.94	1.67
8. Total cash outflows	9,924.55	1,224.27	10,264.24	1,308.84	10,447.62	1,000.66	11,196.23	1,247.70
Cash Inflows								
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
12. Total cash inflows	624.46	312.51	687.30	343.84	858.60	429.49	765.29	382.79
13. Total 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
14. Total Net Cash Outflows	9,300.09	911.76	9,576.94	965.00	9,589.02	571.17	10,430.94	864.91
15. Liquidity Coverage Ratio (%)		501.39%		542.72%		860.41%		510.46%

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)

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.

13. CONTINGENT LIABILITIES

Business Segments

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
Total	263.50	77.18

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.

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)

Description of contingent liabilities

1. Claims against the Bank not acknowledged as debts – taxation	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.
2. Claims against the Bank not acknowledged as debts – others	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.
3. Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	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.
4. Other items for which the Bank is contingently liable	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 benefit 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 table summarises 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
Employer Expenses	9.63	6.39

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	-	-
(Asset)/Liability recognized in balance sheet	(1.50)	(2.17)

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 (Urban)	IALM 2012-14 (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)

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)

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

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)

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

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)

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.

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 Remuneration paid: ₹ 0.10 crores	Number of meetings: 6 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. 11,28,868 Options granted under ESOP scheme and 22,669 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.	10,38,589 options granted under ESOP scheme and 111,716 units under RSU scheme till Mar 31, 2023, yet to be exercised. 62,624 Options granted under ESOP scheme and 19,717 units under RSU scheme during the year. 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 Car EMI : ₹ 0.46 crores Variable pay : ₹ 1.43 crores Deferred pay : ₹ 1.28 crores	Fixed Pay : ₹ 23.41 crores Car EMI : ₹ 0.50 crores Variable pay : ₹ 0.96 crores 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

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FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

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

Sr. No.	Subject	March 31, 2024	March 31, 2023
(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.

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
	Total (1)	0.18	0.21	0.33	0.15	0.20	1.07
2	Other Non-Executive Directors	Ramesh Ramanathan	Rahul Khosla				
	Fee for attending board committee meetings	-	0.08				0.08
	Commission	-					-
	Others, please specify	-					-
	Total (2)	-	0.08	-	-	-	0.08
	Total (1)+(2)	0.18	0.29	0.33	0.15	0.20	1.15

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)

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
	Total (1)	0.11	0.10	0.25	0.08	0.01	0.55
2	Other Non-Executive Directors	Ramesh Ramanathan	Rahul Khosla	Vikram Gandhi			
	Fee for attending board committee meetings	-	0.02	0.02			0.04
	Commission	-	-	-			-
	Others, please specify	-	-	-			-
	Total (2)	-	0.02	0.02	-	-	0.04
	Total (1)+(2)	0.11	0.12	0.27	0.08	0.01	0.59

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.

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(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.

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
1. Segment Revenue:		
(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
Total Revenue	7,392.56	5,856.45
Less: Inter Segment Revenue	(2,708.50)	(2,156.58)
Income from Operations	4,684.06	3,699.87
2. Segment Results (net of provisions)		
(a) Treasury	72.53	24.38
(b) Corporate/Wholesale Banking	26.79	31.41
(c) Retail Banking	302.82	170.14

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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
(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	-	-
Profit/(Loss) before tax	514.35	255.97
3. Segment Assets		
(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
Total	32,709.78	25,643.68
4. Segment Liabilities		
(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
Total	29,132.68	23,846.43
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
Total	3,577.10	1,797.25

Part B: Geographic segments

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

Segment Notes:

- The Reportable segments are identified into Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations in compliance with the RBI guidelines.
- 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.
- 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.
- Unallocated assets and liabilities pertains to the assets and liabilities not identifiable to the particular segment.

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. Krishnan Subramania Raman (w.e.f. January 01, 2024)	
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	
(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 Siddhartha (w.e.f. March 24, 2023)
Major Ashok Sivakumaran	Pammi Sridevi (w.e.f. March 24, 2023)

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)

A. Related Parties:	
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)
(IV) Enterprises over which KMP/Directors /relatives of KMP & Directors have control / significant influence	
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)	

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. 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

2. Interest Paid on Deposits

Particulars	Year ended March 31, 2024	Year ended 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
(V) Enterprises over which KMP/Directors /relatives of KMP & Directors have control / significant influence	0.02	0.18

3. Remuneration

Particulars	Year ended March 31, 2024	Year ended 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
	8.10	8.13

- 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.

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)

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	-	-	-	-
(V) 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 ended March 31, 2024	As at and for the year ended March 31, 2023	Nature of the Transaction
(i) Closing Balance	3.61	2.74	Royalty Expense
(ii) Highest balance during the year	5.05	3.51	Royalty Expense
(iii) Transaction during the year	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

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
Complaints received by the bank from its customers		
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
Maintainable complaints received by the bank from OBOs		
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, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
March 31, 2024					
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	-
Total	231	4,317	-24%	262	1

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)

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
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	-
Total	201	5,708	-3%	231	1

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

- 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.

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. 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
Total	78.96	27.13

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).

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
Total	-	6,050.00	1,100.00	3,575.00

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)	-

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)

(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
Total	523.77	744.40

* 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
Total	431.14	294.74

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).

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)

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	-	-
Total	19.65	16.06

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
Total	1.37	1.29

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).

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

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.

l) Amount spent during the year ended March 31, 2024

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	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
Total	2.40	-	2.40

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
Total	0.87	-	0.87

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

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)

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 –

- i) Masters in one accounting software and
- ii) 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.

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.

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)

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

For and on behalf of the Board of Directors
 Jana Small Finance Bank Limited

Navin Kumar Jain
 Partner
 Membership Number: 090847
 Bengaluru, April 29, 2024

Krishnan Subramania Raman
 Executive Director
 DIN: 10380292

Ajay Kanwal
 Managing Director & CEO
 DIN: 07886434

For Brahmayya & Co.,
 Chartered Accountants
 ICAI Firm Registration No: 000515S

R Ramaseshan
 Independent Director
 DIN: 00200373

Abhilash Sandur
 Chief Financial Officer

G. Srinivas
 Partner
 Membership No: 086761
 Bengaluru, April 29, 2024

Lakshmi R N
 Company Secretary
 Bengaluru, April 29, 2024