

M M Nissim & Co LLP
Chartered Accountants

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

Brahmayya & Co.,
Chartered Accountants

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

INDEPENDENT AUDITORS' REPORT

To the Members of Jana Small Finance Bank Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Jana Small Finance Bank Limited ("the Bank"), which comprise the Balance Sheet as at March 31, 2022, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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, Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, ("Accounting Standards") as applicable to banks and other accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2022, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

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 period. 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 to be communicated in our report.



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1. Identification of Non-Performing Advances ('NPA') and Provisioning on Advances:	
Total Loans and Advances as at March 31, 2022: Rs 13,250.32 crores	
Gross NPA as at March 31, 2022: Rs 756.90 crores	
Provision for NPA as at March 31, 2022: Rs 243.65 crores	
Refer Schedule 18.7(a) "Asset Quality - Classification of advances and provisions held" of the financial statements.	
Key Audit Matter	How our audit addressed the key audit matter
<p>Identification of NPA and measurement of provision on account of NPA is made based on the assessment of various criteria stipulated in the Reserve Bank of India ('RBI') guidelines on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to advances' ('IRACP').</p> <p>The Bank is also required to apply its judgement to determine the identification and provision required against NPAs by applying quantitative as well as qualitative factors. The risk of identification of NPAs is affected by factors like stress and liquidity concerns in certain sectors.</p> <p>The provision against advances is based on criteria such as past due status, out of order status etc. The provision in respect of such NPAs are made based on ageing and classification of NPAs, recovery estimates, value of security 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</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 of appropriate classification as NPA including computation of overdue ageing to assess its correct classification and



<p>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. Additionally, the Bank makes provision on exposures that are not classified as NPA including identified advances or group advances that can potentially slip into NPA. These are classified as contingency provisions.</p> <p>The Management of the Bank also made an assessment of the impact on borrowers account due to Covid -19 pandemic and in line with the COVID 19 Regulatory Package announced by the RBI in respect of moratorium and restructuring of advances as relief measures to the borrowers.</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>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;❖ Selected and tested sample of accounts which were restructured under MSME restructuring circular and Resolution Framework for Covid - 19 related stress circular for their compliance with the RBI directions; and
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	❖ Assessed the adequacy of disclosures against the relevant accounting standards and RBI requirements relating to NPAs.
2. Information Technology ("IT") Systems and Controls:	
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' as key audit matter because of the high level automation, significant number of systems being used by the management and the complexity of the IT architecture and its impact on the financial reporting system.</p>	<p>Our Audit procedures with respect to this matter included:</p> <ul style="list-style-type: none"> • For testing the IT general controls, application controls and IT dependent manual controls, we involved specialists as part of the audit. The team also assisted in testing the accuracy of the information produced by the Bank's IT systems. • Obtained a comprehensive understanding of IT applications implemented at the Bank. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology. <p>Key IT audit procedures includes testing the design and operating effectiveness of key controls operating over user access management (which includes user access provisioning, de-provisioning, access review, password configuration review, segregation of duties and privilege access), change management (which include change release in production environment are compliant to the defined procedures and segregation of environments is ensured), program development (which include review of data migration activity), computer operations (which includes testing of key controls pertaining to backup, Batch processing</p>



	<p>(including interface testing, incident management and data centre security), System interface controls. This included testing the requests for access to systems were appropriately logged, reviewed and authorized.</p> <ul style="list-style-type: none">• In addition to the above, the design and operating effectiveness of certain automated controls, that were considered as key internal system controls over financial reporting were tested using various techniques such as inquiry, review of documentation/record/reports, observation and re-performance.• We also tested few controls using negative testing technique.• Tested compensating controls and performed alternate procedures, where necessary. Understood where relevant, changes made to the IT landscape during the audit period.
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Information Other than the Financial Statements and Auditor's Report Thereon

- The Bank's Board of Directors is responsible for the preparation of the other information. The other information comprises the Chairman's Statement, the Directors Report including annexures to the Directors report and Corporate Governance Report included in the Annual Report, but does not include the financial statement and our auditors report thereon and the Pillar III Disclosures under New Capital Adequacy Framework (Basel III Disclosures). The other information 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 Basel III Disclosures and accordingly will not express any form of assurance conclusion thereon.



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- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 (Revised) 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Financial Statements

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation 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 provisions of Section 29 of the Banking Regulation Act, 1949, Accounting Standards and other accounting principles generally accepted in India and the circulars, guidelines and the directions issued by the Reserve Bank of India, from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the financial reporting process of Bank.



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Auditor's Responsibility for the Audit of the Financial Statements

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.

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 financial 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 adequate internal financial controls system 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 the management.
- 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.



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- 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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

1. As required by Section 143(3) of the Act and Section 30(3) of the Banking Regulation Act, 1949, based on our Audit, 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 and found them to be satisfactory.
 - b) In our opinion, the transactions of the Bank which have come to our notice have been within the powers of the bank.



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- c) As explained in the paragraph 2 below, the financial accounting system of the Bank are centralised and, therefore, accounting returns are not required to be submitted by branches.
- d) 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.
- e) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- f) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act as applicable to the Banks.
- g) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- h) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Bank's internal financial controls with reference to financial statements.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the entity being a banking company, section 197 of the Act related to the managerial remuneration is not applicable by virtue of Section 35B(2A) of the Banking Regulation Act, 1949.
- j) 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, 2021, 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;



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iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts no funds (which are material either individually or in the aggregate) 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, 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, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) 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, 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

(c) Based on the audit procedures that has been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v. The Bank has not declared any dividend during the year.

2. We report that during the course of our audit we have visited and performed select relevant procedures at 30 branches. Since the Bank considers its key operations to be automated, with the key applications largely integrated to the Core Banking System, it does not require its branches to submit any financial returns. Accordingly, our audit is carried out centrally at Head Office and Central Processing Units based on the records and data required for the purpose of Audit being made available to us.



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Other Matter

The audit of financial statements for the year ended March 31, 2021 was conducted by M/s MSKC & Associates, Chartered Accountants, the statutory auditor of the Bank, who had expressed an unmodified opinion on those financial statements. Accordingly, we M M Nissim & Co LLP, Chartered Accountants and Brahmayya & Co., Chartered Accountants do not express any opinion on the figures reported in the financial statements for the year ended March 31, 2021.

Our opinion on the financial statements is not modified in respect of the above matter.

For M M Nissim & Co LLP
Chartered Accountants
Firm Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No: 044577
UDIN: 22044577AJCOBD9922

Date: May 17, 2022
Place: Mumbai



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

G. Srinivas
Partner
Membership No: 086761
UDIN: 22086761AJPUNV7232

Date: May 17, 2022
Place: Bengaluru



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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Jana Small Finance Bank Limited (the "Bank") as of March 31, 2022 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

The Bank'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 issued by the Institute of Chartered Accountants of India. 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 Bank'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 Companies Act, 2013, the Banking Regulation Act, 1949 and the guidelines issued by the Reserve Bank of India.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting of the Bank based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.



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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Bank's internal financial control over financial reporting 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 Bank's internal financial control over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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Opinion

In our opinion, to the best of our information and according to the explanations given to us the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

For M M Nissim & Co LLP
Chartered Accountants
Firm Registration No: 107122W/W100672

Sanjay Khemani
Partner
Membership No: 044577
UDIN: 22044577AJCOBD9922

Date: May 17,2022
Place: Mumbai



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

G. Srinivas
Partner
Membership No: 086761
UDIN: 22086761AJPUNV7232

Date: May 17,2022
Place: Bengaluru



JANA SMALL FINANCE BANK LIMITED
Balance Sheet as at March 31, 2022

	Schedule	₹ in 000's)	
		As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
CAPITAL AND LIABILITIES			
Capital	1	20,14,116	20,07,273
Reserves and surplus	2	99,92,874	92,61,506
Deposits	3	13,54,02,021	12,38,59,271
Borrowings	4	4,50,98,320	4,81,53,193
Other liabilities and provisions	5	93,79,801	76,27,809
TOTAL		20,18,87,132	19,09,09,052
ASSETS			
Cash and balances with Reserve Bank of India	6	60,00,194	46,22,872
Balances with banks and money at call and short notice	7	93,70,728	1,79,74,840
Investments	8	5,06,52,606	4,69,77,852
Advances	9	13,00,66,792	11,61,19,172
Fixed assets	10	17,16,470	21,20,570
Other assets	11	40,80,342	30,93,746
TOTAL		20,18,87,132	19,09,09,052
Contingent liabilities	12	4,17,430	4,74,594
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

Sanjay Khemani
Partner
Membership Number: 044577
Mumbai, May 17, 2022

For Brahmayya & Co.,
Chartered Accountants
ICAI Firm Registration No:0005155

G. Srinivas
Partner
Membership No: 086761

Bengaluru May 17, 2022

For and on behalf of the Board of Directors

Dr. Subhash Khuntia
Part-time Chairman
DIN: 05344972

Ramesh Ramanathan
Director
DIN: 00163276

Lakshmi R N
Company Secretary

Bengaluru, May 17, 2022

Ajay Ranwal
Managing Director & CEO
DIN: 07886434

Bhuvanesh Tharashankar
Chief Financial Officer



JANA SMALL FINANCE BANK LIMITED
Profit and Loss Account for the year ended March 31, 2022

(₹ in 000's)

PARTICULARS	Schedule	Year ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
I. INCOME			
Interest earned	13	2,72,65,351	2,49,77,080
Other income	14	32,37,632	23,50,801
TOTAL		3,05,02,983	2,73,27,881
II. EXPENDITURE			
Interest expended	15	1,33,67,509	1,23,45,784
Operating expenses	16	1,13,88,210	1,04,73,113
Provisions and contingencies		56,93,206	36,65,922
TOTAL		3,04,48,925	2,64,84,819
III. PROFIT/(LOSS)			
Net profit for the year		54,058	8,43,062
Balance in Profit/(loss) brought forward		(4,08,31,582)	(4,12,66,476)
TOTAL		(4,07,77,524)	(4,04,23,414)
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		13,497	2,10,766
Transfer to Capital Reserve		30,546	31,436
Transfer to Investment Reserve Account		2,937	-
Transfer to Investment Fluctuation Reserve		5,794	1,65,966
Balance carried over to Balance Sheet		(4,08,30,298)	(4,08,31,582)
V. EARNINGS PER EQUITY SHARE (Face value of per share ₹ 10 per share)			
Basic (₹)		1.06	16.62
Diluted (₹)		0.99	15.70

Significant accounting policies and notes to the financial 17 & 18

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

As per our report of even date

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

Sanjay Khemani
Sanjay Khemani
Partner

Membership Number: 044577
Mumbai, May 17, 2022

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

G. Srinivas
G. Srinivas
Partner

Membership No: 086761

Bengaluru, May 17, 2022

For and on behalf of the Board of Directors

Dr. Subhash Khuntia
Dr. Subhash Khuntia
Part-time Chairman
DIN: 05344972

Ajay Kanwal
Ajay Kanwal
Managing Director & CEO
DIN: 07886434

Ramesh Ramahethan
Ramesh Ramahethan
Director
DIN: 00163276

Buvanesh Tharashankar
Buvanesh Tharashankar
Chief Financial Officer

Lakshmi R N
Lakshmi R N
Company Secretary

Bengaluru, May 17, 2022



JANA SMALL FINANCE BANK LIMITED
Cash Flow Statement for the year ended March 31, 2022

		(₹ in 000's)	
	Particulars	Year ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
A-	Cash flow from operating activities		
	Net profit before taxes	54,058	8,43,062
	Adjustments for:		
	Depreciation on bank's property	8,08,153	8,26,769
	Loss on sale of fixed assets	2,076	77,344
	Employee stock option expenses	24,194	(9,654)
	Provision for non performing assets	2,87,048	5,88,846
	Bad debts written off	58,53,286	23,27,031
	Provision for standard assets (including standard restructured accounts)	(4,57,705)	7,82,291
	Premium amortisation on HTM investments	29,447	44,952
	Operating profit before working capital changes (i)	66,00,557	54,80,641
	Movement in working capital		
	(Increase)/Decrease in investments	91,93,454	(82,89,710)
	(Increase)/Decrease in advances	(1,96,30,069)	(2,02,51,232)
	Increase/(Decrease) in deposits	1,15,42,740	2,73,39,802
	(Increase)/Decrease in other assets	(10,14,265)	(3,53,605)
	(Increase)/Decrease in lien marked fixed deposits	1,14,007	(1,35,793)
	Increase/(Decrease) in other liabilities and provisions	17,52,002	24,03,697
	Net change in working capital (ii)	19,57,869	7,13,159
	Direct taxes (paid)/refund (iii)	27,669	(41,439)
	Net cash flow from operating activities (i)+(ii)+(iii) (A)	85,86,095	61,52,361
B.	Cash flow used in investing activities		
	Purchase of fixed assets	(4,08,420)	(4,27,243)
	Proceeds from sale of fixed assets	2,291	2,721
	(Increase)/Decrease of held-to-maturity securities	(1,28,97,555)	(1,22,32,744)
	Net cash (used in) investing activities (B)	(1,33,03,684)	(1,26,57,266)



JANA SMALL FINANCE BANK LIMITED
Cash Flow Statement for the year ended March 31, 2022

(₹ in 000's)


	Particulars	Year ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
C.	Cash Flow from financing activities		
	Proceeds from issue of equity shares	6,843	87
	Securities premium received	6,53,131	-
	Proceeds from issue of Tier II capital bonds	5,00,000	-
	Increase / (decrease) in other borrowings	(35,55,168)	1,91,66,364
	Net cash used in financing activities (C)	(23,95,194)	1,91,66,451
	Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	(71,12,783)	1,26,61,546
	Cash and cash equivalents as at beginning of the period/year (refer note 2 & 3)	2,24,61,919	98,00,373
	Cash and cash equivalents as at end of the year (refer note 2 & 3)	1,53,49,136	2,24,61,919

Notes:

- 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.
- 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)'.
- Cash and Cash Equivalents excludes lien marked Deposits of ₹ 2.18 crores and ₹ 13.58 crores respectively as on March 31, 2022 and March 31, 2021.

As per our report of even date

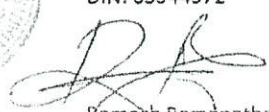
For M M Nissim & Co LLP
Chartered Accountants
ICAI Firm Registration No.107122W/W100672

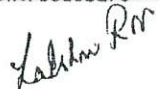

Sanjay Khemani
Partner
Membership Number: 044577
Mumbai, May 17, 2022

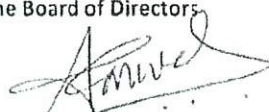


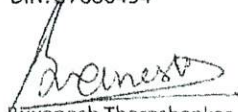
For and on behalf of the Board of Directors


Dr. Subhash Khuntia
Part-time Chairman
DIN: 05344972


Ramesh Ramanathan
Director
DIN: 00163276


Lakshmi R N
Company Secretary


Ajay Kanwal
Managing Director & CEO
DIN: 07886434


Buvanesh Tharashankar
Chief Financial Officer

For Brahmayya & Co.,
Chartered Accountants
ICAI Firm Registration No:0005155


G. Srinivas
Partner
Membership No: 086761

Bengaluru, May 17, 2022

Bengaluru, May 17, 2022



JANA SMALL FINANCE BANK LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2022

(₹ in 000's)

PARTICULARS	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
SCHEDULE 1 - CAPITAL		
Authorised Capital		
Equity		
100,000,000 (March 31, 2021: 100,000,000) Equity Shares of ₹ 10 each	10,00,000	10,00,000
Preference		
250,000,000 (March 31, 2021: 250,000,000) Preference Shares of ₹ 10 each	25,00,000	25,00,000
Issued, Subscribed, Calledup and Paid-Up Capital		
Equity		
51,411,564 (March 31, 2021: 50,727,257) Equity Shares of ₹ 10 each fully paid up	5,14,116	5,07,273
Preference		
150,000,000 (31 March 2021: 150,000,000) 16% Non-Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each fully paid up	15,00,000	15,00,000
TOTAL	20,14,116	20,07,273
SCHEDULE 2 - RESERVES AND SURPLUS		
I. STATUTORY RESERVE		
Opening balance	12,37,531	10,26,765
Add: Additions during the year	13,497	2,10,766
Less: Deductions during the year	-	-
TOTAL	12,51,028	12,37,531
II. CAPITAL RESERVE		
Opening balance	1,69,528	1,38,092
Add: Additions during the year	30,546	31,436
Less: Deductions during the year	-	-
TOTAL	2,00,074	1,69,528
III. SHARE PREMIUM		
Opening balance	4,81,89,124	4,81,77,238
Add: Additions during the year	6,56,367	11,886
Less: Deductions during the year	-	-
TOTAL	4,88,45,491	4,81,89,124
IV. GENERAL RESERVE		
Opening balance	1,44,101	1,44,101
Add: Additions during the year	-	-
Less: Deductions during the year	-	-
TOTAL	1,44,101	1,44,101
V. INVESTMENT RESERVE		
Opening balance	-	-
Add: Additions during the year	2,937	-
Less: Deductions during the year	-	-
TOTAL	2,937	-
VI. INVESTMENT FLUCTUATION RESERVE		
Opening balance	2,12,323	46,357
Add: Additions during the year	5,794	1,65,966
Less: Deductions during the year	-	-
TOTAL	2,18,117	2,12,323



JANA SMALL FINANCE BANK LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2022

(₹ in 000's)

PARTICULARS	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
VII. EMPLOYEE STOCK OPTIONS RESERVE		
Opening balance	1,40,481	1,62,074
Add: Employee Stock Option expense during the year	24,194	(9,719)
Less: Transfer to Share Capital / Securities Premium on exercise of stock options	(3,251)	(11,874)
TOTAL	1,61,424	1,40,481
VIII. BALANCE IN PROFIT & LOSS ACCOUNT	(4,08,30,298)	(4,08,31,582)
TOTAL (I to VIII)	99,92,874	92,61,506
SCHEDULE 3 - DEPOSITS		
A. I. Demand deposits		
i. From banks	6,92,268	5,39,933
ii. From others	70,06,299	59,42,818
II. Savings bank deposits	2,28,29,265	1,42,78,065
III. Term deposits		
i. From banks	2,53,37,752	2,00,86,995
ii. From others	7,95,36,437	8,30,11,460
TOTAL (I to III)	13,54,02,021	12,38,59,271
B. I. Deposits of branches in India	13,54,02,021	12,38,59,271
ii. Deposits of branches outside India	-	-
TOTAL (I to II)	13,54,02,021	12,38,59,271
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
a. Reserve Bank of India	80,00,000	-
b. Other banks*	31,44,500	57,44,500
c. Other institutions and agencies^	3,39,53,820	4,21,34,530
II. Borrowings outside India	-	2,74,163
TOTAL (I and II)	4,50,98,320	4,81,53,193
Secured Borrowings included in (I)(c) above is ₹ 13 crores (March 31, 2021: ₹ 73.92 crores)		
*Includes Sub-ordinated debt (Tier II capital) ₹ 303 crores (March 31, 2021: ₹ 343 crores)		
^ Includes sub-ordinated debt (Tier II capital) ₹ 153 crores (March 31, 2021: ₹ 358 crores)		



JANA SMALL FINANCE BANK LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2022

	(₹ in 000's)	
PARTICULARS	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills payable		
II. Inter office adjustments (net)	42,59,459	21,42,373
III. Interest accrued	-	-
IV. Others (including provisions)	23,55,746	23,79,575
V. Standard Asset- General Provision	20,03,310	18,87,967
	7,61,286	12,17,894
TOTAL (I to V)	93,79,801	76,27,809
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand	7,78,170	6,16,262
II. Balances with Reserve Bank of India		
a. In Current account	52,22,024	40,06,610
b. In Other accounts	-	-
TOTAL (I to II)	60,00,194	46,22,872
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. In India		
i) Balances with banks		
a) In Current accounts	48,942	1,47,193
b) In Other deposit accounts*	21,786	11,97,647
ii) Money at call and short notice		
a) With banks	-	-
b) With other institutions	-	-
c) Lending under reverse repo (Reserve Bank of India)	93,00,000	1,66,30,000
TOTAL (i to ii)	93,70,728	1,79,74,840
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)	93,70,728	1,79,74,840

* As of March 31, 2022, Includes deposit with banks of ₹ 2.18 crores lien marked towards guarantee issued by other banks on the behalf of the Bank. Further, as of March 31, 2021 includes deposit with banks of ₹ 13.58 crores lien marked towards borrowings from banks and financial institutions as security deposit & guarantee issued by other banks on the behalf of the Bank.



PARTICULARS	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
SCHEDULE 8 - INVESTMENTS		
I. Investments in India (net of provisions)		
i) Government securities	4,97,27,381	4,69,77,852
ii) Other approved securities	-	-
iii) Shares	-	-
iv) Debentures and bonds	-	-
v) Subsidiaries and/or joint ventures	-	-
vi) Others (Security Receipts)	9,25,225	-
TOTAL	5,06,52,606	4,69,77,852
II. Investments Outside India		
TOTAL	-	-
GRAND TOTAL (I to II)	5,06,52,606	4,69,77,852
III. Investments		
i) Gross value of investments		
a) In India	5,06,52,725	4,69,81,887
b) Outside India	-	-
Total	5,06,52,725	4,69,81,887
ii) Depreciation/provision for investments		
a) In India	119	4,035
b) Outside India	-	-
Total	119	4,035
iii) Net value of investments		
a) In India	5,06,52,606	4,69,77,852
b) Outside India	-	-
Total	5,06,52,606	4,69,77,852
SCHEDULE 9 - ADVANCES (Net of Provisions)		
A. i) Bills purchased and discounted	13,79,679	46,000
ii) Cash credits, overdrafts and loans repayable on demand	71,47,777	88,99,200
iii) Term loans	12,15,39,336	10,71,73,972
TOTAL	13,00,66,792	11,61,19,172
B. i) Secured by tangible assets *	6,80,53,637	4,84,97,022
ii) Covered by bank/government guarantees	25,86,380	11,21,643
iii) Unsecured	5,94,26,775	6,65,00,507
TOTAL	13,00,66,792	11,61,19,172
* Including Advance against book debt		



JANA SMALL FINANCE BANK LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2022

PARTICULARS	(₹ in 000's)	
	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
C. I ADVANCES IN INDIA		
i) Priority sector*	9,64,35,285	8,12,30,231
ii) Public sector	-	-
iii) Banks	1,86,391	-
iv) Others*	3,34,45,116	3,48,88,941
* Priority sectors includes ₹ 1,010 crores (March 31, 2021: ₹ Nil crores), in respect of which the Bank has sold Priority Sector Lending Certificates (PSLC).		
C. II ADVANCES OUTSIDE INDIA	-	-
TOTAL	13,00,66,792	11,61,19,172
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	64,40,273	61,73,859
ii) Additions during the year	4,59,845	3,71,207
iii) Deductions during the year	69,00,118	65,45,066
iv) Depreciation to date	(2,13,931)	(1,04,793)
v) Capital Work in Progress	(49,81,490)	(43,32,199)
TOTAL*	11,773	12,496
*Includes leased assets of ₹ 13.22 crores (March 31, 2021: ₹ 18.45 crores)		
GRAND TOTAL (I and II)	17,16,470	21,20,570
SCHEDULE 11 - OTHER ASSETS		
I. Inter office adjustments (net)	-	-
II. Interest accrued	19,60,805	10,19,549
III. Tax paid in advance / tax deducted at source (net of provisions)	6,10,543	5,82,672
IV. Stationery and stamps	-	-
V. Non Banking Assets acquired in satisfaction of claims	-	-
VI. Others*	15,08,994	14,91,525
* Includes deposit with RIDF and other funds of ₹ 1.38 crores (March 31, 2021: ₹ 1.96 crores)		
TOTAL	40,80,342	30,93,746
SCHEDULE 12 - CONTINGENT LIABILITIES		
I. Claims against the bank not acknowledged as debts	3,04,690	3,59,089
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	25,000	25,000
b) Outside India	-	-
VI. Acceptances, endorsements and other obligations	-	-
VII. Other items for which the Bank is contingently liable	87,740	90,505
TOTAL	4,17,430	4,74,594



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2022

(₹ in 000's)

PARTICULARS	Year ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
SCHEDULE 13 - INTEREST EARNED		
I. Interest/discount on advances/bills*	2,41,20,339	2,30,14,464
II. Income on investments	25,59,535	17,19,188
III. Interest on balances with Reserve Bank of India and other inter-bank funds	5,85,090	2,43,282
IV. Others	387	146
* Includes interest recoveries from technically written off accounts		
TOTAL	2,72,65,351	2,49,77,080
SCHEDULE 14 - OTHER INCOME		
I. Commission, exchange and brokerage	24,13,708	16,10,552
II. Profit / (loss) on sale of investments (net)	46,521	2,07,881
III. Profit / (loss) on revaluation of investments (net)	-	-
IV. Profit / (loss) on sale of land, buildings and other assets(net)	(2,066)	(77,279)
V. Profit on exchange / derivative transactions (net)	-	-
VI. Income earned by way of dividends from subsidiaries/joint ventures abroad/in India	-	-
VII. Miscellaneous income [#]	7,79,469	6,09,647
# Includes PSLC income ₹ 12.71 crores (March 31, 2021: ₹ Nil), recoveries from written off accounts ₹ 57.42 crores (March 31, 2021: ₹ 52.82 crores), and lease income ₹ 7.25 crores (March 31, 2021: ₹ 7.25 crores)		
TOTAL	32,37,632	23,50,801
SCHEDULE 15 - INTEREST EXPENDED		
I. Interest on deposits	93,04,237	87,03,097
II. Interest on Reserve Bank of India/inter-bank borrowings	30,07,747	20,66,092
III. Other Interest (Including interest on debentures and other borrowings)	10,55,525	15,76,595
TOTAL	1,33,67,509	1,23,45,784
SCHEDULE 16 - OPERATING EXPENSES		
I. Payments to and provisions for employees (refer note 18.4 and 18.14)	69,89,890	61,84,586
II. Rent, taxes and lighting [refer note 18.22(o)]	9,15,632	10,10,975
III. Printing and stationery	89,670	62,635
IV. Advertisement and publicity	1,05,901	1,68,441
V. Depreciation on bank's property (including leased assets)	8,08,153	8,26,769
VI. Director's Fees, allowances and expenses	5,515	5,477
VII. Auditors' fees and expenses	10,028	10,822
VIII. Law charges	75,876	40,951
IX. Postage, telegram, telephone etc.	1,63,299	2,04,443
X. Repairs and maintenance	2,70,869	3,01,404
XI. Insurance	1,64,910	1,26,803
XII. Other expenditure	17,88,467	15,29,807
(a). Travel and conveyance	3,50,393	2,53,273
(b). Professional fees (includes cost of outsourced technology support services)	9,64,472	9,33,679
(c). Others	4,73,602	3,42,855
TOTAL	1,13,88,210	1,04,73,113



SCHEDULE - 17

Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2022

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 - 17

Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2022

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.

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.



SCHEDULE - 17

Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2022

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. Amounts recovered against debts written-off are recognised in the Profit and Loss account as "Miscellaneous income" under Other Income (Schedule 14).

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

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

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



SCHEDULE - 17

Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2022

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 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.



SCHEDULE - 17

Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2022

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 leasehold 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.



SCHEDULE - 17

Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2022

9. FOREIGN CURRENCY TRANSACTIONS:

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

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

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

10. EMPLOYEE BENEFITS:

Defined contribution plan:

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

Defined benefit plan and compensated absences:

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

Short term employee benefits:

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

11. INCOME TAXES:

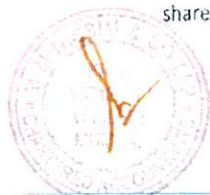
Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - Accounting for Taxes on Income respectively.

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

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.



SCHEDULE - 17

Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2022

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.

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.



SCHEDULE - 17

Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2022

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:

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

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

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

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

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

19. CORPORATE SOCIAL RESPONSIBILITY:

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

20. EMPLOYEE STOCK OPTION PLAN and RESTRICTED STOCK UNITS:

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

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India, the cost of equity-settled transactions is measured using the intrinsic method and recognized, together with a corresponding increase in the "Employees Stock options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Bank's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the Profit and Loss Account for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Consequent 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, are recognised at fair value on the date of grant using Black-Scholes model.

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.



Schedule 18 - Notes forming part of the Financial Statements for the year ended March 31, 2022

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, 2022	March 31, 2021
Common equity tier 1 capital	986.93	924.69
Tier 1 capital	1,136.93	1,074.69
Tier 2 capital	330.39	344.14
Total capital (Tier 1 + Tier 2)	1,467.32	1,418.83
Total Risk Weighted Assets (RWAs)	9,613.11	9,147.05
Common equity tier 1 capital ratio (%) (Common equity tier 1 as a percentage of RWAs)	10.27%	10.11%
Tier 1 capital ratio (%) (Tier 1 Capital as a percentage of RWAs)	11.83%	11.75%
Tier 2 capital ratio (%) (Tier 2 Capital as a percentage of RWAs)	3.43%	3.76%
Capital to RWAs ratio (%) (CRAR) (Total Capital as a percentage of RWAs)	15.26%	15.51%
Leverage Ratio	5.63%	5.62%
Percentage of the shareholding of Government of India	-	-
Amount of tier 2 capital raised through debt capital instruments during the year	50.00	-

During the year the Bank has renewed subordinated debt (Tier 2 capital) amounting to ₹ 75 crores and repaid ₹ 255 crores (March 31, 2021: Nil). Subordinated debt (Tier 2 capital) outstanding as at March 31, 2022 is ₹ 456 crores (March 31, 2021: ₹ 701 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 III 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/>
 The disclosures have not been subjected to audit by the statutory auditors of the Bank.

1.2 Capital Infusion

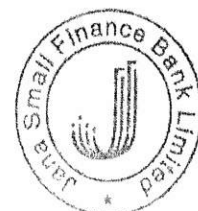
During the year ended March 31, 2022, the Bank has issued equity shares having face value of ₹ 10 each for cash pursuant to preferential allotment of 6,81,423 equity shares at ₹ 968.56 each aggregating to ₹ 66.00 crores (March 31, 2021: Nil). Further, during the year ended the Bank has allotted 2,884 equity shares (March 31, 2021: 8,654) respectively with respect of stock options exercised aggregating to ₹ 0.32 crores (March 31, 2021: ₹ 1.20 crores).

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

Particulars	March 31, 2022		March 31, 2021	
	No. of Equity shares	Amount	No. of Equity shares	Amount
Equity shares as at the beginning of the year	5,07,27,257	50.73	5,07,18,603	50.72
Addition pursuant to stock option exercised	2,884	0.00	8,654	0.01
Addition pursuant to equity shares issued during the year	6,81,423	0.68	-	-
Equity shares outstanding as at the end of the year	5,14,11,564	51.41	5,07,27,257	50.73

In terms of Section 12 of the Banking Regulation Act 1949, the subscribed capital of a banking company operating in India shall not be less than one-half of the authorized capital, and the paid-up capital shall not be less than one-half of the subscribed capital. As at the commencement of banking operations (March 28, 2018), the issued, subscribed and paid-up capital of the Bank was ₹ 39.29 crores as against the authorised share capital of ₹ 1,327.60 crores. The Bank has received scheduled Bank status with effect from July 16, 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. As on July 31, 2019, the issued, subscribed and paid up capital of the Bank was ₹ 197.16 crores which forms 14.85% of its authorized share capital. The Bank's paid-up capital as on July 31, 2019 met the statutory requirement as above, while the subscribed capital did not meet with the statutory requirement of being not less than half of the Authorized Capital.

In order to comply with the above statutory requirement, on February 03, 2020 the Bank has diminished it's authorised share capital to ₹ 350 crores comprising Equity Share Capital of ₹ 100 crores and Preference Share Capital of ₹ 250 crores.



2. Earnings per equity share

Particulars	March 31, 2022	March 31, 2021
Net profit after tax (₹ in crores)	5.40	84.31
Weighted average number of equity shares in computing the basic earnings per share	5,08,19,200	5,07,25,972
Basic earnings per share ₹	1.06	16.62
Weighted average number of equity shares in computing the diluted earnings per share	5,44,92,436	5,36,84,496
Diluted earnings per share ₹	0.99	15.70
Nominal value per share ₹	10.00	10.00

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

3. Reserves

3(a) Statutory Reserve

The Bank has transferred ₹ 1.35 crores (March 31, 2021: ₹ 21.08 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 ₹ 3.05 crores (March 31, 2021: ₹ 3.14 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

Share issue expenses amounting to ₹ Nil (March 31, 2021: Nil) are adjusted from securities premium account in terms of section 52 (2) (c) of the Companies Act, 2013.

3(d) Investment Reserve

The Bank has transferred ₹ 0.29 crores (March 31, 2021: Nil) 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 ₹ 0.58 crores for the year ended March 31, 2022 (March 31, 2021: ₹ 16.60 crores) to investment fluctuation reserves.

3(f) Drawdown of Reserves

During the year ended March 31, 2022: there were no drawdown from reserves (March 31, 2021: Nil).



4. Employees Stock Option Plan Scheme

The Bank has share-based payment schemes for its employees. Schemes in operations during the year ended March 31, 2022 are Employee stock option plan scheme 2017, Employee stock option plan scheme 2018, Restrictive Stock Units Scheme 2017 and Restrictive Stock Units Scheme 2018.

The details of the Employee Stock Option Plan Schemes (ESOP) and Restrictive Stock Unit Scheme (RSU) during the year ended March 31, 2022

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	1,86,094	1,815	17,688	9,189
Method of settlement	Equity	Equity	Equity	Equity
Vesting	25% after 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	One year from the date of grant		
Exercisable period	The Exercise period shall be subject to a maximum period of 5 years commencing from, the date of vesting of such Option or 2 years from the date of Listing, whichever is later.	The Exercise period shall be subject to a maximum period of 5 years commencing from, the date of vesting of such Option or 2 years from the date of Listing, whichever is later.		
Vesting conditions	Continued employment/ service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be The NRC shall have the power to accelerate Vesting of all Unvested Options of an Employee who is considered a Good Leaver.	Continued employment/ service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be 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 (₹)	960.59 and 958.56		10.00	



The details of the Employee Stock Option Plan Schemes (ESOP) and Restrictive Stock Unit Scheme (RSU) during the year ended March 31, 2021

Particulars	ESOP 2017	ESOP 2018	RSU 2017	RSU 2018
	Various dates	Various dates	Various dates	Various dates
Option available under the plan	18,67,579	20,23,697	Sub-set of ESOP 2017	Sub-set of ESOP 2018
Number of Options granted	25,512	-	17,864	1,041
Method of Settlement	Equity	Equity	Equity	Equity
Vesting	25% after 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		One year from the date of grant	
Exercisable period	The Exercise period shall be subject to a maximum period of 5 years commencing from, the date of Vesting of such Option or 2 years from the date of Listing, whichever is later.		The Exercise period shall be subject to a maximum period of 5 years commencing from, the date of Vesting of such Option or 2 years from the date of Listing, whichever is later.	
Vesting conditions	Continued employment/ service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be. The NRC shall have the power to accelerate Vesting of all Unvested Options of an Employee who is considered a Good Leaver.		Continued employment/ service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be. 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 (₹)	960.59		10.00	

The following are the outstanding options as at year ended March 31, 2022:

Particulars	As at and for the year ended March 31, 2022			
	ESOP 2017	ESOP 2018	ESOP 2017 (RSU)	ESOP 2018 (RSU)
Total Options granted and outstanding at the beginning of the year	14,51,448	3,93,039	63,075	14,656
Add: Options granted during the year	1,86,094	1,815	17,688	9,189
Less: Options forfeited / lapsed during the year	1,77,478	69,896	-	1,687
Less : Options exercised during the year	-	-	841	2,043
Options Outstanding as at end of the year	14,60,064	3,24,958	79,922	20,115
- Vested	7,98,301	1,80,921	71,083	10,926
- Yet to vest	6,61,763	1,44,037	8,839	9,189

The following are the outstanding options as at and for the year ended March 31, 2021:

Particulars	As at and for the year ended March 31, 2021			
	ESOP 2017	ESOP 2018	ESOP 2017 (RSU)	ESOP 2018 (RSU)
Total Options granted and outstanding at the beginning of the year	16,90,629	5,03,932	45,211	23,769
Add: Options granted during the year	25,512	-	17,864	1,041
Less: Options forfeited / lapsed during the year	2,64,693	1,10,893	-	1,500
Less : Options exercised during the year	-	-	-	8,654
Options Outstanding as at end of the year	14,51,448	3,93,039	63,075	14,656
- Vested	6,94,834	1,41,103	62,034	13,615
- Yet to vest	7,56,614	2,51,936	1,041	1,041

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 has adopted 'Intrinsic Value' method for accounting of share based payments.



Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employee Stock Option expenditure	0.73	(0.72)
Restrictive Stock Units expenditure	1.69	(0.20)
Total	2.42	(0.97)

Particulars	March 31, 2022	March 31, 2021
Amount of Employee stock options and restrictive stock units outstanding	16.14	14.05

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

The key assumptions used in Black Scholes model for calculating value of options as on the date of the grant are from April 1, 2021 to March 31, 2022

Particulars	ESOP 2017 & 2018 and ESOP (RSU) 2017 & 2018
Variables	
1. Risk free interest rate	5.74% - 6.26%
2. Expected life (in years)	4.50
3. Expected volatility	68.09% - 70.42%
4. Dividend yield	0.00%
5. The weighted average fair value of options granted ₹	623.19

The key assumptions used in Black Scholes model for calculating value of options as on the date of the grant are from April 1, 2020 to March 31, 2021

Particulars	ESOP 2017 & 2018 and ESOP (RSU) 2017 & 2018
Variables	Tranche 4
1. Risk Free Interest Rate	5.15% - 5.75%
2. Expected Life (in years)	4.50
3. Expected Volatility	64.63% - 67.49%
4. Dividend Yield	0.00%
5. The weighted average fair value of options granted ₹	578.09

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 ₹ 14.03 crores (March 31, 2021: reported profit would have been lower by ₹ 28.55 crores). The basic and diluted EPS for the year ended March 31, 2022 would have been ₹ (1.70) and ₹ (1.70) respectively (March 31, 2021: ₹ 10.99 and ₹ 10.39).

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.



JANA SMALL FINANCE BANK LIMITED
 SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)
 (All amounts are in Indian Rupees in Crores unless otherwise stated)

5. Investments

5(a) Composition of Investment Portfolio

As at March 31, 2022

	Investments in India					Investments outside India				Total Investments		
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others (Security Receipts)	Total investments in India	Government securities	Subsidiaries and/or joint ventures		Others	Total Investments outside India
Held to Maturity												
Gross	2,942.91	-	-	-	-	92.52	3,035.43	-	-	-	-	-
Less: Provision for non-performing investments (NPI)							-					
Net	2,942.91	-	-	-	-	92.52	3,035.43	-	-	-	-	-
Available for Sale												
Gross	2,029.84						2,029.84					
Less: Provision for depreciation and NPI	(0.01)						(0.01)					
Net	2,029.83						2,029.83					
Held for Trading												
Gross							-					
Less: Provision for depreciation and NPI							-					
Net							-					
Total Investments	4,972.75	-	-	-	-	92.52	5,065.27	-	-	-	-	-
Less: Provision for non-performing investments	(0.01)						(0.01)					
Less: Provision for depreciation and NPI												
Net	4,972.74					92.52	5,065.26					

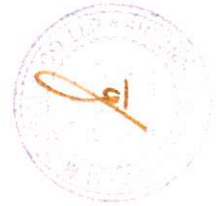


JANA SMALL FINANCE BANK LIMITED
 SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)
 (All amounts are in Indian Rupees in Crores unless otherwise stated)

5(a) Composition of Investment Portfolio (contd)..

As at March 31, 2021

	Investments in India				Investments outside India				Total Investments		
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others (Security Receipts)	Total investments in India	Subsidiaries and/or joint ventures		Others	Total Investments outside India
Held to Maturity											
Gross	1,656.09						1,656.09				
Less: Provision for non-performing investments (NPI)											
Net	1,656.09						1,656.09				
Available for Sale											
Gross	3,017.61						3,017.61				
Less: Provision for depreciation and NPI	(0.32)						(0.32)				
Net	3,017.29						3,017.29				
Held for Trading											
Gross	24.49						24.49				
Less: Provision for depreciation and NPI	(0.08)						(0.08)				
Net	24.41						24.41				
Total Investments	4,698.19						4,698.19				
Less: Provision for non-performing investments	(0.40)						(0.40)				
Less: Provision for depreciation and NPI											
Net	4,697.79						4,697.79				



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

Particulars	March 31, 2022	March 31, 2021
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	0.40	-
b) Add: Provision made during the year	-	0.40
c) Less: Write-off /write back of excess provision during the year	0.39	-
d) Closing balance	0.01	0.40
ii) Movement of Investment Fluctuation Reserve (IFR)		
a) Opening balance	21.23	4.64
b) Add: Amount transferred during the year	0.58	16.59
c) Less: Drawdown	-	-
d) Closing balance	21.81	21.23
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current Category	1.07%	0.70%

5(c) Sale and Transfers to/from HTM Category

During the year ended March 31, 2022, the Bank has not transferred securities from held-to-maturity (HTM) category to available-for-sale (AFS) category.

During the year ended March 31, 2022, the Bank has not undertaken any transactions for sale of securities of the HTM portfolio at April 1, 2021. 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, 2021, with the approval of Board of Directors, the Bank transferred securities with a net book value of ₹ 356.52 crores from held-to-maturity (HTM) category to available-for-sale (AFS) category, being transfer of securities at the beginning of the accounting year as permitted by the RBI.

During the year ended March 31, 2021, the Bank undertook 4 transactions for sale of securities with a net book value of ₹ 356.52 crores, which was 81.53% of the HTM portfolio at April 1, 2020. 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 the RBI guidelines.

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

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

5(d) Non-SLR investment Portfolio

The NPA in non-SLR investment is given below -

Particulars	March 31, 2022	March 31, 2021
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, 2022, 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)	92.52	-	-	-	92.52
7.Provision held towards depreciation	-	-	-	-	-
Total	92.52	-	-	-	92.52

Amounts reported under these columns above are not mutually exclusive



During the previous year ended March 31, 2021, the Bank had written off non-SLR investments in unlisted equity shares of ₹ 0.10 crores.

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	-	-	-	-	-
7.Provision held towards depreciation	-	-	-	-	-
Total	-	-	-	-	-

Amounts reported under these columns above are not mutually exclusive

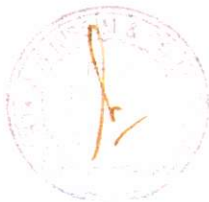
5(e) Repo/ Reverse Repo Transactions

Details of repo / reverse repo deals (in face value terms) (including LAF and TREPS) done during the year ended March 31, 2022.

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as at March 31, 2022
Securities sold under repo				
i. Government securities				
a) MSF (Repo with RBI)	8.00	53.00	0.23	-
b) Tri-Party Repo (TREPS)	0.05	499.96	251.07	-
c) Market Repo (CROMS)	0.99	200.94	34.06	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities (SLTRO)	150.00	800.00	2.19	800.00
Securities purchased under reverse repo				
i. Government securities				
a) LAF (Reverse Repo with RBI)	16.85	2,276.00	335.93	930.00
b) Tri-Party Repo (TREPS)	-	-	-	-
c) Market Repo (CROMS)	-	-	-	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	-	-	-	-

Details of repo / reverse repo deals (in face value terms) (including LAF and TREPS) for the year ended March 31, 2021

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as at March 31, 2021
Securities sold under repo				
i. Government securities				
a) MSF (Repo with RBI)	4.00	5.00	0.02	-
b) Tri-Party Repo (TREPS)	0.05	199.98	51.90	-
c) Market Repo (CROMS)	4.96	99.79	0.30	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	-	-	-	-
Securities purchased under reverse repo				
i. Government securities				
a) LAF (Reverse Repo with RBI)	5.00	2,013.00	404.18	1,663.00
b) Tri-Party Repo (TREPS)	10.00	100.00	0.97	-
c) Market Repo (CROMS)	4.99	5.00	0.04	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	-	-	-	-



6. Derivatives

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

a) Cross Currency Interest Rate Swap

Particulars	March 31, 2022	March 31, 2021
i) The notional principal of swap agreements	-	23.70
ii) Losses which would be incurred if counter parties failed to fulfil their obligation under the agreements	-	3.72
iii) Collateral required by the Bank upon entering into swaps	-	11.91
iv) Concentration of credit risk arising from the swaps	Nil	Nil
v) Fair value of the swap book	-	3.72

The nature and terms of the Cross Currency Interest Rate Swap

Nature	Terms	Benchmark	No. of deals
Hedging	Floating payable vs fixed receivable	USD MIFOR	2

b) Exchange Traded Interest Rate Derivatives - Not applicable

c) Disclosures on Risk Exposure in Derivatives

(i) Qualitative Disclosure

The Bank's treasury function is responsible for Bank's access to financial markets. Further, treasury function monitors and manages various risks relating to treasury operations of the Bank including currency risk, market risk and liquidity risk. In course of managing these risks, the Bank may use various market instruments as permissible for the Bank based on RBI guidelines and internal approvals. Further, compliance with various policies and exposure limits is reviewed by the internal auditors as required. The Bank does not enter into any trade in financial instruments including derivative financial instruments for speculative purposes. The grandfathered external commercial borrowing at the time of transition to Small Finance Bank was fully hedged and same was repaid during the financial year ended March 31, 2022. Further, as per operating guidelines for Small Finance Banks issued by the RBI, there are no derivative transactions entered into during the year ended March 31, 2022 (March 31, 2021: ₹ Nil).

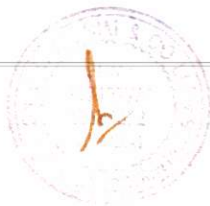
(ii) Quantitative Disclosure

Particulars	March 31, 2022		March 31, 2021	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)				
a) For hedging*	-	-	23.70	-
b) For trading	-	-	-	-
(ii) Marked to Market Positions				
a) Asset (+)	-	-	3.72	-
b) Liability (-)	-	-	-	-
(iii) Credit Exposure	-	-	-	-
(iv) Likely impact of one percentage change in interest rate (100*PV01)				
a) on hedging derivatives	-	-	-	-
b) on trading derivatives	-	-	-	-
(v) Maximum and Minimum of 100*PV01 observed during the year				
a) on hedging	-	-	-	-
b) on trading	-	-	-	-

* Pertains to cross currency interest rate swap

d) Credit default swaps

The Bank has not transacted in credit default swaps during the year ended March 31, 2022, (March 31, 2021: Nil).



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

7. Asset Quality

(a) Classification of advances and provisions held

As at March 31, 2022

Particulars	Standard	Non-Performing			Total Non-performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	10,993.33	800.33	51.91	5.74	857.98	11,851.31
Add: Additions during the year#					1,304.24	
Less: Reductions during the year#*					-1,405.31	
Closing balance	12,493.42	744.44	12.46		756.90	13,250.32
Reductions in Gross NPAs due to:*						
i) Upgradation					248.31	
ii) Recoveries (excluding recoveries from upgraded accounts)					571.67	
iii) Technical/ Prudential Write-offs					552.63	
iv) Write-offs other than those under (iii) above					32.70	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	121.90	209.86	23.71	5.74	239.31	361.21
Add: Fresh provisions made during the year [§]					622.97	
Less: Excess provision reversed/ Write-offs					-618.64	
Closing balance of provisions held	76.13	232.88	10.77	-	243.65	319.78
Net NPAs						
Opening Balance		590.47	28.21	-	618.68	
Add: Fresh additions during the year					945.18	
Less: Reductions during the year*					-1,050.61	
Closing Balance		511.56	1.69	-	513.25	

As at March 31, 2021

Particulars	Standard	Non-Performing			Total Non-performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	9,816.63	162.88	157.93	-	320.81	10,137.44
Add: Additions during the year#^					828.19	
Less: Reductions during the year#*					-291.01	
Closing balance	10,993.33	800.33	51.91	5.74	857.98	11,851.31
*Reductions in Gross NPAs due to:						
i) Upgradation					41.49	
ii) Recoveries (excluding recoveries from upgraded accounts)					16.82	
iii) Technical/ Prudential Write-offs					218.80	
iv) Write-offs other than those under (iii) above					13.90	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	43.68	40.74	139.69	0	180.43	224.11
Add: Fresh provisions made during the year \$					291.58	
Less: Excess provision reversed/ Write-offs					-232.7	
Closing balance of provisions held	121.90	209.86	23.71	5.74	239.31	361.21
Net NPAs						
Opening Balance		122.14	18.24	-	140.38	
Add: Fresh additions during the year					617.77	
Less: Reductions during the year*					-139.48	
Closing Balance		590.47	28.21	-	618.68	

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

^ Outstanding balance as of March 31, 2021 has been considered in 'Additions during the year' for accounts which are classified as NPA post vacation of standstill of NPAs as per the Supreme Court judgement dated March 23, 2021 and the RBI circular dated April 07, 2021.

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

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The Honourable Supreme Court of India (Hon'ble SC), vide an interim order dated September 03, 2020 in the writ petition (Gajendra Sharma Vs Union of India & Anr), had directed that the accounts which were not declared Non-Performing Assets ('NPA') till August 31, 2020 shall not be declared as NPA till further orders. Accordingly, an account, which was not classified as NPA as at August 31, 2020, had not been classified as NPA subsequently as per the RBI's Master Circular - Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances (IRAC norms).

The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors. and other connected matters, in accordance with the instructions in paragraph 5 of the RBI circular dated April 07, 2021 issued in this connection, the Bank has continued with the asset classification of borrower accounts for the financial year March 2021 as per the extant RBI instructions / IRAC norms.

Floating Provision as at March 31, 2022

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

Floating Provision as at March 31, 2021

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

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, 2022	March 31, 2021
Opening balance of technical / prudential write-offs accounts	2,663.85	2,522.60
Add: Technical / Prudential write-offs during the year	552.63	218.80
Sub - Total (A)	3,216.48	2,741.40
Recoveries made from technical/ prudential written off accounts during the year	57.42	47.21
Actual Write-offs during the year	22.43	30.34
Sub - Total (B)	79.85	77.55
Closing balance (A-B)	3,136.63	2,663.85

Ratios (in per cent)	March 31, 2022	March 31, 2021
Gross NPA to Assets Under Management (AUM)	4.98%	6.73%
Net NPA to Net Assets Under Management (AUM)	3.43%	4.95%
Gross NPA to Gross Advances	5.71%	7.24%
Net NPA to Net Advances	3.95%	5.33%
Provision coverage ratio (Including Technical write off)	86.82%	82.43%
Provision coverage ratio (Excluding Technical write off)	32.19%	27.89%



7(b) Sector-wise advances

Sector	March 31, 2022		
	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A. Priority Sector			
1. Agriculture and allied activities	2,532.02	156.65	6.19%
2. Advances to industries sector eligible as priority sector lending	940.45	9.59	1.02%
(i) Textiles	121.24	2.11	1.74%
3. Services	1,388.84	41.87	3.01%
(ii) Retail Trade	821.34	14.83	1.81%
4. Personal loans*	5,009.87	515.42	10.29%
Sub total (A)#	9,871.18	723.53	7.33%
B. Non Priority Sector			
1. Agriculture and allied activities	-	-	-
2. Industry	79.51	0.11	0.14%
3. Services	1,750.02	6.31	0.36%
(i) NBFCs	760.45	-	0.00%
(ii) Retail Trade	663.70	4.24	0.64%
4. Personal loans*	1,549.61	26.95	1.74%
Sub total (B)	3,379.15	33.38	0.99%
Total (A+B)	13,250.33	756.90	5.71%

*Personal loan includes housing loans

Priority sectors includes ₹ 1,010 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, 2021		
	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A. Priority Sector			
1. Agriculture and allied activities	1,620.33	152.95	9.44%
2. Advances to industries sector eligible as priority sector lending	322.88	19.72	6.11%
3. Services	829.69	66.20	7.98%
4. Personal loans*	5,546.07	447.82	8.07%
Sub total (A)	8,318.97	686.69	8.25%
B. Non Priority Sector			
1. Agriculture and allied activities	-	-	-
2. Industry	256.60	30.51	11.89%
3. Services	1,584.96	30.98	1.95%
(i) NBFCs	642.84	-	0.00%
(ii) Retail Trade	408.01	15.52	3.80%
4. Personal loans*	1,690.81	109.81	6.49%
Sub total (B)	3,532.36	171.29	4.85%
Total (A+B)	11,851.33	857.98	7.24%

*Personal loan includes housing loans

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.



The Bank does not hold any overseas assets / NPA as at March 31, 2022 and no overseas operations were undertaken during the year ended March 31, 2022 hence revenue from overseas operation is Nil. (March 31, 2021: 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, 2022. (March 31, 2021: Nil).

7(e) Divergence in the asset classification and provisioning

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

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

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

Inspection for the financial year ended March 31, 2021 and March 31, 2022 is yet to be conducted by the RBI

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, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below: (March 31, 2021: Nil)

Particulars Non-Performing Assets sold	To ARCs	To permitted transferees	To other transferees (please specify)
No. of accounts	911.00	-	-
Aggregate principal outstanding of loans transferred	131.49	-	-
Weighted average residual tenor of the loans transferred	13.02	-	-
Net book value of loans transferred (at the time of transfer)	98.18	-	-
Aggregate consideration	108.85	-	-
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. (March 31, 2021 : Nil)

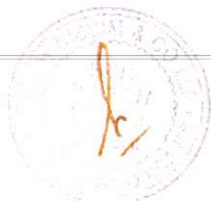
The Bank has not acquired any loans through assignment. (March 31, 2021 : Nil)

The Bank has not acquired any stressed loan (March 31, 2021 : Nil)

7(g) Fraud accounts

Particulars	March 31, 2022	March 31, 2021
Number of cases Reported	772	573
Opening Balance	6.51	10.95
Amount of Fraud	5.56	3.78
Recovery / Write off of provision	(10.35)	(8.21)
Closing Balance*	1.73	6.51
Unamortised provision debited from 'other reserves' as at the end of the year	Nil	Nil

* Includes reclass of fraud provision to 'Schedule 9 - Net advances' (provision for non-performing asset) amounting to ₹ 4.98 crores for the year ended March 31, 2021.



Schedule 18 - Notes forming part of the Financial Statements for the year ended March 31, 2022

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, 2022 is given below for the half year ending March 31, 2022:

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 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	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	155.23	35.92	10.61	19.70	99.61
Corporate Persons	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	577.81	200.77	32.17	119.45	257.60
Total	733.04	236.69	42.78	139.15	357.21

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, 2022	March 31, 2021
No of Accounts Restructured	6,407	8,001
Outstanding Amount	250.47	118.42
Provision Amount	20.25	5.92

* Represents active accounts

7(j) Disclosure on COVID - 19

The outbreak of the COVID-19 pandemic had led to a nation-wide lockdown in March 2020. This was followed by localised lockdowns in areas with a significant number of COVID-19 cases. Following the easing of lockdown measures, there was an improvement in economic activity in the second half of fiscal 2021. India experienced a "second wave" of the COVID-19 pandemic in April-May 2021 following the discovery of mutant coronavirus variants, leading to the re-imposition of regional lockdowns. These were gradually lifted as the second wave subsided.

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The slowdown during the year led to a decrease in loan originations and in collection efficiency.

India is emerging from the COVID-19 pandemic. The extent to which any new wave of COVID-19 will impact the Group's results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.



8. Disclosures relating to securitisation

Details of Sales

During the year ended March 31, 2022 the Bank has not entered into any securitisation transactions other than Direct assignments (as mentioned below) in accordance with the guidelines issued by the RBI (March 31, 2021 : Nil).

Particular	March 31, 2022	March 31, 2021
(i) No. of accounts sold during the year	-	-
(ii) Aggregate value of accounts sold during the year	-	-
(iii) Aggregate Consideration received during the year	-	-
(iv) Additional Consideration realised in respect of account transferred in earlier years	-	-
(v) Aggregate gain over net book value during the year	-	-
(vi) MRR	-	-
(vii) First Loss	-	-
(viii) Outstanding Balance	41.74	41.55
(ix) No. of SPV transaction for securitisation transaction	-	-

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, 2022	March 31, 2021
(i) No. of accounts	652	-
(ii) Aggregate value of accounts sold to SC	2.66	-
(iii) Aggregate Consideration	2.66	-
(iv) Aggregate gain / loss over net book Value	-	-

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

During the year ended March 31, 2022, the Bank has invested ₹ 92.52 crores in Security Receipts (March 31, 2021: Nil).

9. Exposures

9(a) Exposure to real estate sector

Category	March 31, 2022	March 31, 2021
A) Direct exposure	1,753.21	1,457.42
(i) Residential mortgages*	1,753.21	1,457.42
(of which housing loans eligible for inclusion in priority sector advances)	1,254.82	690.05
(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, 2022, the bank has 'Nil' exposure to capital market instruments (March 31, 2021 : Nil). The Bank has written off investments in equity shares of Alpha Micro Finance Consultants Private Limited, 100,000/- shares of ₹ 10 each fully paid up full paid up ₹ 0.10 crores during the previous year ended March 31, 2021.

9(c) Risk Category wise Country Exposure

The Bank's exposures are concentrated in India, hence country risk exposure as at March 31, 2022 is Nil (March 31, 2021 : Nil).

9(d) Unsecured Advances

Particular	March 31, 2022	March 31, 2021
Total unsecured advances of the bank	5,943	6,650
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority,	-	-
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, 2022 and previous year ended March 31, 2021, 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, 2022 (March 31, 2021 : Nil).

9(g) Intra Group Exposure

The Bank does not have any intra group exposure as at March 31, 2022 (March 31, 2021 : Nil).

9(h) Unhedged Foreign currency Exposure

The Bank doesn't have any unhedged foreign currency exposure as at March 31, 2022 (March 31, 2021: Nil)

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

10(a) Concentration of deposits

Particulars	March 31, 2022	March 31, 2021
Total deposits of twenty largest depositors	1,786.10	1,557.16
Percentage of deposits of twenty largest depositors to total deposits of the Bank	13.19%	12.57%

10(b) Concentration of advances

Particulars	March 31, 2022	March 31, 2021
Total advances to twenty largest borrowers*	815.08	603.12
Percentage of Advances of twenty largest borrowers to Total Advances of the Bank	6.17%	5.11%

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

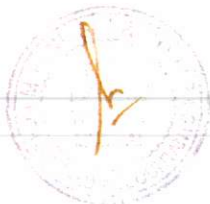
10(c) Concentration of Exposures

Particulars	March 31, 2022	March 31, 2021
Total exposure to twenty largest borrowers / customers*	815.08	603.12
Percentage of exposure of twenty largest borrowers / customers to total exposure of the Bank on borrowers / customers	6.17%	5.11%

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

10(d) Concentration of NPAs

Particulars	March 31, 2022	March 31, 2021
Total Exposure to the top twenty NPA accounts	15.00	19.83
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs	1.98%	2.31%



JANA SMALL FINANCE BANK LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)
(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, 2022

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, 2022	Deposits	Advances*	Investments	Borrowings	Balances with banks and money at call and short notice	Foreign currency assets	Foreign currency liabilities
Day - 1	52.53	44.34	2,886.96	-	5.06	-	-
2 to 7 Days	414.43	(330.13)	64.23	11.45	930.00	-	-
8 to 14 Days	318.92	(223.59)	49.13	2.50	-	-	-
15 to 30 Days	271.06	218.72	45.86	-	-	-	-
31 Days and up to 2 months	659.92	(57.42)	111.76	91.83	-	-	-
More than 2 months and up to 3 months	776.95	383.79	124.97	52.50	-	-	-
Over 3 months and up to 6 months	1,489.72	968.56	212.32	372.55	-	-	-
Over 6 months and up to 1 year	3,446.62	2,489.50	505.37	482.44	-	-	-
Over 1 Year and up to 3 years	5,631.73	4,167.56	944.51	2,681.80	1.51	-	-
Over 3 Years and up to 5 years	469.31	1,469.29	107.96	716.42	-	-	-
Over 5 years	9.01	3,876.06	12.19	98.34	0.50	-	-
Total	13,540.20	13,006.68	5,065.26	4,509.83	937.07	-	-

As at March 31, 2021	Deposits	Advances*	Investments	Borrowings	Balances with banks and money at call and short notice	Foreign currency assets	Foreign currency liabilities
Day - 1	27.97	13.51	2,689.57	2.05	1,654.49	-	-
2-7 Days	189.80	164.43	34.78	29.45	23.00	-	-
8-14 Days	167.07	(73.52)	27.61	-	-	-	-
15-30 Days	261.82	556.59	50.13	-	-	-	-
31 Days and up to 2 months	622.81	469.38	104.50	208.00	-	-	-
More than 2 months and up to 3 months	726.29	328.95	122.34	18.28	3.97	-	-
Over 3 months and up to 6 months	1,804.83	1,131.07	271.47	471.69	106.07	-	-
Over 6 months and up to 1 year	2,964.06	2,485.64	475.25	619.15	5.40	-	-
Over 1 Year and up to 3 years	5,162.60	3,041.48	821.78	2,063.38	4.04	-	-
Over 3 Years and up to 5 years	449.55	1,134.14	99.01	1,368.47	-	-	-
Over 5 years	9.13	2,360.25	1.35	34.85	0.51	-	-
Total	12,385.93	11,611.92	4,697.79	4,815.32	1,797.48	-	-

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.

RBI vide its circular dated March 27, 2020 on 'Covid-19 Regulatory Package' permitted the Banks to grant a moratorium of three months on payment of all instalments falling due between March 1, 2020 and May 31, 2020. Also, RBI vide its circular dated May 23, 2020 further extended the moratorium period by another three months from June 1, 2020 to August 31, 2020. The Bank in line with the said circulars has offered moratorium to all its customers for the said period and has incorporated the effect of the moratorium on the respective maturity buckets presented above. The Bank estimates that considerable portion of the cash flows impacted by the moratorium will be received within 1-3 years from the balance sheet date and the same has been factored in the above disclosure.

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



JANA SMALL FINANCE BANK LIMITED

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (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, 2021		September 30, 2021		December 31, 2021		March 31, 2022	
	Total unweighted value	Total weighted value (average)	Total unweighted value	Total weighted value (average)	Total unweighted value	Total weighted value (average)	Total unweighted value	Total weighted value (average)
1 Total High Quality Liquid Assets (HQLA)	6,688.65	6,688.65	5,895.18	5,895.18	5,689.71	5,689.71	4,807.91	4,807.91
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	7,420.60	499.07	7,661.02	516.25	7,884.26	538.39	7,871.59	533.8
(i) Stable deposits	4,859.67	242.98	4,997.11	249.86	5,000.76	250.04	5,066.63	253.3
(ii) Less stable deposits	2,560.93	256.09	2,663.91	266.39	2,883.50	288.35	2,804.96	280.5
3 Unsecured wholesale funding, of which:	1,074.05	104.00	1,035.86	96.96	1,054.49	101.60	997.84	95.4
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	1,074.05	104.00	1,035.86	96.96	1,054.49	101.60	997.84	95.4
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding	120.77	120.77	96.87	96.87	338.41	338.41	274.12	274.1
5 Additional requirements, of which	60.71	3.04	55.14	2.76	70.35	3.52	85.88	4.2
(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	60.71	3.04	55.14	2.76	70.35	3.52	85.88	4.2
6 Other contractual funding obligation	350.49	350.49	267.94	267.94	112.09	112.09	259.71	259.7
7 Other contingent funding obligations	37.44	1.83	39.66	1.91	39.66	1.91	39.66	1.9
8 Total cash outflows	9,064.06	1,079.20	9,156.49	982.69	9,499.26	1,095.92	9,528.80	1,169.3
Cash Inflows								
9 Secured lending (e.g. reverse repo)	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	696.70	348.35	735.47	367.73	738.28	369.14	605.55	302.7
11 Other cash inflows	1.03	1.03	0.24	0.24	0.99	0.99	0.39	0.3
12 Total cash inflows	697.73	349.38	735.71	367.97	739.27	370.13	605.94	303.0
21 Total HQLA	6,688.65	6,688.65	5,895.18	5,895.18	5,689.71	5,689.71	4,807.91	4,807.9
22 Total Net Cash Outflows	8,366.33	729.82	8,420.78	614.72	8,759.99	725.79	8,922.86	866.3
23 Liquidity Coverage Ratio (%)		916.48%		959.00%		783.93%		555.1



JANA SMALL FINANCE BANK LIMITED
 SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)
 (All amounts are in Indian Rupees in Crores unless otherwise stated)

12. Liquidity Coverage Ratio contd.

Particulars	June 30, 2020		September 30, 2020		December 31, 2020		March 31, 2021	
	Total unweighted value	Total weighted value (average)	Total unweighted value	Total weighted value (average)	Total unweighted value	Total weighted value (average)	Total unweighted value	Total weighted value (average)
1 Total High Quality Liquid Assets (HQLA)	2,962.21	2,962.21	4,625.75	4,625.75	4,500.67	4,500.67	5,708.03	5,708.0
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:								
(i) Stable deposits	5,096.25	375.48	5,597.43	370.90	5,962.43	392.81	6,718.81	444.3
(ii) Less stable deposits	2,682.88	134.15	3,776.88	188.84	4,068.49	203.42	4,550.43	227.5
3 Unsecured wholesale funding, of which:	2,413.27	241.33	1,820.55	182.06	1,893.94	189.39	2,168.38	216.8
(i) Operational deposits (all counterparties)	943.51	91.08	1,045.15	101.32	849.21	79.48	836.72	80.9
(ii) Non-operational deposits (all counterparties)								
(iii) Unsecured debt	943.51	91.08	1,045.15	101.32	849.21	79.48	836.72	80.9
4 Secured wholesale funding								
5 Additional requirements, of which	233.57	233.57	137.09	137.09	262.83	262.83	92.61	92.6
(i) Outflows related to derivative exposures and other collateral requirements	45.48	15.72	19.94	1.00	25.34	1.27	51.62	2.5
(ii) Outflows related to loss of funding on debt products								
(iii) Credit and liquidity facilities	45.48	15.72	19.94	1.00	25.34	1.27	51.62	2.5
6 Other contractual funding obligation	112.92	112.92	169.89	169.89	173.61	173.61	240.19	240.1
7 Other contingent funding obligations	38.09	1.88	37.16	1.83	37.16	1.83	37.19	1.8
8 Total cash outflows	6,469.82	830.65	7,006.66	782.03	7,310.58	911.83	7,377.14	862.4
Cash Inflows								
9 Secured lending (e.g. reverse repo)								
10 Inflows from fully performing exposures	243.89	127.08	557.31	284.93	659.76	329.88	740.46	370.2
11 Other cash inflows	0.05	0.05	0.01	0.01	24.04	24.04	16.44	16.4
12 Total cash inflows	243.94	127.13	557.32	284.94	683.80	353.92	756.90	386.6
21 Total HQLA	2,962.21	2,962.21	4,625.75	4,625.75	4,500.67	4,500.67	5,708.03	5,708.0
22 Total Net Cash Outflows	6,225.88	703.52	6,449.34	497.09	6,626.78	557.91	7,220.24	475.8
23 Liquidity Coverage Ratio (%)		421.06%		930.57%		806.70%		1199.6

Notes:
 *Average weighted and unweighted amounts are calculated taking three point averages for all quarters for the relevant period and not as simple average based on daily observation for the respective quarters. As on date balances have been considered to compute the monthly averages which in turn is used as an average for the quarter.

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

- 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.
- 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.
- The Bank has started submitting LCR reports to RBI from March 2018. Currently the Liquidity Coverage Ratio is higher than minimum regulatory threshold. 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 (subject to Note* mentioned above). 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 (FALLCR). Bank is presently funded through deposits, IBPC 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.
- The Bank classifies all the deposits from non-natural persons into Non-operational deposits (all counterparties) under "Unsecured Wholesale Funding".
- 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

Contingent liabilities	March 31, 2022	March 31, 2021
Income tax liability	30.47	35.91
Guarantees given on behalf of constituents	2.50	2.50
Others	8.77	9.05
Total	41.74	47.46

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

Description of contingent liabilities

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.

14. Employee benefits

Employment benefits - Gratuity

The Bank has non-contributory defined benefit arrangement providing gratuity benefits expressed in terms of final monthly salary and years of service. Bank provides for gratuity as per the provisions of Payment of Gratuity Act, 1972, as amended. The scheme is funded with Life Insurance Corporation of India. The following tables summarise the components of net benefit expense recognized in the Profit and Loss Account and the funded status and amounts recognized 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, 2022 and March 31, 2021, the Bank does not have unamortised gratuity and pension liability.

Expenses recognized in the Profit and Loss Account

Particulars	March 31, 2022	March 31, 2021
Current service cost	3.17	2.62
Interest cost on benefit obligation	0.11	(0.11)
Past service cost vested benefit recognized during the year	-	-
Net actuarial loss recognized in the year	5.09	6.27
Employer Expenses	8.37	8.78

Net Liability/ (Asset) recognized in the Balance Sheet

Particulars	March 31, 2022	March 31, 2021
Present value of Defined Benefit Obligation	23.02	18.21
Fair value of plan assets	23.44	15.37
Net (asset) / liability recognized in balance sheet	(0.42)	2.84
Less: Unrecognised Past Service Cost	-	-
(Asset)/Liability recognized in balance sheet	(0.42)	2.84



JANA SMALL FINANCE BANK LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)
(All amounts are in Indian Rupees in Crores unless otherwise stated)

Reconciliation of Defined Benefit Obligation (DBO)

Particulars	March 31, 2022	March 31, 2021
Present Value of DBO at start of year	18.21	11.41
Interest cost	0.70	0.73
Current service cost	3.17	2.62
Past service cost vested benefit recognised during the year	-	-
Benefits paid	(3.82)	(2.30)
Actuarial loss/(gain)	4.76	5.75
Present Value of DBO at end of year	23.02	18.21

Reconciliation of Fair Value of Plan Assets

Particulars	March 31, 2022	March 31, 2021
Fair Value of Plan Assets at start of year	15.37	13.06
Expected return on plan assets	0.59	0.84
Contributions by employer	11.63	4.29
Benefits paid	(3.82)	(2.30)
Actuarial gain / (loss)	(0.33)	(0.52)
Fair value of plan assets at end of year	23.44	15.37

Investment details of plan assets

Particulars	March 31, 2022	March 31, 2021
Balance with Life Insurance Corporation of India (LIC)	23.44	15.37

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, 2022	March 31, 2021
Discount rate	5.15%	3.86%
Expected rate of return on assets	5.15%	3.86%
Employee turnover (in service 0 years and below)	42%	53%
Employee turnover (in service 1 years to 2 years)	39%	46%
Employee turnover (in service 3 years to 4 years)	31%	44%
Employee turnover (in service 5 years and above)	23%	33%
Salary growth rate	6.00%	6.00%
Mortality Rate During Employment - Indian Assured Lives Mortality (IALM)	IALM 2012-14 (Urban)	IALM (2006-08) Ultimate
Expected average remaining working lives of employees	2 Years	1 Year

Experience Adjustments for the year ended March 31, 2021

Particulars	FY 21-22	FY 20-21	FY 19-20	FY 18-19	FY 17-18
Present Value of DBO at the end of the year	23.02	18.21	11.41	7.66	5.65
Fair Valuation of Plan Assets	23.44	15.37	13.06	14.54	9.59
Funded Status [Surplus/(Deficit)]	0.42	(2.84)	1.66	6.89	3.94
Experience adjustment on plan liabilities : Gain / (Loss)	(3.54)	(3.45)	(1.71)	(1.74)	(3.16)
Experience adjustment on plan Assets : Gain / (Loss)	(0.33)	(0.52)	(1.04)	(0.69)	(0.64)

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 ₹ 37.99 crores (March 31, 2021: ₹ 34.30 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, 2022 is ₹ 6.52 crores (March 31, 2021: ₹ 6.06 crores).

Assumption used in determining the privilege leave liability

	March 31, 2022	March 31, 2021
Discount rate	5.15%	3.86%
Salary escalation rate	6%	6%

Attrition rate:	March 31, 2022	March 31, 2021
For service 0 years and below	42%	53.00%
For service 1 years to 2 years	39%	46.00%
For service 3 years to 4 years	31%	44.00%
For service 5 years and above	23%	33.00%



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

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, 2022, the NRC had five members of which three 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, 2022 was 15,641 (March 31, 2021: 16,891), who were live as on reporting date including those on probation and confirmed employees.

b)

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

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

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

Effective governance of compensation:

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

Alignment of compensation philosophy with prudent risk taking:

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

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

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

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

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

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

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

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

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

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



15. Disclosures on Remuneration (Contd.)

Discussion of the ways in which these measures affect remuneration:

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

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

Not applicable

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

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

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

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

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

Variable remuneration includes following distinct forms:

1. Statutory Bonus:

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

2. Variable Pay :

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

a) Cash Bonus:

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

b) Incentives:

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

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

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

c) Share-linked Instruments:

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

3. Rewards & Recognition:

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



JANA SMALL FINANCE BANK LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (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, 2022	March 31, 2021
(a)	Number of meetings held by the NRC during the financial year and remuneration paid to its members	Number of meetings: 5 Remuneration paid: ₹ 0.04 crores	Number of meetings: 7 Remuneration paid: ₹ 0.07 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	9,69,029 shares granted under ESOP scheme and 90,384 units under RSU scheme till March 31, 2022, yet to be exercised.	5,67,547 shares granted under ESOP scheme and 61,193 units under RSU scheme till March 31, 2021, yet to be exercised.
(c) (ii)	Total amount of deferred remuneration paid out in the financial year	Nil	Nil
(d) (i)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non deferred	Fixed Pay : ₹ 20.07 crores Car EMI : ₹ 0.39 crores Variable pay : ₹ 4.20 crores Deferred pay : Nil	Fixed Pay : ₹ 4.56 crores Car EMI : ₹ 0.13 crores Variable pay : ₹ 1.21 crores Deferred pay : Nil
(e) (i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustments	None	None
(e) (ii)	Total amount of reductions during the financial year due to ex post explicit adjustments	None	None
(e) (iii)	Total amount of reductions during the financial year due to ex post implicit adjustments	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 and reimbursements.

3. Includes restrictive grants of 8,849 units allotted on 01-Apr-21 related to the financial year 2019-20.



JANA SMALL FINANCE BANK LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)
(All amounts are in Indian Rupees in Crores unless otherwise stated)

15. Disclosures on Remuneration

(C) Remuneration paid to other directors for the year ended March 31, 2022

Sr. No.	Particulars of Remuneration	Name of the Directors						Total Amount
		Vikram Gandhi	R. Ramaseshan	Chitra Talwar	Eugene Karthak	P. R. Seshadri	Dr. Subhas Khuntia	
1	Independent Directors							
	Fee for attending board committee meetings	0.04	0.08	0.08	0.05	0.08	0.05	0.38
	Commission	-	-	-	-	-	-	-
	Others, (Professional Fees)	-	-	-	-	-	-	-
	Total (1)	0.04	0.08	0.08	0.05	0.08	0.12	0.45
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	-	Rahul Khosla	-	-	-	-	-
	Commission	-	0.06	-	-	-	-	0.06
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	0.06	-	-	-	-	0.06
	Total (1)+(2)	0.04	0.14	0.08	0.05	0.08	0.12	0.51

Remuneration paid to other directors for the year ended March 31, 2021

Sr. No.	Particulars of Remuneration	Name of the Directors						Total Amount
		Vikram Gandhi	R. Ramaseshan	Chitra Talwar	Eugene Karthak	P. R. Seshadri		
1	Independent Directors							
	Fee for attending board committee meetings	0.02	0.09	0.11	0.09	0.07	0.07	0.45
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	0.02	0.09	0.11	0.09	0.07	0.07	0.45
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	-	Puneet Bhatia	Rahul Khosla	-	-	-	-
	Commission	-	-	0.06	-	-	-	0.06
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	0.06	-	-	-	0.06
	Total (1)+(2)	0.02	0.09	0.17	0.09	0.07	0.07	0.51
	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.							



JANA SMALL FINANCE BANK LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)
(All amounts are in Indian Rupees in Crores unless otherwise stated)

16. Segment Reporting

Business Segments

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

a) Treasury

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

b) Retail Banking

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

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

c) Wholesale Banking

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

d) Other Banking Operation

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

e) Unallocated

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

Geographical segments

The business operations of the Bank are concentrated in India hence the Bank is considered to operate only in domestic segment.

Segment Notes:

1. The Reportable segments are identified into Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations in compliance with the RBI guidelines.
2. The Bank has formulated and implemented Funds Transfer Pricing (FTP) methodology during the year ended September 30, 2020 and the allocation of revenue and cost on account of FTP is made between the segments.
3. Unallocated assets and liabilities pertain to the assets and liabilities not identifiable to the particular segment.



JANA SMALL FINANCE BANK LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)
 (All amounts are in Indian Rupees in Crores unless otherwise stated)

Segment reporting for the year ended March 31, 2022 and previous year ended March 31, 2021 is given below:

Business Segments	Treasury		Corporate / Wholesale Banking		Retail Banking		Other Banking Operations		Total	
	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
Revenue	977.77	794.96	129.14	58.89	3,806.52	3,599.13	28.61	26.18	4,942.04	4,479.16
Less: Inter Segment Revenue									(1,891.74)	(1,746.37)
Income from Operations									3,050.30	2,732.79
Result	(115.69)	(97.75)	29.11	7.77	76.18	176.34	15.81	(2.05)	5.41	84.31
Unallocated result										
Operating profit									5.41	84.31
Income taxes										
Extraordinary profit/loss										
Net profit									5.41	84.31
Other information:										
Segment assets	6,605.94	6,942.53	1,395.22	874.94	11,989.65	11,016.79	5.84	18.45	19,996.65	18,852.71
Unallocated assets									192.06	238.20
Total assets	6,605.94	6,942.53	1,395.22	874.94	11,989.65	11,016.79	5.84	18.45	20,188.71	19,090.91
Segment liabilities	4,627.53	4,916.07	11.77	7.45	14,322.65	13,012.24	-	-	18,961.95	17,935.76
Unallocated liabilities									26.06	28.27
Capital and reserves	1,978.41	2,026.46	1,383.45	867.49	(2,333.00)	(1,995.45)	5.84	18.45	1,034.70	916.95
Unallocated capital and reserves									166.00	209.63
Total liabilities	6,605.94	6,942.53	1,395.22	874.94	11,989.65	11,016.79	5.84	18.45	20,188.71	19,090.91



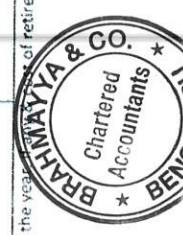
JANA SMALL FINANCE BANK LIMITED
 SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)
 (All amounts are in Indian Rupees in Crores unless otherwise stated)

17. Related party disclosures

A. Names of the related parties where control exists	Nature of relationship
i. Mr. Ramesh Ramanathan	Non Executive Chairman
ii. Mr. Ajay Kanwal	Managing Director & Chief Executive Officer
B. Others - with whom transactions have taken place during the year	
i. Jana Urban Services for Transformation Private Limited	Private company in which director or his relative is member or director
ii. Jana Urban Space Foundation (India)	Private company in which director or his relative is member or director
iii. Jana Holding Limited	Public limited company in which director or his relative is member or director and the holding company
iv. Jana Capital Limited	Public limited company in which director or his relative is member or director and the ultimate holding company
v. Jana Urban Foundation (Section 25 Company - not for profit)	Private company in which director or his relative is member or director
vi. Mr. Kapil Krishan	Chief Financial Officer (upto October 31, 2021)
vii. Mr. Buvanesh Tharashankar	Chief Financial Officer (w.e.f. December 01, 2021)
viii. Ms. Lakshmi R N	Company Secretary

Name of related party	Nature of transactions	Transaction value for the year ended March 31, 2022	Outstanding amount as at March 31, 2022#	Transaction value for the year ended March 31, 2021	Outstanding amount as at March 31, 2021#
A. Private company in which director or his relative is member or director					
1. Jana Holding Limited	Issue of equity shares (6,81,423 equity shares)	66.00	2,324.17 (2,320.17)	-	2,324.17 (2,324.17)
	Rendered professional services	-	-	0.01	-
2. Jana Urban Foundation	Royalty payments	5.50	2.10 (2.88)	4.96	0.00 (2.63)
3. Jana Capital Limited	Rendered professional services	-	-	0.01	-
B. Key Management Personnel* (KMP)					
1. Mr. Ajay Kanwal	Remuneration	5.52	-	6.69	2.00
2. Mr. Kapil Krishan	Remuneration	0.78	-	1.23	-
3. Mr. Buvanesh Tharashankar	Remuneration	0.51	-	-	-
4. Ms. Lakshmi R N	Remuneration	0.28	-	0.24	-
C. Deposits of related parties					
KMP	Deposit	0.77	0.77 (1.59)	0.60	0.60 (1.30)
	Interest	0.00	-	0.09	-
Relatives of KMP	Deposit	0.03	0.04 (0.10)	0.03	0.04 (0.10)
	Interest	0.01	-	0.00	-
Director	Deposit	2.21	2.31 (11.93)	1.49	1.54 (12.08)
	Interest	0.11	-	0.06	-
Relatives of Director	Deposit	0.48	0.49 (1.74)	0.72	0.73 (2.04)
	Interest	0.00	-	0.01	-
Private company in which director or his relatives is member or director	Deposit	7.79	7.94 (184.85)	8.84	9.00 (67.53)
	Interest	0.15	-	0.15	-

*The remuneration does not include value of employee stock options exercised during the year. These are based on an actuarial valuation carried out for the Company as whole.
 # Figures in bracket indicates maximum outstanding during the year.



18. Disclosure of Complaints

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

Particulars	March 31, 2022	March 31, 2021
Complaints received by the bank from its customers		
1. Number of complaints pending at beginning of the year	211	185
2. Number of complaints received during the year	5,890	7,311
3. Number of complaints disposed during the year	5,900	7,285
3.1 Of which, number of complaints rejected by the bank	0	0
4. Number of complaints pending at the end of the year	201	211
Maintainable complaints received by the bank from OBOs		
5. Number of maintainable complaints received by the bank from OBOs	155	204
5.1 Of 5, number of complaints resolved in favour of the bank by OBOs	147	192
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by OBOs	8	12
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:
 1. 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.
 2. The above disclosure does not include 873 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
Deposit Accounts	38	1,913	43%	13	-
ATM / Debit Cards	30	902	-67%	20	-
Loans & advances	44	1,300	2%	31	-
Net Banking /Mobile Banking/Point of Sales	41	1,345	-3%	52	-
Staff Behaviour	6	196	-44%	3	-
Others	52	234	-5%	82	-
Total	211	5,890	-19%	201	-

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
ATM / Debit Cards	51	2710	-1%	38	-
Net Banking /Mobile Banking/Point of Sales	54	1387	-68%	30	-
Deposit Accounts	27	1342	-36%	44	-
Loans & advances	19	1278	-54%	41	-
Staff Behaviour	2	347	-14%	6	-
Others	32	247	-36%	52	-
Total	185	7,311	-43%	211	-

19. Off balance sheet SPVs

During the year ended March 31, 2022, there are no off balance sheet SPVs sponsored by the Bank, which needs to be consolidated as per accounting norms (March 31, 2021: Nil).



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

During the year ended March 31, 2022, no amount was required to be transferred to Depositor Education and Awareness Fund. (March 31, 2021: Nil)

21. Penalties levied by the RBI

During the year ended March 31, 2022, no penalty was imposed by the RBI on the Bank. (March 31, 2021: Nil)

22. Other Disclosures

a) Business ratio

Particulars	March 31, 2022	March 31, 2021
i) Interest income as a percentage to working funds ¹	13.48%	15.34%
ii) Net interest income as a percentage to working funds ¹	6.87%	7.76%
iii) Non-interest income as a percentage to working funds ¹	1.60%	1.44%
iv) Cost of Deposits	7.19%	8.07%
v) Net Interest Margin ²	7.26%	8.27%
vi) Operating profit ³ as a percentage to working funds ¹	2.84%	2.77%
vii) Return on average assets ⁴	0.03%	0.52%
viii) Return on Equity Ratio ⁵	0.47%	7.49%
ix) Debt-Equity Ratio ⁶	3.97	4.48
x) Business ⁷ (deposit plus net advances) per employee ⁸ (in ₹ crores)	1.44	1.38
xi) Profit per employee ⁸ (in ₹ crores)	0.0003	0.0053
xii) Provision coverage ratio ⁹	32.19%	27.89%

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

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

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

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

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

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

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

8. Productivity ratios are based on average employee number.

9. Provision coverage ratio does not include technical write offs. Including technical write off, Provision coverage ratio is 85.82% (March 31, 2021: 82.43%).

b) Bancassurance business & Marketing and distribution

Nature of Income	March 31, 2022	March 31, 2021
Towards selling of life insurance policies	16.71	16.30
Towards selling of non-life insurance policies	4.65	2.63
Fees / remuneration received from the marketing and distribution function	-	-
Total	21.36	18.93

c) 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, 2022		March 31, 2021	
	PSLC Bought	PSLC Sold	PSLC Bought	PSLC Sold
Agriculture	-	100.00	-	-
Small and Marginal Farmers	-	-	-	-
Micro Enterprises	-	400.00	-	-
General	-	510.00	-	-
Total	-	1,010.00	-	-

d) Provisions and Contingencies

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

Particulars	March 31, 2022	March 31, 2021
(i) Provision for NPI	-	-
(ii) Provision towards NPA (including bad debts written off)	614.02	291.58
(iii) Provision made towards Income tax	-	-
(iv) Other Provisions and Contingencies	-	-
Provision for standard assets	2.59	(3.12)
Provision for restructured standard assets (including DIFV)	(48.36)	81.34
Provisions for depreciation on Investment	(0.39)	0.40
Provisions for frauds and others	1.46	(3.60)
Total	569.32	366.60



e) Inter-bank Participation (IBPC) with risk sharing

The Bank has raised funds through issue of IBPCs with risk sharing. The outstanding balance of IBPC (risk sharing) is ₹ 1,962.75 crores as on March 31, 2022, (March 31, 2021: ₹ 889.88 crores).

f) 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.

g) Payment of DICGC Insurance Premium

Particulars	March 31, 2022	March 31, 2021
i) Payment of DICGC Insurance Premium (Including GST)	15.25	12.01
ii) Arrears in Payment of DICGC Premium	-	-
Total	15.25	12.01

h) Proposed Dividend

During the year ended March 31, 2022 the Bank has not declared any dividend. The Reserve Bank of India, vide its circular dated April 17, 2020 and December 4, 2020, has decided that banks shall not make any further dividend pay-outs from profits, with a view that banks must conserve capital in an environment of heightened uncertainty caused by COVID-19. Accordingly, the Board of Directors of the Bank has not proposed any dividend for the year ended March 31, 2021.

i) Disclosure of Letters of Comfort (LoC) issued by the Bank

The Bank has not issued letter of comfort during the year ended March 31, 2022. (March 31, 2021: Nil)

j) 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, 2022, (March 31, 2021: Nil).

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

Particulars	March 31, 2022	March 31, 2021
Audit Fees	0.96	0.97
Tax audit fees	0.02	0.02
Other services	0.02	0.07
Out-of-pocket expenses	0.01	0.02
Total	1.01	1.08

l) 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, 2022 (March 31, 2021: Nil).

m) 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, 2022, (March 31, 2021: Nil).

n) Deferred Tax Assets

The Bank has not recognised deferred tax asset or deferred tax liability for the current year and previous year. Deferred tax assets are reviewed at each Balance Sheet date and appropriately adjusted to reflect the amount that is virtually certain to be realized.

The Bank has carried forward business losses on which, the net deferred tax asset amounting to ₹ 1,028.11 crores as at March 31, 2022 (₹ 1,018.46 crores as at March 31, 2021) has not been recognised in the absence of virtual certainty. The said amount is available for set off against future income tax liability subject to availability of sufficient taxable income in the years of set off.



o) 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, 2022	March 31, 2021
Not later than one year	5.11	2.11
Later than one year but not later than five years	14.16	8.52
Later than five years	-	-
Minimum lease payments recognised in Profit and Loss Account	70.86	81.42
- Of which lease expense pertaining to non-cancellable leases	4.06	4.52

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.

p) Corporate Social Responsibility (CSR)

Gross amount required to be spent on CSR activities by the Bank for the year ended March 31, 2022 is Nil (March 31, 2021: Nil) under section 135 of the Companies Act, 2013.

i) Amount spent during the year ended March 31, 2022

Particulars	Amount spent	Amount unpaid /provision	Total
i) Construction /acquisition of asset	-	-	-
ii) on purpose other than (i) above	0.12	-	0.12
Total	0.12	-	0.12

ii) Amount spent during the year ended March 31, 2021

Particulars	Amount spent	Amount unpaid /provision	Total
i) Construction /acquisition of asset	-	-	-
ii) on purpose other than (i) above	0.76	-	0.76
Total	0.76	-	0.76

As part of organisational effort to rationalize costs, the Management took a strategic decision to limit the CSR expenditure during the current year and previous year.

q) 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. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments for the year ended March 31, 2022 (March 31, 2021: Nil). The above is based on the information available with the Bank which has been relied upon by the auditors.

r) Interest on interest

In accordance with the RBI notification dated April 7, 2021, the Bank is required to refund / adjust 'interest on interest' charged to borrowers. As required by the RBI notification, the methodology for calculation of such interest on interest has been circulated by the Indian Banks' Association. The Bank has framed a Board approved policy in this regard and is in the process of suitably implementing the methodology. As at March 31, 2021, the Bank has created a liability towards estimated interest relief of ₹ 11.07 crores and reduced the same from the interest income.

s) Change in accounting policy

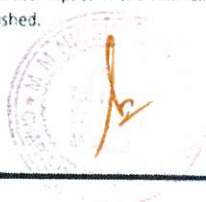
The Bank has followed consistently the same significant accounting policies in the preparation of annual financial results for the year ended March 31, 2022, except for the following:

(i) The Recognition of charges and penal interest on advances which was recognised on accrual basis upto March 31, 2021, has undergone a change and is now recognised on receipt basis. As a result of above change in the accounting policy, interest income and other income for the quarter and year is lower by ₹ 1.15 crores & ₹ 4.69 crores with a consequent impact on profit after tax.

(ii) RBI vide its clarification dated August 30, 2021, on Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function Staff, advised Banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after the accounting period ending March 31, 2021. Accordingly, the Bank has changed its accounting policy from intrinsic value method to the fair value method for such class of employees. The fair value of the stock-based compensation is estimated on the date of grant using Black-Scholes model and is recognised as compensation expense over the vesting period. As a result of changes in RBI guidelines on share-based payment, 'Employees Cost' for the quarter and year ended March 31, 2022 is higher by ₹ 1.79 crores and ₹ 1.80 crores respectively with a consequent impact on profit after tax.

t) 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.



JANA SMALL FINANCE BANK LIMITED

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

u) Listing requirement for equity shares of the Bank

As per Small Finance Bank Licensing Guidelines Issued by the RBI, the equity shares of the Bank are required to be listed on a stock exchange in India within three years from the date of commencement of banking business i.e., March 27, 2021. The Bank has filed draft red herring prospectus (DRHP) with Securities Exchange Board of India (SEBI) on March 31, 2021 and received SEBI's approval to raise funds through IPO on July 12, 2021.

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

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

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

w) Previous year audit

The financial results for the year ended March 31, 2021 were audited by another firm of Chartered Accountants, MSKC & Associates, on which they had issued unmodified opinion.

x) 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


Sanjay Khemani
Partner
Membership Number: 044577
Mumbai, May 17, 2022



For Brahmayya & Co.,
Chartered Accountants
ICAI Firm Registration No:0005155



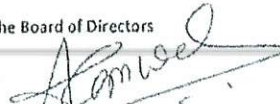
G. Srinivas
Partner
Membership No: 086761
Bengaluru, May 17, 2022



For and on behalf of the Board of Directors



Dr. Subhash Khuntia
Part-time Chairman
DIN: 05344972



Ajay Kenwal
Managing Director & CEO
DIN: 07886434



Ramesh Ramnathan
Director
DIN: 00163276



Buvanesh Tharashankar
Chief Financial Officer



Lakshmi R N
Company Secretary

Bengaluru, May 17, 2022

