

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

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

Opinion

1. We have audited the accompanying financial statements of Jana Small Finance Bank Limited (the "Bank") which comprise the Balance Sheet as at March 31, 2023, the statement of Profit and Loss Account, the statement of Cash Flows for the year then ended, and notes to the Financial Statements including a summary of significant accounting policies and other explanatory information ("the Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ("the Act") and the circulars and guidelines issued by Reserve Bank of India, in the manner so required for banking companies and are in conformity with accounting principles generally accepted in India including the accounting standards specified under Section 133 of the Act as applicable to banks and give a true and fair view of the state of affairs of the Bank as at March 31, 2023, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Key audit matters

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

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

Total NPA as at March 31, 2023: 709.19 Crores
Provision for NPA as at March 31, 2023: 241.19 Crores
(Refer Schedule 18.7(a))



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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, nature of loan products and other qualitative factors and is subject to minimum provisioning levels prescribed by the RBI and approved policy of the bank in this regard. In addition to this, for restructured accounts, provision is made for erosion/ diminution in fair value of restructured loans, in accordance with the RBI guidelines. Further, NPA classification is made borrower wise whereby if one facility of the borrower becomes NPA then all facilities of such a borrower will be treated as NPA.</p> <p>We have identified 'Identification of NPA and Provisioning on Advances' as</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 provision amount as per the IRACP norms and Bank policy. <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



<p>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>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;</p> <ul style="list-style-type: none"> ❖ Assessed the appropriateness of asset classification and adequacy of related provisioning by performing procedures such as computation of overdue ageing, assessment of borrower level, NPA identification and verification of applicable provision rates as per IRACP norms and Bank's Policy on test check basis; and ❖ Assessed the adequacy of disclosures against the relevant accounting standards and RBI requirements relating to NPAs.
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Information Technology ("IT") Systems and Controls impacting Financial Reporting	
Key Audit Matter	How our audit addressed the key audit matter
<p>The Bank has a complex IT architecture to support its day-to-day business operations. High volume of transactions are processed and recorded on single or multiple applications.</p> <p>The reliability and security of IT systems plays a key role in the business operations of the Bank. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner.</p> <p>Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.</p>	<p>Our procedures with respect to this matter included the following:</p> <p>In assessing the controls over the IT systems of the Bank, we involved our technology specialists to obtain an understanding of the IT environment, IT infrastructure and IT systems. We evaluated and tested relevant IT general controls over the "in-scope" IT systems and IT dependencies identified as relevant for our audit of the financial statements and financial reporting process of the Bank. On such "in-scope" IT systems, we have tested key IT general controls with respect to the following domains:</p> <ul style="list-style-type: none"> • Program change management, which includes that program changes are moved to the production environment as per defined procedures and relevant segregation of environment is ensured. • User access management, which includes user access provisioning, de-provisioning, access review, password



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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.

management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating systems and databases in the production environment were granted only to authorized personnel.

- Program development, which includes controls over IT application development or implementation and related infrastructure, which are relied upon for financial reporting.
- IT operations, which includes job scheduling, monitoring and backup and recovery.

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

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

Other Information

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

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



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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



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

Report on other legal and regulatory requirements

13. In our opinion, the Balance Sheet and the Statement of Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act.
14. As required by sub-section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:
 - (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
 - (c) During the course of our audit, we have visited 23 branches to examine the books of account and other records maintained at the branch and performed other relevant audit procedures. Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally at the Bank's Head Office located in Bengaluru, as all the necessary records and data required for the purposes of our audit are available there.
15. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the guidelines prescribed by RBI;
 - (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;



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- (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Bank and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Bank has disclosed the impact of pending litigations on its financial position in its Financial Statements - Refer Schedule 18.13 to the Financial Statements;
 - ii. The Bank did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank;
 - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the 18.22(w) no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the 18.22(w), no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Bank has not declared any dividend during the year; and
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the Bank only



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with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.


16. In our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 197 of the Act are not applicable to the Bank by virtue of Section 35B(2A) of the Banking Regulation Act, 1949. Accordingly, the reporting under Section 197(16) of the Act regarding payment/ provision for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act, is not applicable.

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

Navin K. Jain

Navin Kumar Jain
Partner
Membership No. 090847
UDIN: 23090847BGXVAR7847
Place: Bengaluru
Date: April 29, 2023

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


G. Srinivas
Partner
Membership No. 086761
UDIN: 23086761BGWJIN2751
Place: Bengaluru
Date: April 29, 2023



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Annexure A to Independent Auditor's Report

Referred to in paragraph 16(f) of the Independent Auditor's Report of even date to the members of Jana Small Finance Bank Limited on the Financial Statements for the year ended March 31, 2023

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

1. We have audited the internal financial controls with reference to Financial Statements of Jana Small Finance Bank Limited ("the Bank") as of March 31, 2023, in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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



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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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



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Opinion

In our opinion, the Bank has, in all material respects, an adequate internal financial controls system with reference to Financial statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Navin K. Jain
Navin Kumar Jain

Partner

Membership No. 090847

UDIN: 23090847BGXVAR7847

Place: Bengaluru

Date: April 29, 2023



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

G. Srinivas

Partner

Membership No. 086761

UDIN: 23086761BGWJIN2751

Place: Bengaluru

Date: April 29, 2023



JANA SMALL FINANCE BANK LIMITED
Profit and Loss Account for the year ended March 31, 2023

(₹ in 000's)

PARTICULARS	Schedule	Year ended 31.03.2023 (Audited)	Year ended 31.03.2022 (Audited)
I. INCOME			
Interest earned	13	3,07,50,103	2,72,65,351
Other income	14	62,48,647	32,37,632
TOTAL		3,69,98,750	3,05,02,983
II. EXPENDITURE			
Interest expended	15	1,41,49,901	1,33,67,509
Operating expenses	16	1,28,45,104	1,13,88,210
Provisions and contingencies		74,44,032	56,93,206
TOTAL		3,44,39,037	3,04,48,925
III. PROFIT/(LOSS)			
Net profit for the quarter/year		25,59,713	54,058
Balance in Profit/(loss) brought forward		(4,08,30,298)	(4,08,31,582)
TOTAL		(3,82,70,585)	(4,07,77,524)
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		6,39,928	13,497
Transfer to Capital Reserve		9,363	30,546
Transfer to Investment Reserve Account		89	2,937
Transfer to Investment Fluctuation Reserve		1,58,771	5,794
Balance carried over to Balance Sheet		(3,90,78,736)	(4,08,30,298)
V. EARNINGS PER EQUITY SHARE			
(Face value of per share ₹ 10 per share)			
Basic (₹)		47.47	1.06
Diluted (₹)		42.64	0.99

Significant accounting policies and notes to the financial statements are attached at the end of the financial statements. 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/100672

Navin Kumar Jain
Partner
Membership Number: 090847
Bengaluru, April 29, 2023

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

G. Srinivas
Partner
Membership No: 086761
Bengaluru, April 29, 2023

For and on behalf of the Board of Directors

B. Subhash Khuntia
Part-time Chairman
DIN: 05344972

K. Srinivas Nayak
Independent Director
DIN: 0009094351

Lakshmi R N
Company Secretary

Bengaluru, April 29, 2023

Ajay Kanwal
Managing Director & CEO
DIN: 07886434

Buvanesh Tharashankar
Chief Financial Officer



JANA SMALL FINANCE BANK LIMITED
Balance Sheet as at March 31, 2023

(₹ in 000's)			
	Schedule	As at 31.03.2023 (Audited)	As at 31.03.2022 (Audited)
CAPITAL AND LIABILITIES			
Capital	1	32,49,787	20,14,116
Reserves and surplus	2	1,47,22,765	99,92,874
Deposits	3	16,33,40,158	13,53,64,912
Borrowings	4	6,27,74,600	4,50,98,320
Other liabilities and provisions	5	1,23,49,586	94,16,864
TOTAL		25,64,36,896	20,18,87,086
ASSETS			
Cash and balances with Reserve Bank of India	6	1,01,09,394	1,53,00,194
Balances with banks and money at call and short notice	7	1,07,63,690	70,728
Investments	8	5,22,12,244	5,06,52,606
Advances	9	17,75,95,554	13,00,66,746
Fixed assets	10	12,77,487	17,16,470
Other assets	11	44,78,527	40,80,342
TOTAL		25,64,36,896	20,18,87,086
Contingent liabilities	12	7,71,752	4,17,430
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/AW100672

Navin Kumar Jain
Partner
Membership Number: 090847
Bengaluru, April 29, 2023

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

G. Srinivas
Partner
Membership No: 086761
Bengaluru, April 29, 2023

For and on behalf of the Board of Directors

Dr. Subhash Khuntia
Part-time Chairman
DIN: 05344972

K. Srinivas Nayak
Independent Director
DIN: 0009094351

Lakshmi R N
Company Secretary

Ajay Kanwal
Managing Director & CEO
DIN: 07886434

Buvanesh Tharashanker
Chief Financial Officer



JANA SMALL FINANCE BANK LIMITED
Cash Flow Statement for the period ended March 31, 2023

(₹ in 000's)

	Particulars	Year ended 31.03.2023 (Audited)	Year ended 31.03.2022 (Audited)
A.	Cash flow from operating activities		
	Net profit before taxes	25,59,713	54,058
	Adjustments for:		
	Depreciation on fixed assets	6,86,888	8,08,153
	Loss on sale of fixed assets	9,747	2,076
	Employee stock option expenses	45,977	24,194
	Provision for non performing assets	4,56,878	2,87,048
	Bad debts written off	63,89,553	58,53,286
	Provision for standard assets (including standard restructured accounts)	5,95,272	(4,57,705)
	Premium amortisation on HTM investments	31,300	29,447
	Operating profit before working capital changes (i)	1,07,75,328	66,00,557
	Movement in working capital		
	(Increase)/Decrease in investments	24,96,046	91,93,454
	(Increase)/Decrease in advances	(5,43,75,239)	(2,00,89,497)
	Increase/(Decrease) in deposits	2,79,75,246	1,15,07,400
	(Increase)/Decrease in other assets	(3,04,560)	(9,58,925)
	(Increase)/Decrease in lien marked fixed deposits	(1,82,476)	1,14,007
	Increase/(Decrease) in other liabilities and provisions	23,37,450	22,46,770
	Net change in working capital (ii)	(2,20,53,533)	20,13,209
	Direct taxes (paid)/refund (iii)	(93,625)	(27,671)
	Net cash flow from operating activities (i)+(ii)+(iii) (A)	(1,13,71,830)	85,86,095
B.	Cash flow used in investing activities		
	Purchase of fixed assets	(2,60,455)	(4,08,420)
	Proceeds from sale of fixed assets	2,803	2,291
	(Increase)/Decrease of held-to-maturity securities	(40,86,984)	(1,28,97,555)
	Net cash (used in) investing activities (B)	(43,44,636)	(1,33,03,684)



JANA SMALL FINANCE BANK LIMITED
Cash Flow Statement for the period ended March 31, 2023

(₹ in 000's)

	Particulars	Year ended 31.03.2023 (Audited)	Year ended 31.03.2022 (Audited)
C.	Cash Flow from financing activities		
	Proceeds from issue of equity shares	35,671	6,843
	Proceeds from issue of compulsorily convertible preference shares	12,00,000	-
	Securities premium received (Net of issue expenses)	21,24,201	6,53,131
	Proceeds from issue of Tier II capital bonds	-	5,00,000
	Increase / (decrease) in other borrowings	1,76,76,280	(35,55,168)
	Net cash used in financing activities (C)	2,10,36,152	(23,95,194)
	Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	53,19,686	(71,12,783)
	Cash and cash equivalents as at beginning of the period/year (refer note 2 & 3)	1,53,49,136	2,24,61,919
	Cash and cash equivalents as at end of the year (refer note 2 & 3)	2,06,68,822	1,53,49,136

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 ₹ 20.43 crore and ₹ 2.18 crores respectively as on March 31, 2023 and March 31, 2022.

As per our report of even date

For M M Nissim & Co LLP

Chartered Accountants

ICAI Firm Registration No.107122W/W100672

Navin Kumar Jain

Partner

Membership Number: 090847

Bengaluru, April 29, 2023

For Brahmayya & Co.,

Chartered Accountants

ICAI Firm Registration No:0005155

G. Srinivas

Partner

Membership No: 086761

Bengaluru, April 29, 2023

For and on behalf of the Board of Directors

Dr. Subhash Khuntia

Part-time Chairman

DIN: 05344972

K. Srinivas Nayak

Independent Director

DIN: 0009094351

Lakshmi R N

Company Secretary

Bengaluru, April 29, 2023

Ajay Kanwal

Managing Director & CEO

DIN: 07886434

Buvanesh Tharashankar

Chief Financial Officer



JANA SMALL FINANCE BANK LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2023

(₹ in 000's)

PARTICULARS	As at 31.03.2023 (Audited)	As at 31.03.2022 (Audited)
SCHEDULE 1 - CAPITAL		
Authorised Capital		
Equity		
100,000,000 (March 31, 2022: 100,000,000) Equity Shares of ₹ 10 each	10,00,000	10,00,000
Preference		
450,000,000 (March 31, 2022: 250,000,000) Preference Shares of ₹ 10 each	45,00,000	25,00,000
Issued, Subscribed, Called up and Paid-Up Capital		
Equity		
54,978,703 (March 31, 2022: 51,411,564) Equity Shares of ₹ 10 each fully paid up	5,49,787	5,14,116
Preference		
270,000,000 (31 March 2022: 150,000,000) 16% Non-Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each fully paid up	27,00,000	15,00,000
TOTAL	32,49,787	20,14,116
SCHEDULE 2 - RESERVES AND SURPLUS		
I. STATUTORY RESERVE		
Opening balance	12,51,028	12,37,531
Add: Additions during the year	6,39,928	13,497
Less: Deductions during the year	-	-
TOTAL	18,90,956	12,51,028
II. CAPITAL RESERVE		
Opening balance	2,00,074	1,69,528
Add: Additions during the year	9,363	30,546
Less: Deductions during the year	-	-
TOTAL	2,09,437	2,00,074
III. SHARE PREMIUM		
Opening balance	4,88,45,491	4,81,89,124
Add: Additions during the year	21,37,580	6,56,367
Less: Deductions during the year	(7,850)	-
TOTAL	5,09,75,221	4,88,45,491
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	2,937	-
Add: Additions during the year	89	2,937
Less: Deductions during the year	-	-
TOTAL	3,026	2,937
VI. INVESTMENT FLUCTUATION RESERVE		
Opening balance	2,18,117	2,12,323
Add: Additions during the year	1,58,771	5,794
Less: Deductions during the year	-	-
TOTAL	3,76,888	2,18,117



JANA SMALL FINANCE BANK LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2023

(₹ in 000's)

PARTICULARS	As at 31.03.2023 (Audited)	As at 31.03.2022 (Audited)
VII. EMPLOYEE STOCK OPTIONS RESERVE		
Opening balance	1,61,424	1,40,481
Add: Employee Stock Option expense during the year	45,989	24,194
Less: Transfer to Share Capital / Securities Premium on exercise of stock options	(5,541)	(3,251)
TOTAL	2,01,872	1,61,424
VIII. BALANCE IN PROFIT & LOSS ACCOUNT	(3,90,78,736)	(4,08,30,298)
TOTAL (I to VIII)	1,47,22,765	99,92,874
SCHEDULE 3 - DEPOSITS		
A. I. Demand deposits		
i. From banks	7,29,307	6,92,268
ii. From others	63,94,568	69,69,236
II. Savings bank deposits	2,58,85,692	2,28,29,219
III. Term deposits		
i. From banks	3,63,57,094	2,53,37,752
ii. From others	9,39,73,497	7,95,36,437
TOTAL (I to III)	16,33,40,158	13,53,64,912
B. i. Deposits of branches in India	16,33,40,158	13,53,64,912
ii. Deposits of branches outside India	-	-
TOTAL (I to II)	16,33,40,158	13,53,64,912
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
a. Reserve Bank of India	80,00,000	80,00,000
b. Other banks*	30,80,000	31,44,500
c. Other institutions and agencies^	5,16,94,600	3,39,53,820
II. Borrowings outside India	-	-
TOTAL (I and II)	6,27,74,600	4,50,98,320
Secured Borrowings included in (I)(c) above is Nil (March 31, 2022: ₹ 13 crores)		
*Includes Sub-ordinated debt (Tier II capital) ₹ 303 crores (March 31, 2022: ₹ 303 crores)		
^ Includes sub-ordinated debt (Tier II capital) ₹ 127 crores (March 31, 2022: ₹ 153 crores)		



JANA SMALL FINANCE BANK LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2023

(₹ in 000's)

PARTICULARS	As at 31.03.2023 (Audited)	As at 31.03.2022 (Audited)
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills payable	49,59,028	42,59,459
II. Inter office adjustments (net)	-	-
III. Interest accrued	30,86,486	23,55,746
IV. Others (including provisions)	29,47,464	20,40,373
V. Standard Asset- General Provision	13,56,608	7,61,286
TOTAL (I to V)	1,23,49,586	94,16,864
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand	4,99,000	7,78,170
II. Balances with Reserve Bank of India		
a. In Current account	57,10,394	52,22,024
b. In Other accounts	39,00,000	93,00,000
TOTAL (I to II)	1,01,09,394	1,53,00,194
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. In India		
i) Balances with banks		
a) In Current accounts	41,364	48,942
b) In Other deposit accounts*	17,27,549	21,786
ii) Money at call and short notice		
a) With banks	-	-
b) With other institutions	89,94,777	-
c) Lending under reverse repo (Reserve Bank of India)	-	-
TOTAL (i to ii)	1,07,63,690	70,728
II. Outside India		
i) In Current accounts	-	-
ii) In Other deposit accounts	-	-
iii) Money at call and short notice	-	-
TOTAL (i to iii)	-	-
GRAND TOTAL (I to II)	1,07,63,690	70,728

* As of March 31, 2023, Includes deposit with Banks of ₹ 20.43 crores lien marked towards guarantee issued by other banks on behalf of the Bank (March 31, 2022: ₹ 2.18 crores).



JANA SMALL FINANCE BANK LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2023

(₹ in 000's)

PARTICULARS	As at 31.03.2023 (Audited)	As at 31.03.2022 (Audited)
SCHEDULE 8 - INVESTMENTS		
I. Investments in India (net of provisions)		
i) Government securities	4,92,77,437	4,97,27,381
ii) Other approved securities	-	-
iii) Shares	-	-
iv) Debentures and bonds	-	-
v) Subsidiaries and/or joint ventures	-	-
vi) Others (Security Receipts, Pass Through Certificates)	29,34,807	9,25,225
TOTAL	5,22,12,244	5,06,52,606
II. Investments Outside India		
TOTAL	-	-
GRAND TOTAL (I to II)	5,22,12,244	5,06,52,606
III. Investments		
i) Gross value of investments		
a) In India	5,22,12,244	5,06,52,725
b) Outside India	-	-
Total	5,22,12,244	5,06,52,725
ii) Depreciation/provision for investments		
a) In India	-	119
b) Outside India	-	-
Total	-	119
iii) Net value of investments		
a) In India	5,22,12,244	5,06,52,606
b) Outside India	-	-
Total	5,22,12,244	5,06,52,606
SCHEDULE 9 - ADVANCES (Net of Provisions)		
A.		
i) Bills purchased and discounted	65,934	13,79,679
ii) Cash credits, overdrafts and loans repayable on demand	73,11,866	71,47,777
iii) Term loans	17,02,17,754	12,15,39,290
TOTAL	17,75,95,554	13,00,66,746
B.		
i) Secured by tangible assets *	9,44,53,471	6,80,53,637
ii) Covered by bank/government guarantees	36,00,952	25,86,380
iii) Unsecured	7,95,41,131	5,94,26,729
TOTAL	17,75,95,554	13,00,66,746
* Including Advance against book debt		



JANA SMALL FINANCE BANK LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2023

(₹ in 000's)

PARTICULARS	As at 31.03.2023 (Audited)	As at 31.03.2022 (Audited)
C. I ADVANCES IN INDIA		
i) Priority sector*	14,22,88,724	9,64,35,285
ii) Public sector	-	-
iii) Banks	-	1,86,391
iv) Others*	3,53,06,830	3,34,45,070
* Priority sectors includes ₹ 3,575 crores (March 31, 2022: ₹ 1,010 crores), in respect of which the Bank has sold Priority Sector Lending Certificates (PSLC).		
C. II ADVANCES OUTSIDE INDIA	-	-
TOTAL	17,75,95,554	13,00,66,746
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	66,86,187	64,40,273
ii) Additions during the year	4,05,301	4,59,845
	70,91,488	69,00,118
iii) Deductions during the year	(7,52,933)	(2,13,931)
iv) Depreciation to date	(51,12,513)	(49,81,490)
v) Capital Work in Progress	51,445	11,773
TOTAL*	12,77,487	17,16,470
*Includes leased assets of Nil (March 31, 2022: ₹ 13.22 crores)		
GRAND TOTAL (I and II)	12,77,487	17,16,470
SCHEDULE 11 - OTHER ASSETS		
I. Inter office adjustments (net)	-	-
II. Interest accrued	22,63,038	19,60,805
III. Tax paid in advance / tax deducted at source (net of provisions)	7,04,169	6,10,543
IV. Stationery and stamps	-	-
V. Non Banking Assets acquired in satisfaction of claims	-	-
VI. Others*	15,11,320	15,08,994
* Includes deposit with RIDF and other funds of ₹ 1.75 crores (March 31, 2022: ₹ 1.38 crores)		
TOTAL	44,78,527	40,80,342
SCHEDULE 12 - CONTINGENT LIABILITIES		
I. Claims against the bank not acknowledged as debts	5,59,662	3,04,690
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	26,500	25,000
b) Outside India	-	-
VI. Acceptances, endorsements and other obligations	-	-
VII. Other items for which the Bank is contingently liable	1,85,590	87,740
TOTAL	7,71,752	4,17,430



JANA SMALL FINANCE BANK LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023

(₹ in 000's)

PARTICULARS	Year ended 31.03.2023 (Audited)	Year ended 31.03.2022 (Audited)
SCHEDULE 13 - INTEREST EARNED		
I. Interest/discount on advances/bills*	2,72,16,067	2,41,20,339
II. Income on investments	32,52,084	25,59,535
III. Interest on balances with Reserve Bank of India and other inter-bank funds	2,81,580	5,85,090
IV. Others	372	387
* Includes interest recoveries from technically written off accounts		
TOTAL	3,07,50,103	2,72,65,351
SCHEDULE 14 - OTHER INCOME		
I. Commission, exchange and brokerage	30,84,026	24,13,708
II. Profit / (loss) on sale of investments (net)	29,597	46,521
III. Profit / (loss) on revaluation of investments (net)	-	-
IV. Profit / (loss) on sale of land, buildings and other assets (net)	(9,747)	(2,066)
V. Profit on exchange / derivative transactions (net)	-	-
VI. Income earned by way of dividends from subsidiaries/joint ventures abroad/in India	-	-
VII. Miscellaneous income [#]		
# Includes Profit on sale of assets to ARCs ₹ 186.59 crores (March 31, 2022: ₹ Nil), PSLC income ₹ 49.52 crores (March 31, 2022: ₹ 12.71), recoveries from written off accounts ₹ 70.65 crores (March 31, 2022: ₹ 57.42 crores), and lease income ₹ 6.04 crores (March 31, 2022: ₹ 7.25 crores)	31,44,771	7,79,469
TOTAL	62,48,647	32,37,632
SCHEDULE 15 - INTEREST EXPENDED		
I. Interest on deposits	1,00,24,054	93,04,237
II. Interest on Reserve Bank of India/inter-bank borrowings	3,48,547	30,07,747
III. Other Interest (Including interest on debentures and other borrowings)	37,77,300	10,55,525
TOTAL	1,41,49,901	1,33,67,509
SCHEDULE 16 - OPERATING EXPENSES		
I. Payments to and provisions for employees (refer note 18.4 and 18.15)	77,75,785	69,89,890
II. Rent, taxes and lighting [refer note 18.22(q)]	9,77,058	9,15,632
III. Printing and stationery	95,176	89,670
IV. Advertisement and publicity	2,11,581	1,05,901
V. Depreciation on bank's property (including leased assets)	6,86,888	8,08,153
VI. Director's Fees, allowances and expenses	6,377	5,515
VII. Auditors' fees and expenses	12,418	10,028
VIII. Law charges	1,03,051	75,876
IX. Postage, telegram, telephone etc.	1,75,952	1,63,299
X. Repairs and maintenance	2,82,192	2,70,869
XI. Insurance	1,74,244	1,64,910
XII. Other expenditure	23,44,382	17,88,467
(a). Travel and conveyance	4,78,288	3,50,393
(b). Professional fees (includes cost of outsourced technology support services,	14,79,645	10,55,121
(c). Others	3,86,449	3,82,953
TOTAL	1,28,45,104	1,13,88,210



JANA SMALL FINANCE BANK LIMITED

Schedule to the Financial Statements for the year ended March 31, 2023

SCHEDULE - 17

Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2023

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.



JANA SMALL FINANCE BANK LIMITED

Schedule to the Financial Statements for the year ended March 31, 2023

SCHEDULE - 17

Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2023

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.



JANA SMALL FINANCE BANK LIMITED

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Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2023

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.



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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.



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

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

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

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

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

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

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

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

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

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

9. FOREIGN CURRENCY TRANSACTIONS:

(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.



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SCHEDULE - 17

Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2023

10. EMPLOYEE BENEFITS:

Defined contribution plan:

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

Defined benefit plan and compensated absences:

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

Short term employee benefits:

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

11. INCOME TAXES:

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

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

12. EARNINGS PER SHARE:

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

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

13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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



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A disclosure for contingent liability is made when there is:

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

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

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

14. ACCOUNTING FOR LEASE:

Operating Lease:

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

Finance Lease:

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

Asset given on finance lease

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

15. CASH AND CASH EQUIVALENTS:

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

16. CASH FLOW STATEMENT:

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

17. SHARE ISSUE EXPENSES:

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



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SCHEDULE - 17

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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. Share based payments to 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. Share based expense is 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.

21. BORROWING COST:

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



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Schedule 18 - Notes forming part of the Financial Statements for the year ended March 31, 2023

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, 2023	March 31, 2022
Common equity tier 1 capital	1,437.48	986.93
Tier 1 capital	1,707.48	1,136.93
Tier 2 capital	333.47	330.39
Total capital (Tier 1 + Tier 2)	2,040.95	1,467.32
Total Risk Weighted Assets (RWAs)	13,112.36	9,613.11
Common equity tier 1 capital ratio (%) (Common equity tier 1 as a percentage of RWAs)	10.96%	10.27%
Tier 1 capital ratio (%) (Tier 1 Capital as a percentage of RWAs)	13.02%	11.83%
Tier 2 capital ratio (%) (Tier 2 Capital as a percentage of RWAs)	2.55%	3.43%
Capital to RWAs ratio (%) (CRAR) (Total Capital as a percentage of RWAs)	15.57%	15.26%
Leverage Ratio	6.65%	5.63%
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 Nil (March 31, 2022: ₹ 75 crores) and repaid ₹ 26 crores (March 31, 2022: ₹ 255 crores). Subordinated debt (Tier 2 capital) outstanding as at March 31, 2023 is ₹ 430 crores (March 31, 2022: ₹ 456 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/>. These disclosures have not been subjected to audit by the statutory auditors of the Bank.

1.2 Capital Infusion

During the year ended March 31, 2023, the Bank has issued equity shares having face value of ₹ 10 each for cash pursuant to preferential allotment of 2,58,115 equity shares at ₹ 968.56 each aggregating to ₹ 25.00 crores and 33,03,306 equity shares pursuant to rights issue at ₹ 580.55 each aggregating to ₹ 191.77 crores.

During the year ended March 31, 2023, the Bank has issued 120,000,000 compulsorily convertible cumulative preference shares aggregating to ₹ 120.00 crores having face value of ₹ 10 each (March 31, 2022: Nil).

Further, during the year ended the Bank has allotted 5,718 equity shares (March 31, 2022: 2,884) respectively with respect of stock options exercised aggregating to ₹ 0.56 crores (March 31, 2022: ₹ 0.32 crores).

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

Particulars	March 31, 2023		March 31, 2022	
	No. of Equity shares	Amount	No. of Equity shares	Amount
Equity shares as at the beginning of the year	5,14,11,564	51.41	5,07,27,257	50.73
Addition pursuant to stock option exercised	5,718	0.01	2,884	0.00
Addition pursuant to rights issue of equity shares issued during the year	33,03,306	3.30	-	-
Addition pursuant to preferential issue of equity shares issued during the year	2,58,115	0.26	6,81,423	0.68
Equity shares outstanding as at the end of the year	5,49,78,703	54.98	5,14,11,564	51.41

Particulars	March 31, 2023		March 31, 2022	
	No. of Preference shares	Amount	No. of Preference shares	Amount
Preference shares as at the beginning of the year	15,00,00,000	150.00	15,00,00,000	150.00
Deduction pursuant to conversion of CCPS into Equity Share Capital	-	-	-	-
Addition pursuant to Preference shares issued during the year	12,00,00,000	120.00	-	-
Preference shares outstanding as at the end of the year	27,00,00,000	270.00	15,00,00,000	150.00



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2. Earnings per equity share

Particulars	March 31, 2023	March 31, 2022
Net profit after tax (₹ in crores)	255.97	5.40
Weighted average number of equity shares in computing the basic earnings per share	5,39,19,271	5,08,19,200
Basic earnings per share ₹	47.47	1.06
Weighted average number of equity shares in computing the diluted earnings per share	6,00,34,836	5,44,92,436
Diluted earnings per share ₹	42.64	0.99
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 ₹ 63.99 crores (March 31, 2022: ₹ 1.35 crores) to statutory reserves pursuant to the requirements of Section 17 of the Banking Regulation Act, 1949 and RBI guidelines dated September 23, 2000.

3(b) Capital Reserve

The Bank has transferred ₹ 0.94 crores (March 31, 2022: ₹ 3.05 crores) to capital reserves, being the profit from sale of HTM investments, net of taxes and appropriation to statutory reserve, as per the RBI regulations.

3(c) Share premium account

During the year share premium account balance increased by ₹ 213.76 crores pursuant to issue of shares (March 31, 202: ₹ 65.64 crores). Bank has adjusted the share issue expenses amounting to ₹ 0.79 crores (March 31, 2022: Nil) from securities premium account in terms of section 52 (2) (c) of the Companies Act, 2013.

3(d) Investment Reserve

The Bank has transferred ₹ 0.01 crores (March 31, 2022: ₹ 0.29 crores) to Investment Reserve, being the excess depreciation provisions created on 'AFS' or 'HFT' categories of investment than the required amount for the year, as per the RBI regulations.

3(e) Investment Fluctuation Reserve

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

- Net profit on sale of investments during the year
- Net profit for the year less mandatory appropriations

The Bank has transferred ₹ 15.88 crores for the year ended March 31, 2023 (March 31, 2022: ₹ 0.58 crores) to investment fluctuation reserves.

3(f) Drawdown of Reserves

During the year ended March 31, 2023; there were no drawdown from reserves (March 31, 2022 : Nil).



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4. Employees Stock Option Plan Scheme

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

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

Particulars	ESOP 2017	ESOP 2018	RSU 2017	RSU 2018
Grant date	Various dates	Various dates	Various dates	Various dates
Total options under the plan	18,67,579	20,23,697	Sub-set of ESOP 2017	Sub-set of ESOP 2018
Number of options granted during the year	4,546	4,70,215	16,088	16,349
Method of settlement	Equity	Equity	Equity	Equity
Vesting	25% after one year from the date of grant 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 for the options granted during the year(₹)	960.59, 968.56 and 580.55		10.00	



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

Particulars	ESOP 2017	ESOP 2018	RSU 2017	RSU 2018
Grant Date	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	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 for the options granted during the year(₹)	960.59 and 968.56		10.00	

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

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

The following are the outstanding options as at and for the 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

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.



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Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employee Stock Option expenditure	2.68	1.00
Restrictive Stock Units expenditure	1.92	1.42
Total	4.60	2.42

Particulars	March 31, 2023	March 31, 2022
Amount of Employee stock options and restrictive stock units outstanding	20.19	16.14

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, 2022 to March 31, 2023

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

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 guidance note issued by the Institute of Chartered Accountants of India requires the disclosure of pro forma net results and Earnings Per Share (EPS) both basic and diluted, had the Company adopted the fair value method amortizing the stock compensation expense thereon over the vesting period, the reported profit would have been lower by ₹ 10.04 crores (March 31, 2022: reported profit would have been lower by ₹ 14.03 crores). The basic and diluted EPS for the year ended March 31, 2023 would have been ₹ 45.61 and ₹ 40.97 respectively (March 31, 2022: ₹ (1.70) and ₹ (1.70)).

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.



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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
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5. Investments

5(a) Composition of Investment Portfolio

As at March 31, 2023

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



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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
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5(a) Composition of Investment Portfolio (contd)..

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	-	-	-	-	-	2,942.91					-
Less: Provision for non-performing investments (NPI)							-					-
Net	2,942.91	-	-	-	-	-	2,942.91	-	-	-	-	-
Available for Sale												
Gross	2,029.84						2,122.37	92.52				-
Less: Provision for depreciation and NPI	(0.01)						(0.01)					-
Net	2,029.83	-	-	-	-	-	2,122.35	92.52	-	-	-	-
Held for Trading												
Gross												-
Less: Provision for depreciation and NPI												-
Net	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments	4,972.75	-	-	-	-	-	5,065.27	92.52	-	-	-	-
Less: Provision for non-performing investments	(0.01)						(0.01)					-
Less: Provision for depreciation and NPI	-						-					-
Net	4,972.74	-	-	-	-	-	5,065.26	92.52	-	-	-	-



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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023
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5(b) Movement of provision for depreciation and Investment Fluctuation Reserve

Particulars	March 31, 2023	March 31, 2022
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	0.01	0.40
b) Add: Provision made during the year	-	-
c) Less: Write-off /write back of excess provision during the year	0.01	0.39
d) Closing balance	-	0.01
ii) Movement of Investment Fluctuation Reserve (IFR)		
a) Opening balance	21.81	21.23
b) Add: Amount transferred during the year	15.88	0.58
c) Less: Drawdown	-	-
d) Closing balance	37.69	21.81
ii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current Category	2.01%	1.03%

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

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

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

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.

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, 2023	March 31, 2022
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, 2023, the Bank held below non-SLR investments.

Issuer	Amount	Extent of private placement#	Extent of "below investment graded" securities#	Extent of "unrated" securities#	Extent of "unlisted" securities#
1.Public sector undertakings	-	-	-	-	-
2.Financial institutions	-	-	-	-	-
3.Banks	-	-	-	-	-
4.Private corporates	-	-	-	-	-
5.Subsidiaries / Joint ventures	-	-	-	-	-
6.Others (Security Receipts, PTC)	293.48	-	-	-	293.48
7.Provision held towards depreciation	-	-	-	-	-
Total	293.48	-	-	-	293.48

Amounts reported under these columns above are not mutually exclusive



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During the previous year ended 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

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, 2023.

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

Details of repo / reverse repo deals (in face value terms) (Including LAF and TREPS) for 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	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	-	-	-	-

6. Derivatives

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

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

The bank has not entered into any forward rate agreement, Interest rate swaps or Cross Currency Interest Rate Swap agreement during the year ended March 31, 2023 and previous year ended March 31, 2022.

b) Exchange Traded Interest Rate Derivatives

The bank has not entered into any exchange traded interest rate derivatives during the year ended March 31, 2023 and previous year ended March 31, 2022.

c) Disclosures on Risk Exposure in Derivatives

(i) Qualitative Disclosure

(ii) Quantitative Disclosure

The bank has not entered into any derivative instruments for trading / speculative purposes either in Foreign Exchange or domestic treasury operations during the year ended March 31, 2023 and previous year ended March 31, 2022.

d) Credit default swaps

The Bank has not transacted in credit default swaps during the year ended March 31, 2023 and previous year ended March 31, 2022.



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7. Asset Quality

7(a) Classification of advances and provisions held

As at March 31, 2023

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

As at March 31, 2022

Particulars	Standard		Non-Performing			Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-performing Advances	
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#*					-1,405.32	
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)					571.68	
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	28.20	-	618.67	
Add: Fresh additions during the year					945.18	
Less: Reductions during the year*					-1,050.60	
Closing Balance		511.56	1.69	-	513.25	

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

* Balancing figure

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



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Floating Provision as at March 31, 2023

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

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						-

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, 2023	March 31, 2022
Opening balance of technical / prudential write-offs accounts	3,136.63	2,663.85
Add: Technical / Prudential write-offs during the year	607.73	552.63
Sub - Total (A)	3,744.36	3,216.48
Recoveries made from technical/ prudential written off accounts during the year	70.65	57.42
Actual Write-offs during the year	175.19	22.43
Sale to technical write off accounts to ARCs	2,815.71	-
Sub - Total (B)	3,061.55	79.85
Closing balance (A-B)	682.81	3,136.63

Ratios (in per cent)	March 31, 2023	March 31, 2022
Gross NPA to Assets Under Management (AUM)	3.71%	4.98%
Net NPA to Net Assets Under Management (AUM)	2.48%	3.43%
Gross NPA to Gross Advances	3.94%	5.71%
Net NPA to Net Advances	2.64%	3.95%
Provision coverage ratio (Including Technical write off)	88.88%	86.82%
Provision coverage ratio (Excluding Technical write off)	34.01%	32.19%



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7(b) Sector-wise advances

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

*Personal loan includes housing loans

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

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

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%
(i) 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)	3,379.14	33.37	0.99%
Total (A+B)	13,250.32	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.



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7(c) Overseas Assets, NPAs and Revenue

The Bank does not hold any overseas assets / NPA as at March 31, 2023 and no overseas operations were undertaken during the year ended March 31, 2023 hence revenue from overseas operation is Nil. (March 31, 2022: 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, 2023. (March 31, 2022: Nil).

7(e) Divergence in the asset classification and provisioning

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

- (a) the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period, and
- (b) the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period.

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

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, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

The Bank has not purchased any non performing financial assets during the year ended March 31, 2023.

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

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

During the year ended March 31, 2022 the Bank has sold non performing assets as below.

Particulars Non-Performing Assets sold	To ARCs	To permitted transferees	To other transferees (please specify)
No. of accounts	911	-	-
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.

The Bank has not acquired any loans through assignment.

The Bank has not acquired any stressed loan.

7(g) Fraud accounts

Particulars	March 31, 2023	March 31, 2022
Number of cases Reported	891	772
Opening Balance	1.73	6.51
Amount of Fraud	2.29	5.56
Recovery / Write off of provision	(2.49)	(10.34)
Closing Balance	1.53	1.73
Unamortised provision debited from 'other reserves' as at the end of the year	Nil	Nil



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

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

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

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

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

^ includes change in balances on account of interest

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

The Bank has restructured accounts as below.

Particulars*	March 31, 2023	March 31, 2022
No of Accounts Restructured	1,859	6,407
Outstanding Amount	110.54	250.47
Provision Amount	9.54	20.25

* Represents active accounts



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8. Disclosures relating to securitisation

Details of Sales

During the period ended March 31, 2023 the Bank has entered into securitisation transactions other than Direct assignments (as mentioned below) in accordance with the guidelines issued by the RBI (Dec 31, 2021 : Nil).

Particular	March 31, 2023	March 31, 2022
(i) No. of SPEs holding assets for securitisation transactions originated by the bank during the year	2	-
(ii) Total amount of securitised assets as per books of the SPEs (outstanding as on balance sheet date)	188.10	41.74
(iii) Total amount of exposures retained by the Bank to comply with minimum retention requirement (MRR) as on the date of balance sheet	34.26	-
(a) Off Balance Sheet Exposure	16.87	-
First loss	16.87	-
Others	-	-
(b) On Balance Sheet Exposure	17.39	-
First loss	17.39	-
Others	-	-
(iv) Amount of exposures to securitisation transaction other than MRR	23.38	23.38
(a) Off Balance Sheet Exposure	23.38	23.38
I.Exposure to own Securitisations	23.38	23.38
First loss	23.38	23.38
Others (Guarantees provided by Banks on behalf of the bank)	-	-
II.Exposure to Third Party Securitisations	-	-
First loss	-	-
Others	-	-
(b) On Balance Sheet Exposure	-	-
I.Exposure to own Securitisations	-	-
First loss	-	-
Others (Guarantees provided by Banks on behalf of the bank)	-	-
II.Exposure to Third Party Securitisations	-	-
First loss	-	-
Others	-	-
(v) Sale consideration received for the securitised assets during the year	297.13	-
(vi) Gain/loss on sale on account of securitisation	-	-
(vii) Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	Nil	Nil
(viii)Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
(a) Amount paid	Nil	Nil
(b) Repayment received	Nil	Nil
(c) Outstanding amount	Nil	Nil
(ix)Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	3.65%	Nil
(x)Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans, etc	Nil	Nil
(xi)Investor complaints:		
(a) Directly/Indirectly received and;	Nil	Nil
(b) Complaints outstanding	Nil	Nil

Details of direct assignment transactions

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

Particular	March 31, 2023	March 31, 2022
(i) No. of accounts	3,544	652
(ii) Aggregate value of accounts sold to SC	514.49	2.66
(iii) Aggregate Consideration	514.49	2.66
(iv) Aggregate gain / loss over net book Value	-	-

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

Outstanding value of investments in Security Receipts as on March 31, 2023, is ₹ 276.61 crores in Security Receipts (March 31, 2022: ₹ 92.52 crores)



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9. Exposures

9(a) Exposure to real estate sector

Category	March 31, 2023	March 31, 2022
A) Direct exposure	2,417.34	1,753.21
(i) Residential mortgages*	2,417.34	1,753.21
(of which housing loans eligible for inclusion in priority sector advances)	1,656.75	1,254.82
(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, 2023, the bank has 'Nil' exposure to capital market instruments (March 31, 2022 : Nil).

9(c) Risk Category wise Country Exposure

The Bank's exposures are concentrated in India, hence country risk exposure as at March 31, 2023 is Nil (March 31, 2022 : Nil).

9(d) Unsecured Advances

Particular	March 31, 2023	March 31, 2022
Total unsecured advances of the bank	7,954.11	5,942.67
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
Estimated value of such intangible securities	-	-

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

During the year ended March 31, 2023 and previous year ended March 31, 2022, 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, 2023 (March 31, 2022 : Nil).

9(g) Intra Group Exposure

The Bank does not have any intra group exposure as at March 31, 2023 (March 31, 2022 : Nil).

9(h) Unhedged Foreign currency Exposure

The Bank doesn't have any unhedged foreign currency exposure as at March 31, 2023 (March 31, 2022: Nil)

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

10(a) Concentration of deposits

Particulars	March 31, 2023	March 31, 2022
Total deposits of twenty largest depositors	2,382.06	1,786.10
Percentage of deposits of twenty largest depositors to total deposits of the Bank	14.58%	13.19%

10(b) Concentration of advances

Particulars	March 31, 2023	March 31, 2022
Total advances to twenty largest borrowers*	1,121.92	815.08
Percentage of Advances of twenty largest borrowers to Total Advances of the Bank	6.23%	6.17%

*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, 2023	March 31, 2022
Total exposure to twenty largest borrowers / customers*	1,121.92	815.08
Percentage of exposure of twenty largest borrowers / customers to total exposure of the Bank on borrowers / customers	6.23%	6.17%

*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, 2023	March 31, 2022
Total Exposure to the top twenty NPA accounts	33.33	15.00
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs	4.70%	1.98%



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11. Asset Liability Management (ALM)

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

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

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	52.49	44.34	2,886.96	-	5.06	-	-
2-7 Days	414.19	(330.13)	64.23	11.45	-	-	-
8-14 Days	318.64	(223.59)	49.13	2.50	-	-	-
15-30 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	5,628.58	4,167.55	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	13,536.49	13,006.67	5,065.26	4,509.83	7.07	-	-

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

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



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12. Liquidity Coverage Ratio

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

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



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12. Liquidity Coverage Ratio contd..

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:								
(i) Stable deposits	7,420.60	499.07	7,661.02	516.25	7,884.26	538.39	7,871.59	533.83
(ii) Less stable deposits	4,859.67	242.98	4,997.11	249.86	5,000.76	250.04	5,066.63	253.33
(iii) Less stable deposits	2,560.93	256.09	2,663.91	266.39	2,883.50	288.35	2,804.96	280.50
3 Unsecured wholesale funding, of which:	1,074.05	104.00	1,035.86	96.96	1,054.49	101.60	997.84	95.44
(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	95.44
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding	120.77	120.77	96.87	96.87	338.41	338.41	274.12	274.12
5 Additional requirements, of which	60.71	3.04	55.14	2.76	70.35	3.52	85.88	4.29
(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	-	-	-	-	-	-	-	-
6 Other contractual funding obligation	60.71	3.04	55.14	2.76	70.35	3.52	85.88	4.29
7 Other contingent funding obligations	350.49	350.49	267.94	267.94	112.09	112.09	259.71	259.71
8 Total cash outflows	37.44	1.83	39.66	1.91	39.66	1.91	39.66	1.91
8 Total cash outflows	9,064.06	1,079.20	9,156.49	982.69	9,499.26	1,095.92	9,528.80	1,169.30
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	302.78
11 Other cash inflows	1.03	1.03	0.24	0.24	0.99	0.99	0.39	0.39
12 Total cash inflows	697.73	349.38	735.71	367.97	739.27	370.13	605.94	303.17
21 Total HQLA	6,688.65	6,688.65	5,895.18	5,895.18	5,689.71	5,689.71	4,807.91	4,807.91
22 Total Net Cash Outflows	8,366.33	729.82	8,420.78	614.72	8,759.99	725.79	8,922.86	866.13
23 Liquidity Coverage Ratio (%)		916.48%		959.00%		783.93%		555.10%

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 (FALLCRR). 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.



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13. Contingent liabilities

Contingent liabilities	March 31, 2023	March 31, 2022
Income tax liability	55.97	30.47
Guarantees given on behalf of constituents	2.65	2.50
Others	18.56	8.77
Total	77.18	41.74

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 recognised in the Profit and Loss Account and the funded status and amounts recognised in the Balance Sheet.

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

During the year ended March 31, 2023 and March 31, 2022, the Bank does not have unamortised gratuity and pension liability.

Expenses recognised in the Profit and Loss Account

Particulars	March 31, 2023	March 31, 2022
Current service cost	4.45	3.17
Interest cost on benefit obligation	(0.02)	0.11
Past service cost vested benefit recognised during the year	-	-
Net actuarial loss recognized in the year	1.96	5.09
Employer Expenses	6.39	8.37

Net Liability/ (Asset) recognised in the Balance Sheet

Particulars	March 31, 2023	March 31, 2022
Present value of Defined Benefit Obligation	23.98	23.02
Fair value of plan assets	26.15	23.44
Net (asset) / liability recognized in balance sheet	(2.17)	(0.42)
Less: Unrecognised Past Service Cost	-	-
(Asset)/Liability recognized in balance sheet	(2.17)	(0.42)

Reconciliation of Defined Benefit Obligation (DBO)

Particulars	March 31, 2023	March 31, 2022
Present Value of DBO at start of year	23.02	18.21
Interest cost	1.19	0.70
Current service cost	4.45	3.17
Past service cost vested benefit recognised during the year	-	-
Benefits paid	(6.60)	(3.82)
Actuarial loss/(gain)	1.92	4.76
Present Value of DBO at end of year	23.98	23.02



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Reconciliation of Fair Value of Plan Assets

Particulars	March 31, 2023	March 31, 2022
Fair Value of Plan Assets at start of year	23.44	15.37
Expected return on plan assets	1.21	0.59
Contributions by employer	8.14	11.63
Benefits paid	(6.60)	(3.82)
Actuarial gain / (loss)	(0.04)	(0.33)
Fair value of plan assets at end of year	26.15	23.44

Investment details of plan assets

Particulars	March 31, 2023	March 31, 2022
Balance with Life Insurance Corporation of India (LIC)	26.15	23.44

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, 2023	March 31, 2022
Discount rate	7.20%	5.15%
Expected rate of return on assets	7.20%	5.15%
Employee turnover (in service 0 years and below)	42%	42%
Employee turnover (in service 1 years to 2 years)	39%	39%
Employee turnover (in service 3 years to 4 years)	31%	31%
Employee turnover (in service 5 years and above)	23%	23%
Salary growth rate	6.00%	6.00%
Mortality Rate During Employment - Indian Assured Lives Mortality (IALM)	IALM 2012-14 (Urban)	IALM 2012-14 (Urban)
Expected average remaining working lives of employees	2 Years	2 Years

Experience Adjustments for the year ended March 31, 2023

Particulars	FY 22-23	FY 21-22	FY 20-21	FY 19-20	FY 18-19
Present Value of DBO at the end of the year	23.98	23.02	18.21	11.41	7.66
Fair Valuation of Plan Assets	26.15	23.44	15.37	13.06	14.54
Funded Status [Surplus/(Deficit)]	2.17	0.42	(2.84)	1.66	6.89
Experience adjustment on plan liabilities : Gain / (Loss)	(3.54)	(3.54)	(3.45)	(1.71)	(1.74)
Experience adjustment on plan Assets : Gain / (Loss)	(0.33)	(0.33)	(0.52)	(1.04)	(0.69)

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 ₹ 39.00 crores (March 31, 2022: ₹ 37.99 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, 2023 is ₹ 7.20 crores (March 31, 2022: ₹ 6.52 crores).

Assumption used in determining the privilege leave liability

	March 31, 2023	March 31, 2022
Discount rate	7.20%	5.15%
Salary escalation rate	6%	6%

Attrition rate:	March 31, 2023	March 31, 2022
For service 0 years and below	42%	42%
For service 1 years to 2 years	39%	39%
For service 3 years to 4 years	31%	31%
For service 5 years and above	23%	23%



15. Disclosures on Remuneration

A) Qualitative Disclosures

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

Name, composition and mandate of the main body overseeing remuneration

The Nomination and Remuneration Committee (NRC) of the Board is the main body overseeing remuneration. As at March 31, 2023, 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, 2023 was 18,184 (March 31, 2022: 15,641), 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, 2023 (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, 2023	March 31, 2022
(a)	Number of meetings held by the NRC during the financial year and remuneration paid to its members	Number of meetings: 6 Remuneration paid: ₹ 0.05 crores	Number of meetings: 5 Remuneration paid: ₹ 0.04 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	10,38,589 options granted under ESOP scheme and 111,716 units under RSU scheme till Mar 31, 2023, yet to be exercised.	9,76,214 shares granted under ESOP scheme and 90,779 units under RSU scheme till March 31, 2022, 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 : ₹ 23.41 crores Car EMI : ₹ 0.50 crores Variable pay : ₹ 0.96 crores Deferred pay : ₹ 0.90 crores	Fixed Pay : ₹ 21.50 crores Car EMI : ₹ 0.39 crores Variable pay : ₹ 4.30 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.



JANA SMALL FINANCE BANK LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
(All amounts are in Indian Rupees in Crores unless otherwise stated)

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15. Disclosures on Remuneration (Contd.)

(C) Remuneration paid to other directors for the year ended March 31, 2023

Sr. No.	Particulars of Remuneration	Name of the Directors						Total Amount	
		Vikram Gandhi	R. Ramaseshan	Chitra Talwar	Eugene Karthak	Dr. Subhas Khuntia	K. Srinivas Nayak		P. Vijaya Kumar
1	Independent Directors								
	Fee for attending board committee meetings	0.02	0.11	0.10	0.00	0.10	0.08	0.01	0.42
	Commission	-	-	-	-	-	-	-	-
	Others, (Professional Fees)	-	-	-	-	0.15	0.00	0.00	0.15
	Total (1)	0.02	0.11	0.10	0.00	0.25	0.08	0.01	0.57
2	Other Non-Executive Directors								
	Fee for attending board committee meetings	-	0.02	-	-	-	-	-	0.02
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	-	0.02	-	-	-	-	-	0.02
	Total (1)+(2)	0.02	0.13	0.10	-	0.25	0.08	0.01	0.59

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	
1	Independent Directors					
	Fee for attending board committee meetings	0.04	0.08	0.08	0.05	0.38
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	0.04	0.08	0.08	0.05	0.45
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	0.06	-	-	0.06
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	0.06	-	-	0.06
	Total (1)+(2)	0.04	0.14	0.08	0.05	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, 2023 (Contd.)

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

16. Segment Reporting

Business Segments

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

a) Treasury

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

b) Retail Banking

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

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

c) Wholesale Banking

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

d) Other Banking Operation

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

e) Unallocated

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



JANA SMALL FINANCE BANK LIMITED

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

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

Part A: Business segments:

Segment reporting for the year ended March 31, 2023 and March 31, 2022 is given below:

Particulars	March 31, 2023	March 31, 2022
1 Segment Revenue:		
(a) Treasury	1,096.84	1,371.26
(b) Corporate/Wholesale Banking	155.26	129.14
(c) Retail Banking	4,571.18	3,806.51
(i) Digital Banking Units	0.47	
(ii) Other Retail Units	4,570.71	
(d) Other Banking operations	33.17	28.61
Total Revenue	5,856.45	5,335.52
Less: Inter Segment Revenue	-2,156.58	-2,285.23
Income from Operations	3,699.87	3,050.29
2 Segment Results (net of provisions)		
(a) Treasury	24.38	124.56
(b) Corporate/Wholesale Banking	31.41	7.36
(c) Retail Banking	170.14	-142.10
(i) Digital Banking Units	-0.08	
(ii) Other Retail Units	170.22	
(d) Other Banking operations	30.04	15.59
(e) Unallocated	0.00	0.00
Profit/(Loss) before tax	255.97	5.41
3 Segment Assets		
(a) Treasury	7,354.35	6,605.94
(b) Corporate/Wholesale Banking	1,805.88	1,395.22
(c) Retail Banking	16,299.33	11,989.65
(i) Digital Banking Units	6.02	
(ii) Other Retail Units	16,293.31	
(d) Other Banking operations	0.00	5.84
(e) Unallocated	184.12	192.06
Total	25,643.68	20,188.71



JANA SMALL FINANCE BANK LIMITED

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

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

Particulars	March 31, 2023	March 31, 2022
4 Segment Liabilities		
(a) Treasury	6,457.52	4,627.53
(b) Corporate/Wholesale Banking	19.16	11.77
(c) Retail banking	17,328.19	14,322.65
(i) Digital Banking Units	4.98	
(ii) Other Retail Units	17,323.21	
(d) Other banking operations	0.00	0.00
(e) Unallocated	41.56	26.06
Total	23,846.43	18,988.01
5 Capital Employed		
(a) Treasury	896.82	1,978.41
(b) Corporate/Wholesale Banking	1,786.72	1,383.45
(c) Retail banking	-1,028.86	-2,333.00
(i) Digital Banking Units	1.04	
(ii) Other Retail Units	-1,029.89	
(d) Other banking operations	0.00	5.84
(e) Unallocated	142.57	166.00
Total	1,797.25	1,200.70

Part B: Geographic segments

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

Segment Notes:

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



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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
(All amounts are in Indian Rupees in Crores unless otherwise stated)

17. Related party disclosures

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

Director	Key management personnel
Mr. Ramesh Ramanathan, Director	Mr. Ajay Kanwal, Managing Director and Chief Executive Officer
Mr. R. Ramaseshan	Mr. Kapil Krishan, Chief Financial Officer (upto October 31, 2021)
Ms. Chitra Talwar	Mr. Buvanesh Tharashankar, Chief Financial Officer (w.e.f. February 9, 2022)
Mr. Rahul Khosla	Ms. Lakshmi R N, Company Secretary
Dr. Subhash Chandra Khuntia (w.e.f. July 28, 2021)	
Mr. P R Seshadri (upto March 29, 2022)	
Mr. Eugene Karthak (upto April 9, 2022)	
Mr. Vikram Gandhi (upto February 7, 2023)	
Mr. K. Srinivas Nayak (w.e.f. May 06, 2022)	
Mr. P. Vjaya Kumar (w.e.f. March 24, 2023)	

Entities in which director or his relative is member or director	
Jana Holding Limited	Crossdomain Solutions Pvt Ltd
Jana Capital Limited	Rashtriya E-market Services Pvt.Ltd
Jana Urban Space Foundation (India)	National Commodity Clearing Limited
Jana Urban Services for Transformation Private Limited	Magic Wand Empowerment Private Limited
Jana Urban Foundation (Section 25 Company - not for profit)	RTD Investments Pte. Ltd., Singapore
Janaadhar (India) Pvt. Ltd	Whiteboard Consulting & Advisory Services Limited Pte Singapore
Janagraha centre for Citizenship and democracy	Nageshwara Acqa LLP
Exdion Solutions Pvt Ltd	Growth Source Financial Technologies Private Limited
West End Housing Finance Limited	42 card solutions (Private) Limited (Shareholder)
Invent Assets Securitization and Reconstruction Private Limited	Goa Institute of Management (Adjunct Faculty)
S K Singhi & Co, LLP, Advocates	Orocorp Finance Private Limited
VSG Capital Advisors Pvt Ltd	Orocorp Technologies (P) Limited
L & T Infrastructure Developments Projects Ltd	Swarnapragati Housing
Janadhar (India) Pvt Ltd	Greenway Grameen Infra Pvt. Ltd(Member)
Asha Impact Advisory Services Private Limited	Avanti Learning Centres Private Limited (Member)
Grameen Capital India Private Limited	Saahas Waste Management Private Limited (Member)
Grameen Impact Investments India Private Limited	Asha Impact
VSG Capital Advisors (HK) Ltd	SFI Impact Foundation
KEC International Limited	Asha Circle LLP
Vastu Housing Finance Corp. Ltd(Member)	Asha Impact Consulting LLP
VSG Capital Advisors Pvt Ltd	Asha Impact Initiatives LLP

Relatives of key management personnel, directors and their interested entities	
Swathi Ramanathan	Tanya Ghosh
T S Ramanathan	Aditi Khosla
Radha Ramanathan	Urvashi Bawa
Rishab Ramanathan	D V Manjunath
Shunori Ramanathan	D M Rahul
Ravi Ramanathan	Padmaja Khuntia (w.e.f. July 28, 2021)
Nishi Ajay Kanwal	Sarthak Khuntia (w.e.f. July 28, 2021)
Chamanlal Kanwal	Shruti Khuntia (w.e.f. July 28, 2021)
Geeta Kanwal	Prashanth Halappa (w.e.f. July 28, 2021)
Dhruv Kanwal	Sarat Chandra Khuntia (w.e.f. July 28, 2021)
Kriti Kanwal	Sudhir Chandra Khuntia (w.e.f. July 28, 2021)
Poonam Kumar Saidha	Subodh Chandra Khuntia (w.e.f. July 28, 2021)
Sanjay Chamanlal Kanwal	Shantisudha Khuntia (w.e.f. July 28, 2021)
Uma Ramaseshan	Karen Nayak (w.e.f. May 06, 2022)
Ajay Ramaseshan	Kumbala Ramachandra Nayak (w.e.f. May 06, 2022)
Dr. Mohan Ramalingam	Kasturi R Nayak (w.e.f. May 06, 2022)
Mrs. Nagalakshmi Raju	Neha Nayak Kennard (w.e.f. May 06, 2022)
Rajiv Talwar	Meghna Nayak (w.e.f. May 06, 2022)
Arjun Talwar	Andrew Kennard (w.e.f. May 06, 2022)
Shruti Talwar	Maya Shyam (w.e.f. May 06, 2022)
S. Ramagopal	Pammi Kamamma (w.e.f. March 24, 2023)
Dr.Natarajan	Pammi Siddartha (w.e.f. March 24, 2023)
Major Ashok Sivakumaran	Pammi Sridevi (w.e.f. March 24, 2023)
Anand Sivakumaran	Pammi Bhaskar Rao (w.e.f. March 24, 2023)
Mehreen T Khosla	Sinka Satyavathi (w.e.f. March 24, 2023)
Sarup Rani Khosla	Anirudh Buvanesh (w.e.f. February 9, 2022)
Aman Khosla	Chandra Tharasankar (w.e.f. February 9, 2022)
Swinder Singh Gandhi (upto February 7, 2023)	Kiran Kyrie Gandhi (upto February 7, 2023)
Baljeet Swinder Gandhi (upto February 7, 2023)	Prithvi Swinder Gandhi (upto February 7, 2023)
Kanika Krista Gandhi (upto February 7, 2023)	Kabir Kyle Gandhi (upto February 7, 2023)



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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
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The Bank's related party balances and transactions for the year ended March 31, 2023 are summarised as follows:

Items / Related party	Public limited company in which director or his relative is member or director and the holding company	Directors	Key management personnel (KMP)	Relatives of KMP & their interested entities	Total
Deposits (transaction during the year)	7.52	1.20	1.39	0.81	10.92
Deposits (Highest balance outstanding)	109.55	1.66	1.70	1.06	113.97
Deposits Closing balance	7.70	1.25	1.39	0.83	11.17
Interest paid on deposits	0.18	0.05	0.01	0.01	0.25
Equity investments Transaction during the year	100.00	-	-	-	100.00
Equity investments outstanding balance at the end of the year	2,490.17	-	-	-	2,490.17
Equity investments maximum outstanding amount during the year	2,490.17	-	-	-	2,490.17
Royalty Payment Transaction during the year	9.96	-	-	-	9.96
Royalty Payment highest balance outstanding during the year	3.51	-	-	-	3.51
Royalty Payments Closing balance	2.74	-	-	-	2.74
Remuneration Paid*	-	-	8.13	-	8.13

The Bank's related party balances and transactions for the year ended March 31, 2022 are summarised as follows:

Items / Related party	Public limited company in which director or his relative is member or director and the holding company	Directors	Key management personnel (KMP)	Relatives of KMP & their interested entities	Total
Deposits (transaction during the year)					
Deposits (highest balance outstanding)	184.85	11.93	1.59	1.84	200.21
Deposits Closing balance	7.79	2.21	0.77	0.51	11.28
Interest on deposits	0.15	0.11	-	0.01	0.27
Equity investments Transaction during the year	66.00	-	-	-	66.00
Equity investments maximum outstanding amount during the year	2,390.17	-	-	-	2,390.17
Equity investments outstanding balance at the end of the year	2,390.17	-	-	-	2,390.17
Other transactions (Royalty Payment) transaction value during the year	5.50	-	-	-	5.50
Other transactions (Royalty Payment) maximum outstanding during the year	2.88	-	-	-	2.88
Other transactions (Royalty Payment) Closing balance	2.10	-	-	-	2.10
Remuneration	-	-	7.09	-	7.09

- Remuneration paid excludes value of employee stock options exercised during the year.
- Bonus and retiral benefits for key managerial personnel are accrued as a part of an overall pool and are not allocated against the key managerial personnel. These will be paid based on approval from RBI.



JANA SMALL FINANCE BANK LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
(All amounts are in Indian Rupees in Crores unless otherwise stated)

18. Disclosure of Complaints

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

Particulars	March 31, 2023	March 31, 2022
Complaints received by the bank from its customers		
1. Number of complaints pending at beginning of the year	201	211
2. Number of complaints received during the year	5,708	5,890
3. Number of complaints disposed during the year	5,678	5,900
3.1 Of which, number of complaints rejected by the bank	0	0
4. Number of complaints pending at the end of the year	231	201
Maintainable complaints received by the bank from OBOs		
5. Number of maintainable complaints received by the bank from OBOs	227	155
5.1 Of 5, number of complaints resolved in favour of the bank by OBOs	215	147
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by OBOs	11	8
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 889 complaints which were closed within next working day (As per the section 16.5 of the RBI's Master Circular on Customer Service in banks dated July 01, 2015, all complaints redressed within next working day need not be included in the statement of complaints).		

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

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

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
March 31, 2022					
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	-

19. Off balance sheet SPVs

During the year ended March 31, 2023, there are no off balance sheet SPVs sponsored by the Bank, which needs to be consolidated as per accounting norms (March 31, 2022: Nil).



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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
(All amounts are in Indian Rupees in Crores unless otherwise stated)

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

During the year ended March 31, 2023, no amount was required to be transferred to Depositor Education and Awareness Fund. (March 31, 2022: Nil)

21. Penalties levied by the RBI

During the year ended March 31, 2023, no penalty was imposed by the Reserve Bank of India on the Bank. (March 31, 2022: Nil)

22. Other Disclosures

a) Business ratio

Particulars	March 31, 2023	March 31, 2022
i) Interest income as a percentage to working funds ¹	13.61%	13.48%
ii) Net interest income as a percentage to working funds ¹	7.35%	6.87%
iii) Non-interest income as a percentage to working funds ¹	2.77%	1.60%
iv) Cost of Deposits	6.93%	7.19%
v) Net Interest Margin ²	7.84%	7.26%
vi) Operating profit ³ as a percentage to working funds ¹	4.43%	2.84%
vii) Return on average assets ⁴	1.13%	0.03%
viii) Return on Equity Ratio ⁵	16.70%	0.47%
ix) Debt-Equity Ratio ⁶	3.49	3.97
x) Business ⁷ (deposit plus net advances) per employee ⁸ (in ₹ crores)	1.85	1.44
xi) Profit per employee ⁸ (in ₹ crores)	0.0156	0.0003
xii) Provision coverage ratio ⁹	34.01%	32.19%

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 88.89% (March 31, 2022: 86.82%).

b) Bancassurance business

Nature of Income	March 31, 2023	March 31, 2022
Towards selling of life insurance policies	20.68	16.71
Towards selling of non-life insurance policies	6.45	4.65
Total	27.13	21.36

c) Marketing and distribution

The Bank has not received any fees/remuneration in respect of Marketing and Distribution function (excluding bancassurance business) during the year ended March 31, 2023 (March 31, 2022: Nil).

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

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

PSLC Category	March 31, 2023		March 31, 2022	
	PSLC Bought	PSLC Sold	PSLC Bought	PSLC Sold
Agriculture	1,100.00	-	-	100.00
Small and Marginal Farmers	-	1,425.00	-	-
Micro Enterprises	-	700.00	-	400.00
General	-	1,450.00	-	510.00
Total	1,100.00	3,575.00	-	1,010.00



JANA SMALL FINANCE BANK LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
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e) Provisions and Contingencies

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

Particulars	March 31, 2023	March 31, 2022
(i) Provision for NPI	-	-
(ii) Provision towards NPA (including bad debts written off)	684.64	614.02
(iii) Provision made towards Income tax	-	-
(iv) Other Provisions and Contingencies		
Provision for standard assets*	81.89	2.59
Provision for restructured standard assets (including DIFV)	(22.36)	(48.36)
Provisions for depreciation on Investment	(0.01)	(0.39)
Provisions for frauds and others	0.24	1.46
Total	744.40	569.32

* Provision is maintained at rates higher than the regulatory minimum, on standard advances based on evaluation of the risk and stress in unsecured advances in SMA category as approved by the Board. Additional provision of ₹ 71 crores on standard advances is made as at March 31, 2023 (March 31, 2022: Nil)

f) Disclosure of material items

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

Particulars	March 31, 2023	March 31, 2022
Income from Sale of PSL Certificates	49.52	12.71
Income of Sale of assets to ARCs	186.59	-
Recoveries from written off accounts	70.65	57.42

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

Particulars	March 31, 2023	March 31, 2022
Travel and conveyance	47.83	35.04
Professional fees (including technology expense)	147.96	105.51

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

Particulars	March 31, 2023	March 31, 2022
Expense Provision	115.51	75.72
Employees related provision	40.45	29.22
TDS and GST Provision	19.55	16.41
Provision for Rent Equalisation	15.18	16.78
Insurance related liability	4.83	5.47
Pending Settlement Transactions	1.94	2.63
Others	97.28	57.82
Total	294.74	204.05

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

The Bank has raised funds through of issue of IBPCs with risk sharing. The outstanding balance of IBPC (risk sharing) is ₹ 1,135.00 crores as on March 31, 2023, (March 31, 2022: ₹ 1,962.75 crores).

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

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

i) Payment of DICGC Insurance Premium

Particulars	March 31, 2023	March 31, 2022
i) Payment of DICGC Insurance Premium (Including GST)	16.06	15.25
ii) Arrears in Payment of DICGC Premium	-	-
Total	16.06	15.25

j) Proposed Dividend

During the year ended March 31, 2023 the Bank has not proposed any dividend (March 31, 2022: Nil)

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

The Bank has not issued letter of comfort during the year ended March 31, 2023. (March 31, 2022: Nil)



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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
(All amounts are in Indian Rupees in Crores unless otherwise stated)

l) Investor education and protection fund

There is no amount required to be transferred to Investor Education and Protection Fund by the Bank for the year ended March 31, 2023, (March 31, 2022: Nil).

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

Particulars	March 31, 2023	March 31, 2022
Audit Fees	1.18	0.96
Tax audit fees	0.02	0.02
Other services	0.02	0.01
Out-of pocket expenses	0.02	0.01
Total	1.24	1.00

n) Long term contracts

The Bank has a process whereby periodically all long term contracts including derivative contracts if any, are assessed for material foreseeable losses. At the year end, the Bank has reviewed and ensured that no provision is required under any law or accounting standard on such long term contracts as on March 31, 2023 (March 31, 2022: Nil).

o) Provision for credit card and debit card reward points

The Bank is not providing any reward points on debit cards. Further the Bank has not issued any credit card during year ended March 31, 2023, (March 31, 2022: Nil).

p) 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 ₹ 1,076.79 crores as at March 31, 2023 (₹ 1,028.11 crores as at March 31, 2022) 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.

q) Leases

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

Particulars	March 31, 2023	March 31, 2022
Not later than one year	5.26	5.11
Later than one year but not later than five years	8.89	14.16
Later than five years	-	-
Minimum lease payments recognised in Profit and Loss Account	75.41	70.86
- Of which lease expense pertaining to non-cancellable leases	5.24	4.06

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

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

r) Corporate Social Responsibility (CSR)

Gross amount required to be spent on CSR activities by the Bank for the year ended March 31, 2023 is ₹ 0.87 crores (March 31, 2022: Nil) under section 135 of the Companies Act, 2013.

i) Amount spent during the year ended March 31, 2023

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

ii) 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

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.



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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
(All amounts are in Indian Rupees in Crores unless otherwise stated)

s) Small and micro industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. 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, 2023 (March 31, 2022: Nil). The above is based on the information available with the Bank which has been relied upon by the auditors.

t) Change in accounting policy

The Bank has followed consistently the same significant accounting policies in the preparation of annual financial results for the year ended March 31, 2023.

u) 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.

v) 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 were required to be listed on a stock exchange in India within three years from the date of commencement of banking business i.e., by March 27, 2021. The Bank had filed draft red herring prospectus (DRHP) with Securities Exchange Board of India (SEBI) on March 31, 2021 and received SEBI's approval dated July 9, 2021 to raise funds through IPO. The said DRHP has expired on July 8, 2022. The Bank has re-initiated the process of preparing and filing of the DRHP with SEBI.

w) 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.

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

Navin K. Jain
Navin Kumar Jain
Partner
Membership Number: 090847
Bengaluru, April 29, 2023



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

G. Srinivas
G. Srinivas
Partner
Membership No: 086761
Bengaluru, April 29, 2023



For and on behalf of the Board of Directors

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

K. Srinivas Nayak
K. Srinivas Nayak
Independent Director
DIN: 0009094351

Lakshmi R N
Lakshmi R N
Company Secretary

Bengaluru, April 29, 2023

Ajay Kantwal
Ajay Kantwal
Managing Director & CEO
DIN: 07886434

Buvanesh Tharashankar
Buvanesh Tharashankar
Chief Financial Officer

