

BOARD'S REPORT

To the Members,

Your Directors have pleasure in presenting to you the **Fourteenth** Annual Report of the Company and the Third Annual Report of Jana Small Finance Bank Limited together with the Audited Statements of Accounts for the year ended 31st March, 2020.

1 FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS :

(Rupees in crores)

Particulars	FY 2019-2020	FY 2018-2019
Total Income	2,424.77	1,368.27
Interest Expended	980.16	813.63
Operating Expenses	1,164.08	1,131.19
Provisions and contingencies	250.40	1,372.51
Profit for the year	30.13	(1,949.06)
Add: surplus/(loss) brought forward from previous year	(4,130.81)	(2,181.75)
Amount available for appropriation	0.00	0.00
Appropriations:		
Dividend & Dividend Tax	0.00	0.00
Transfer to Statutory Reserve under section 17 of the Banking Regulation Act and other reserves	(25.98)	0.00
Surplus carried to Balance Sheet	(4,126.66)	(4,130.81)

Note: - Previous year's figures have been restated wherever necessary, to align with the current year's figures.

2 CHANGE IN THE NATURE OF BUSINESS, IF ANY :

There is no change in the business of the Bank during the year.

3 DIVIDEND :

Pursuant to RBI circular dated April 17, 2020 vide no. RBI/2019-20/218 DOR.BP.BC.No. 64/21.02.067/2019-20, your directors have not recommended payment of dividend for the financial year under review.

4 ISSUANCE OF CAPITAL :

During the year under review, 35,61,876 equity shares of face value of Rs. 10/- per share were allotted by way of rights issue in various tranches and in terms of exercise of units against Restricted Stock Units bringing in a total inflow of Rs. 338.58 crore.

As on 31st March, 2020, the paid up equity share capital stood at Rs, 50,71,86,030 crore, divided into 5,07,18,603 equity shares of Rs. 10/- each and paid up preference share capital was Rs. 150,00,00,000 crore, divided into 15,00,00,000 preference shares of Rs. 10/- each

Funds raised and Credit Ratings

During the year the bank raised funds by way of issue of Inter-Bank Participatory Certificates (IBPCs). The outstanding IBPCs as on 31st Mar 2020 was Rs. 1,116 crore. The IBPCs outstanding from five banks viz. Federal Bank Ltd. (Rs. 150 crore,) Axis Bank Ltd. (Rs. 500 crore), HDFC Bank Ltd (Rs. 200 crore), Karur Vysya Bank Ltd.(Rs. 100 crore) and RBL Bank (Rs. 166 crore.). The Bank also raised Rs. 225 crore from IDFC First Bank Ltd by issuing sub-ordinated debt during Q1-FY 20 (Rs. 175 crore of existing sub-debt was prepaid).

The bank also availed a refinance facility of Rs. 1000 crore from NABARD and a term loan facility of Rs. 200 crore from IDFC First Bank during the year.

ICRA upgraded the rating given to the Non-Convertible Debentures (NCDs) and Subordinate debt from [ICRA] BBB- (negative) to [ICRA] BBB (stable) in January, 2020 for the amount rated is Rs. 1,427 crore.

Capital Adequacy

As per operating guidelines for Small Finance Banks, the Bank is required to maintain a minimum Capital Adequacy Ratio of 15% with minimum Common Equity Tier I (CET I) CAR of 7.5%.

As on March 31, 2020, the Capital Adequacy Ratio of the Bank stood at 19.27% and the Common Equity Tier I ratio stood at 13.19%.

5 BOARD MEETINGS:

The Board of Directors met 8 (Eight) times during the financial year. The quarterly meetings were held on 10-May-2019; 30-May-2019; 14-Aug-2019; 24-Oct-2019 and 31-Jan-2020 to approve audited financials (including half yearly financials with limited review) and to deliberate on various business updates.

The Board also met at shorter notice, on 21-Jun-2019; 26-Jul-2019 and 31-Oct-2019 to accord approval for issue of securities.

6 DIRECTORS AND KEY MANAGERIAL PERSONNEL:

As on 31st March 2020 the composition of the Board was :

1. Mr. Ramesh Ramanathan
2. Mr. Ajay Kanwal
3. Mr. Vikram Gandhi
4. Ms. Vijayalatha Reddy
5. Mr. R. Ramaseshan
6. Ms. Chitra Talwar and
7. Mr. Puneet Bhatia

Mr. Anuragh Adlakha, Chief Financial Officer resigned on 4-Jul-2019 and Mr. Kapil Krishan was appointed as the Chief Financial Officer of the Bank w.e.f 14-Aug-2019.

7. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Bank has received declarations from all Independent Directors on the Bank's Board, as required under Section 149(7) of the Companies Act, 2013 confirming that they meet with the criteria as laid down in Section 149(6) of the Companies Act, 2013.

8. COMPOSITION OF AUDIT & COMPLIANCE COMMITTEE AND NOMINATION & REMUNERATION COMMITTEE:

Audit & Compliance Committee:

The composition of the Audit & Compliance Committee as on 31st March 2020 was as follows:

Mr. R. Ramaseshan (Committee Chairman)
Mr. Ramesh Ramanathan
Mr. Vikram Gandhi
Mr. Puneet Bhatia

The terms of reference of the Audit & Compliance Committee are as per the provisions of Section 177 of the Companies Act, 2013 and as prescribed by the Reserve Bank Of India.

The Audit & Compliance committee met five times during the financial year, on 10-May-2019; 30-May-2019; 14-Aug-2019; 24-Oct-2019 and 31-Jan-2020.

Nomination & Remuneration Committee:

The composition of the Nomination and Remuneration Committee as on 31st March 2020 was as follows :

Mr. R. Ramaseshan (Committee Chairman)
Mr. Ramesh Ramanathan
Ms. Vijayalatha Reddy
Ms. Chitra Talwar
Mr. Puneet Bhatia

The terms of reference of the Nomination and Remuneration Committee are as per the provisions of Section 178 of the Companies Act, 2013.

The committee met four times in the financial year, on 9-May-2019; 13-Aug-2019; 13-Jan -2020 and 31-Jan-2020.

The Bank has laid down a Remuneration Policy, as approved by the Nomination & Remuneration committee for remuneration of Directors, Key Managerial Personnel and other employees. The policy also covers the criteria for determining qualifications and other attributes for appointment of directors, including independent directors.

9. VIGIL MECHANISM:

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, the Company has established a vigil mechanism for directors and employees to report genuine concerns. The vigil mechanism forms a part of the Whistle Blower Policy, which has been approved by the Board of Directors in their meeting held on 5th August 2014 as a NBFC-MFI. After conversion into Small Finance Bank, the Bank Board has approved the Whistle Blower Policy and Vigilance Policy, in their meeting held on 8th February 2018. The Policy has been hosted on the website of the Bank.

The Bank has an Anti-Sexual Harassment Policy to promote a workplace that is free of sexual harassment. A committee to investigate and redress any grievance has been formed, which meets at regular intervals.

10. DIRECTOR'S RESPONSIBILITY STATEMENT:

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank at the end of the financial year and of the profit and loss of the Bank for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis;

(e) the directors, had laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively.

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JV :

The Bank does not have any Subsidiary or Associate Company.

12. EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the *Companies Act, 2013* and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the annual return in the form **MGT 9**, a part of this Annual Report is attached (**ANNEXURE I**).

13. AUDITORS:

M/s. MSKC & Associates Chartered Accountants, (earlier known as R K Kumar & Co) have been appointed as a statutory auditors for the financial year 2019-20. The Reserve Bank of India vide their letter no. DBS.ARS.No.1948/08.72.005/2019-20 dated 27-Sep-2019 have also conveyed their approval for the appointment of M/s. MSKC & Associates Chartered Accountants, (earlier known as R K Kumar & Co) as statutory auditors of the Bank for the financial year 2019-20.

14. SECRETARIAL AUDIT:

The Secretarial audit report as issued by Mr. Nagendra D Rao, Practising Company Secretary is annexed to this Report as **ANNEXURE V**.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(A) Conservation of energy: Not applicable

(B) Technology absorption: Not Applicable

(C) Foreign exchange earnings and Outgo :

Foreign exchange earnings : NIL and Foreign exchange expenditure : Rs. 51.99 crore

16 DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH RESPECT TO THE FINANCIAL STATEMENTS:

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

17 RISK MANAGEMENT POLICY:

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

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

18 CORPORATE SOCIAL RESPONSIBILITY POLICY :

Pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013, the CSR Committee of the Board of Directors was formed to recommend (a) the policy on Corporate Social Responsibility (CSR) and (b) implementation of CSR Projects or Programmes to be undertaken by the Bank as per the CSR Policy. The CSR policy has been duly approved by the Board of Directors.

REASON FOR NOT SPENDING:

The Bank had earned profit for the financial year 2016-17 and had incurred losses for the next consecutive financial years namely 2017-18 and 2018-19 and hence the bank could not earmark funds for Corporate Social Responsibility initiatives during the financial year 2019-20 pursuant to Section 135(5) of the Companies Act, 2013. However, the Bank has voluntarily spent Rs. 17.01 lakh towards following CSR initiatives during the year 2019-20. The details are as under :

- a) Partnered with Tirunelveli city Municipal Corporation for
 - Solid waste Management and disposal
 - Maintenance and upkeep of one Park
- b) Partnered with Punjab Urban Planning & Development Authority
 - Regularisation of Plots and Buildings

19 RELATED PARTY TRANSACTIONS :

Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) in Form AOC- 2 is as in **ANNEXURE – I.**

20 FORMAL ANNUAL EVALUATION:

The Nomination & Remuneration Committee in their meeting held on 4th May 2020, took note of the evaluation report of the Board's performance including Directors' own performance and committees of the Board. The Committee deliberated on various evaluation attributes indicated in the evaluation questionnaire for all directors and after due deliberations made an objective assessment and evaluated that all directors in the Board have adequate expertise drawn from diverse background and businesses and bring specific competencies relevant to the Bank's business and operations.

The Committee found that the performance of all Directors was quite satisfactory and the functioning of the Board and its Committees were quite effective. The Committee evaluated Board's composition and Board's performance as a whole and expressed the satisfaction in this regard.

21 Employees Stock Option Scheme. (ESOP):

The Nomination and Remuneration Committee of the Board of Directors administers and monitors the Employee Stock Option Scheme in accordance with the ESOP Scheme approved by the shareholders.

Details of Employees Stock Options as on 31st March 2020

The following are the outstanding options as at year end:				
Particulars	March 31, 2020			
	ESOP 2017	ESOP 2018	ESOP 2017 (RSU)	ESOP 2018 (RSU)
Total Options granted and outstanding at the beginning of the year	686,179	454,513	44,370	23,267
Add: Options granted during the year	1,019,469	289,414	841	11,203
Less: Options forfeited / lapsed during the year	14,143	240,307	-	8,762
Less : Options exercised during the year	-	-	-	1,939
Options Outstanding as at end of the year	1,691,505	503,620	45,211	23,769
- Vested	341,276	63,729	44,370	15,891
- Yet to Vest	1,350,229	439,891	841	7,878

Employee – wise details of options granted during the year.

1. Key Managerial Personnel :

Employee Name	Designation	No. of Options Granted till date
Kapil Krishan	Chief Financial Officer	ESOP : 21029 RSU : 526
Lakshmi R N	Company Secretary	ESOP : 1097

2. Any other employee who received grant of options amounting to 5% or more of options granted during that year : NIL
3. Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the bank at the time of grant: NIL

22 RATIO OF REMUNERATION TO EACH DIRECTOR :

Details / Disclosures of Ratio of Remuneration to each Director to the median remuneration of employees is in **ANNEXURE - III**.

23 LISTING WITH STOCK EXCHANGES:

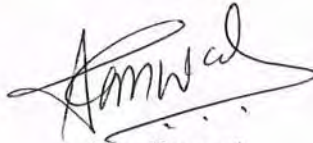
The Bank has listed its debt securities (i.e. non-convertible debentures) on the BSE and confirms that it has paid the annual listing fees for the year 2019-20.

23 CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

A report on Corporate Governance as applicable to the Bank is included as a part of this Annual Report (**ANNEXURE IV**).



Ramesh Ramanathan
Non-Executive Chairman



Ajay Kanwal
MD & CEO

Date: 4 May 2020

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

For the financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U65923KA2006PLC040028
2.	Registration Date	24-Jul-2006
3.	Name of the Company	Jana Small Finance Bank Limited (formerly known as Janalakshmi Financial Services Limited)
4.	Category/Sub-category of the Company	Public Limited Company limited by Shares
5.	Address of the Registered office & contact details	The Fairway Business Park, # 10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring road, Next to EGL Business Park, Challaghatta, Bengaluru – 560071
6.	Whether listed company	No, However, the Non-Convertible Debentures of the Company are listed on the Bombay Stock Exchange
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KFin Technologies Private Limited (Earlier known as Karvy Fintech Private Limited, Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032, Telangana State (TS) Ph no. : +91 040 67161602

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Banking & Financial Services	64191	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

S. No.	Name and Address of the Company	CIN/GLN	Holding /Subsidiary/Associate	% of shares held	Applicable Section
1	Not applicable				
2					
3					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
Category-wise Share Holding

Equity Shares :

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1830391	1084128	2914519	6.18%	2914519	-	2914519	5.75%	-0.43%
g) FIIs/Foreign Companies	17656423	491762	18148185	38.48%	19480315	-	19480315	38.41%	-0.08%
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Private Equity Fund	141285	-	141285	0.30%	141285	-	141285	0.28%	-0.02%

Sub-total (B)(1):-	19628099	1575890	21203989	44.96%	22536119	-	22536119	44.43%	-0.53%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	20791620	484	20792104	44.09%	22653127	-	22653127	44.66%	0.57%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	1939	-	1939	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	119410	115195	234605	0.50%	234605	-	234605	0.46%	-0.03%
c) Others (specify)-HUF	199958	-	199958	0.42%	199958	-	199958	0.39%	-0.03%
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	662397	4063674	4726071	10.02%	5092855	-	5092855	10.04%	0.02%
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	21773385	4179353	25952738	55.04%	28182484	-	28182484	55.57%	0.53%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	41401484	5755243	47156727	100.00%	50718603	-	50718603	100.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	41401484	5755243	47156727	100.00%	50718603	-	50718603	100.00%	0.00%

Compulsorily Convertible Preference Shares :

[illegible]

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	15,00,00,000	-	15,00,00,000	100.00%	15,00,00,000	-	15,00,00,000	100.00 %	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)-HUF									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-	15,00,00,000	-	15,00,00,000	100.00%	15,00,00,000	-	15,00,00,000	100.00 %	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	15,00,00,000	-	15,00,00,000	100.00%	15,00,00,000	-	15,00,00,000	100.00 %	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	15,00,00,000	-	15,00,00,000	100.00%	15,00,00,000	-	15,00,00,000	100.00 %	-

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	NIL	Nil	Nil	NA	Nil	Nil	NA	-

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

	At the beginning of the year	Refer Attachment A			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				

V) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				

INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Rupees in crores

Particulars	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount	767.00	3,319.47	4,086.47
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not Due	30.53	103.06	133.58
Total (i+ii+iii)	797.53	3,422.52	4,220.05
Change in Indebtedness during the financial year			
· Addition	12,120.27	2,970.00	15,090.27
· Addition - conversion from secured to unsecured	-	-	-
· Reduction	11579.19	3,582.27	15,162.18

• Reduction - conversion from secured to unsecured	-	-	-
Net Change	540.36	(612.27)	(71.91)
Indebtedness at the end of the financial year			
i) Principal Amount	1,307.36	2,707.20	4,014.56
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	10.27	57.76	68.03
Total (i+ii+iii)	1,317.63	2,764.96	4,082.59

Note : Section 73 (1) of the Companies Act, 2013, states that the provisions of the said Act relating to acceptance of deposits by companies do not apply to a Banking company as defined in the Reserve Bank of India Act, 1934. Accordingly, information relating to the Bank's deposits is not disclosed in the table above. As per the applicable provisions of the Banking Regulation Act, 1949, details of the Bank's deposits have been included under Schedule 3 - Deposits, in the financial statements of the Bank.

Debentures

Type of Debentures	No. of Debentures	Nominal Value per Debentures (Rs.)	Total Nominal value of Debentures [Rs. In crore]
Non-convertible (for each type):-			
At the beginning of the year	27,964	15,000 units at FV 10,000	2,215.00
		11,960 units at FV 10,00,000	
		1004 units at FV 1,00,00,000	
Changes during the year (Increase/Redemption)	Increase : 2,250	2,250 units at FV 10,00,000	225.00
	Redemption: 22,028	Redemption 15,000 units of FV 10,000	1,013.00
		Redemption 6,700 units of FV 10,00,000	
		FV Redemption of 328 of 100,00,000 units	
At the end of the year	8,186	7,510 units at FV 10,00,000	1,427.00
		676 units at FV 1,00,00,000	
Partly-convertible (for each type)	NA	NA	NA
At the beginning of the year			
Changes during the year (Increase/Redemption)			
At the end of the year			

Fully-convertible (for each type)	NA	NA	NA
At the beginning of the year			
Changes during the year (Increase/Converted)			
At the end of the year			
Total Amount of Debentures			
At the beginning of the year	27,964	15,000 units at FV 10,000	2,215.00
		11,960 units at FV 10,00,000	
		1,004 units at FV 1,00,00,000	
Changes during the year (Increase/Redemption)	Increase : 2,250	2,250 units at FV 10,00,000	225.00
	Redemption: 22,028	Redemption 15,000 units of FV 10,000	1,013.00
		Redemption 6,700 units of FV 10,00,000	
		Redemption of 328 of 100,00,000 units	
At the end of the year	8,186	7,510 units at FV 10,00,000	1,427.00
		676 units at FV 1,00,00,000	

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTM/ Manager	Total Amount
		Ajay Kanwal (MD & CEO)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,52,84,476	4,52,84,476
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961*	39,600	39,600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify		
	Car EMI	12,54,468	12,54,468

	Employer PF Contribution	21,44,820	21,44,820
	Total (A)	4,86,83,764	4,86,83,764
	Ceiling as per the Act	NA	NA

Note – Value of the Perquisites is not included in the Total amount (A).

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors	Vikram Gandhi	Vijayalatha Reddy	R. Ramaseshan	Rama Subramaniam Gandhi	Chitra Talwar	
	Fee for attending board committee meetings	3,75,000	7,25,000	9,00,000	1,25,000	50,000	21,75,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	3,75,000	7,25,000	9,00,000	1,25,000	50,000	21,75,000
2	Other Non-Executive Directors	Ramesh Ramanathan	Puneet Bhatia				
	Fee for attending board committee meetings	-	-				-
	Commission	-	-				-
	Others, please specify	-	-				-
	Total (2)	-	-				
	Total (B)=(1+2)	3,75,000	7,25,000	9,00,000	1,25,000	50,000	21,75,000
	Overall Ceiling as per the Act (sitting fees not to exceed Rs. 1,00,000 per meeting)	The Bank pays sitting fees to Non-Executive Directors which is below the ceiling of Rs.1,00,000/- per meeting as prescribed under the Companies Act, 2013.					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB [*Please note that the salary of CEO is already provided under section VII A and in our Bank MD holds the position of CEO also]

SN	Particulars of Remuneration	Key Managerial Personnel				
		CEO *	CFO (till 4-Jul-2019)	CFO (wef 14-Aug-2019)	CS	Total
1	Gross salary	-	39,20,215	95,75,003	23,07,502	1,58,02,720
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	others, specify...	-	-	-	-	-
5	Others, please specify(Employer PF Contribution)	-	-	-	-	-
	Total	-	1,87,742	-	1,09,931	2,97,673
			41,07,957	95,75,003	24,17,433	1,61,00,393

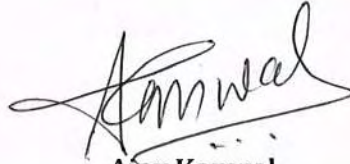
VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY - NIL					
Penalty					
Punishment					
Compounding					
B. DIRECTORS - NIL					
Penalty					

Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT - NIL					
Penalty					
Punishment					
Compounding					



Ramesh Ramanathan
Non - Executive Chairman



Ajay Kanwal
MD & CEO

Date: 4 May 2020

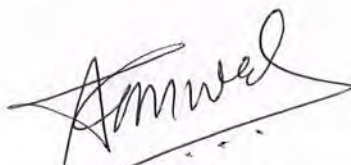
Jana Small Finance Bank Limited

Shareholding Pattern as on 31-Mar-2020 and 31-Mar-2019 (Top 10 shareholders other than directors, promoters, GDRs and ADRs)

Sr No.	Shareholder	No of Shares (31-Mar-2019)	% holding	Allotment (Oct 2019; Nov 2019; Dec 2019 and Jan 2020)	Transfers	No of Shares (31-Mar-2020)	% holding
1	TPG Asia VI SF Pte. Ltd	4,431,580	9.40%	594,919	-	5,026,499	9.91%
2	North Haven Private Equity Asia Platinum Pte. Ltd	4,147,427	8.79%	-	-	4,147,427	8.18%
3	Amansa Holdings Pte. Ltd	2,260,564	4.79%	893,711	-	3,154,275	6.22%
4	HarbourVest Partners Co-Investment Fund IV L.P.	2,022,014	4.29%	244,926	-	2,266,940	4.47%
5	Client Rosehill Limited	1,757,755	3.73%	-	-	1,757,755	3.47%
6	Alpha TC Holdings Pte. Ltd	1,748,975	3.71%	-	-	1,748,975	3.45%
7	Treeline Asia Master Fund (Singapore) Pte. Ltd.	1,652,101	3.50%	-	-	1,652,101	3.26%
8	ICICI Prudential Life Insurance Company Ltd	1,107,639	2.35%	-	-	1,107,639	2.18%
9	Bajaj Allianz Life Insurance Company Ltd	1,084,128	2.30%	-	-	1,084,128	2.14%
10	QRG Enterprises Limited	986,216	2.09%	-	-	986,216	1.94%



Ramesh Ramanathan
Non Executive Chairman



Ajay Kanwal
MD & CEO

Date: 4 May 2020

FORM NO. AOC.2

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

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

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

2. Details of material contracts or arrangement or transactions at arm's length basis

(i)

a) Name(s) of the related party and nature of relationship :) Jana Urban Space Foundation (India) (Jana USP); Mr. Ramesh Ramanathan, Chairman of the Board is also a Director in that Company.

(b) Nature of contracts/arrangements/transactions : Management Service Agreement

(c) Duration of the contracts/arrangements/transactions : Three years (w.e.f 1st October 2017)

(d) Salient terms of the contracts or arrangements or transactions including the value, if any

Spatial analytics services which includes :

1. Development of a STAR Portal and Locator App to capture locational details of customers and store fronts (JC, JPC and Bank Branch) for Jana Bachat, Small Batch Loans, Cash Management and Enterprise Financial Service

2. Mapping of the store front pin code boundaries on STAR Portal maps for each store front.

3. Generate route maps, visit status of the front-line collections executives.

4. Generation of daily, weekly & monthly reports including exception view.

(e) Date(s) of approval by the Board : 15-Nov-2017

(g) Amount paid as advances, if any: Nil

Note : the agreement was terminated w.e.f 30th September 2019.

(ii)

(a) Name(s) of the related party and nature of relationship : Crossdomain Solutions Pvt Ltd and Mr. Ramesh Ramanathan, Chairman of the Board is also a Director in that Company.

(b) Nature of contracts/arrangements/transactions : Service Agreement

- (c) Duration of the contracts/arrangements/transactions : For three years, Starting from 1st April 2017 to 31st March 2020
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
The agreement is for payroll processing; Full & final Settlement of resigned employees; Year-end processing Vouching; Filing of 24Q. They also provide statutory and non-statutory report. Charges for the services is elaborately mentioned in the Agreement dated May 2017 – Schedule B
- (e) Date(s) of approval by the Board, if any: 30th May 2017
- (f) Amount paid as advances, if any: Nil

Note : The agreement was terminated wef 1st October 2019.

(iii)

- (a) Name(s) of the related party and nature of relationship : Jana Capital Limited and Mr. Ramesh Ramanathan, Director & Non-Executive Chairman of the Board is also a Director & Chairman in that Company.
- (b) Nature of contracts/arrangements/transactions : Service Provider Agreement
- (c) Duration of the contracts/arrangements/transactions : For three years, Starts from 2-Mar-2018.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
The agreement is for availing services of Jana Small Finance Bank Limited for managing the Corporate related matters and regulatory/statutory related matters of the Company inter alia the services of Principle Officer under the provisions of Prevention of Money Laundering (PML) Act, and rules.
- (e) Date(s) of approval by the Board, if any: 27th March 2018.
- (f) Amount paid as advances, if any: Nil

(iv)

- (a) Name(s) of the related party and nature of relationship : Jana Holdings Limited and Mr. Ramesh Ramanathan, Director & Non-Executive Chairman of the Board is also a Director & Chairman in that Company.
- (b) Nature of contracts/arrangements/transactions : Service Provider Agreement
- (c) Duration of the contracts/arrangements/transactions : For three years, Starts from 2-Mar-2018.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:

The agreement is for availing services of Jana Small Finance Bank Limited for managing the Corporate related matters and regulatory/statutory related matters of the Company inter alia the Company Secretarial services and the services of Principle Officer under the provisions of Prevention of Money Laundering (PML) Act, and rules.

(e) Date(s) of approval by the Board, if any: 27th March 2018.

(f) Amount paid as advances, if any: Nil

(V)

(a) Name(s) of the related party and nature of relationship : Jana Urban Foundation and Mr. Ramesh Ramanathan, Director & Non-Executive Chairman of the Board is also a Director & Chairman in that Company.

(b) Nature of contracts/arrangements/transactions : Trademark Licence Agreement

(c) Duration of the contracts/arrangements/transactions : Perpetuity, effective from 1-Nov-2019

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:

The licence agreement is for usage of "J" Logo and word "JANA" by the Bank which is owned by Jan Urban Foundation

(e) Date(s) of approval by the Board, if any: 24th October 2019

(f) Amount paid as advances, if any: Nil



Ramesh Ramanathan
Non Executive Chairman



Ajay Kanwal
MD & CEO


Date: 4 May 2020

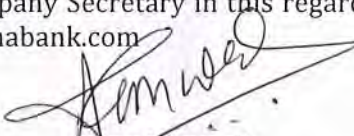
ANNEXURE – III

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	MD&CEO - 4,65,38,944 / 2,06,000 All Employee Median (2,06,000) - Median amount of annualised Fixed pay for all employees
(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	MD&CEO: (17.23%) - The increase in cost vis-à-vis previous year is on account of arrears amount paid in this FY (i.e. Jan'2020) basis the approval from RBI CS: (-25.87%) - Reduction in cost is on account of new CS appointed at a lower cost in lieu of the exiting CS who was paid F & F in the previous FY (2018-2019). CFO: (18.71%) This represents 2 CFO's salary in the previous year (18-19) as against a combination of 2 CFO's salary in the current year (2019-2020) at different costs. (20600 - 199108) / 199108 = 3.46%
(iii) The percentage increase in the median remuneration of employees in the financial year;	
(iv) The number of permanent employees on the rolls of company;	16212 (as on 31st March 2020)
(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Jana Small Finance Bank compensation policy has a target for compensation benchmarking at median or above for employees.
(vi) Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY:

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


Ramesh Ramanathan
 Non Executive Chairman
 Date: 4 May 2020


Ajay Kanwal
 MD & CEO

REPORT ON CORPORATE GOVERNANCE**CORPORATE GOVERNANCE PHILOSOPHY**

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

BOARD OF DIRECTORS**Composition**

The Board consists of 7 Directors as on 31st March 2020. All independent directors possess requisite qualifications and are very experienced in their respective fields. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

The names of the Directors and the details of other committee membership of each Director as on 31st March 2019 is given below:

Board Meetings and Attendance at Board Meetings

The Board met eight times during the financial year 2019-20. The Board of Directors of the Bank had met regularly and the gap between two meetings did not exceed one hundred and twenty days, as per the provisions of the Companies Act, 2013.

The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed agenda notes are sent to the directors. All information required for decision making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The Managing Director & CEO appraises the Board on the overall performance of the Bank at every board meeting. The Board reviews performance, approves capital expenditures, sets the strategy of the Bank and ensures financial stability. The Board takes on record the actions taken by the Bank on all its decisions periodically.

Attendance of each Director at Board Meetings

S.No	Name	No. of Board Meetings held	No. of Board Meetings attended
1	Ramesh Ramanathan	5	5
2	Ajay Kanwal	5	5
3	Vikram Gandhi	5	3
4	Vijayalatha Reddy	5	5

5	R. Ramaseshan	5	5
6	Rama Subramaniam Gandhi (resigned wef 10-May-2019)	1	1
7	Chitra Talwar (wef 31-Jan-2020)	1	1
8	Puneet Bhatia (wef 31-Jan-2020)	1	1

Attendance of each Director at Board Meetings (at shorter notice) :

S.No	Name	No. of Board Meetings held	No. of Board Meetings attended
1	Ramesh Ramanathan	3	3
2	Ajay Kanwal	3	3
3	Vikram Gandhi	3	0
4	Vijayalatha Reddy	3	2
5	R. Ramaseshan	3	3
6	Rama Subramaniam Gandhi (resigned wef 10-May-2019)	0	0
7	Chitra Talwar (wef 31-Jan-2020)	0	0
8	Puneet Bhatia (wef 31-Jan-2020)	0	0

AUDIT AND COMPLIANCE COMMITTEE

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

Statutory auditors were present at the audit committee meetings held on 10-May-2019; 30-May-2019 and 24-Oct-2019.

The committee comprised the following directors for the year ended 31st March 2020:

Mr. R. Ramaseshan (Committee Chairman)

Mr. Vikram Gandhi - Member

Mr. Ramesh Ramanathan - Member

Mr. Puneet Bhatia - Member

The committee met 5 times during the year. The dates of the meetings were 10-May-2019; 30-May-2019; 14-Aug-2019; 24-Oct-2019 and 31-Jan-2020.

The terms of reference of the Committee :

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

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

Annexure I

(A) As per the provision of Section 177 of the Companies Act, 2013, the Committee shall act in accordance with the terms of reference specified in writing by the Board which shall inter alia, include

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) examination of the financial statement and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the company with related parties;
- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems;
- (viii) monitoring the end use of funds raised through public offers and related matters.

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

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

Annexure II

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

Quarterly

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

- KYC / AML Guidelines - (i) Review of implementation (ii) Review of compliance of concurrent audit reports with respect to adherence to KYC / AML guidelines at branches.
- Review of housekeeping - particularly balancing and reconciliation of long outstanding entries Suspense / Sundries / Drafts payable / paid / Funds in Transit / Clearing / SGL / CSDL accounts
- Review of compliance in respect of the Annual Financial Inspection conducted by RBI and any other inspection conducted by any regulators (ACB should review this on ongoing basis till the bank furnishes full compliance. ACB should closely monitor persisting deficiencies pointed out in RBI Inspection Reports)
- Review of Audit plan and status of achievement thereof.
- Review of significant Audit Findings of the following audits along with the compliance thereof - (i) LFAR (ii) Concurrent Audit (iii) Internal Inspection (iv) I.S. Audit of Data Centre (v) Treasury and Derivatives (vi) Management Audit at Controlling Offices / Head Offices (vii) Audit of Service Branches (viii) Currency Chest (ix) FEMA Audit of branches authorized to deal in foreign exchange, etc.
- Compliance report on directives issued by ACB / Board / RBI.
- Report on compliance of clause 49 and other guidelines issued by SEBI from time to time.
- Report on compliance of regulatory requirement of Regulators in Host Countries in respect of overseas branches.
- Review of Frauds (frauds of Rs.1 crore and above to be reviewed as and when reported).
- Review of financial results for the quarter
- Review of information on violations by various functionaries in the exercise of discretionary powers.
- Information in respect of equity share holdings in borrower companies more than 30% of their paid up capital.
- Review First Year Audit Committee minutes and give recommendations.

Half Yearly

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

Annual

- Change in accounting policy and practices which may have significant bearing on financial statements. A confirmation that accounting policies are in compliance with accounting standards and RBI guidelines.
- Review of IS Audit Policy
- Review of transactions with related parties

- Review of accounting policies / systems of the bank with a view to ensuring greater transparency in the bank's accounts and adequacy of accounting standards.
- Review of adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Review of the bank's financial and risk management policies.
- Review of annual accounts of the bank.
- Appointment of statutory auditors and review of performance - both for domestic and overseas operations.
- Penalties imposed / penal action taken against bank under various laws and statutes and action taken for corrective measures
- Review of report on Revenue leakage detected by Internal / External Auditors and status of recovery thereof - reasons for undercharges and steps taken to prevent revenue leakage.

Annexure III

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

- (1) oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the Bank;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with legal requirements relating to financial statements;
 - f) disclosure of any related party transactions;
 - g) modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the Bank with related parties;

- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the Bank, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
- (18) periodic inspection report submitted by the RBI and Certificates/returns/reports to the RBI pertaining to the Audit Committee function
- (19) annual Tax Audit statement and auditors report thereon
- (20) to review the functioning of the whistle blower mechanism;
- (21) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (22) to ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the Bank.
- (23) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The committee shall mandatorily review the following information:

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

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

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

NOMINATION AND REMUNERATION COMMITTEE

The Committee comprised the following Directors for the year ended 31st March 2020:

Mr. R. Ramaseshan (Committee Chairman)

Mr. Ramesh Ramanathan - Member

Ms. Vijayalatha Reddy – Member

Ms. Chitra Talwar – Member

Mr. Puneet Bhatia - Member

The committee met 4 times during the year i.e on 9-May-2019; 13-Aug-2019; 13-Jan-2019 and 31-Jan-2020.

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- To undertake a process of due diligence to determine the suitability of any person for appointment/continuing to hold appointment as a Director on the Board, based upon qualification, expertise, track record, integrity other 'fit and proper' criteria, positive attributes and independence (if applicable) and formulate the criteria relating thereto;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy of Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and succession planning for Directors;
- To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Bank's corporate strategy;
- To assess the independence of Independent Non- Executive Directors;
- To review the results of the Board performance evaluation process that relate to the composition of the Board;
- Annual appraisal of the performance of the Managing Director and fixing his/her terms of remuneration;
- Annual appraisal of the Senior Management team reporting to the Managing Director;
- Annual Performance Review of the staff;
- Framing guidelines for the Employee Stock Option Scheme (ESOS) and decide on the grant of stock options to the employees and Whole Time Directors of the Bank and its subsidiaries.

The role of the Nomination and Remuneration Committee:

Nomination:

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

Remuneration:

- Determining and agreeing with the Board a framework or broad policy for the remuneration of the Managing Director and such other senior executives as it is designated by the Board to consider. No individual shall be directly involved in deciding his or her own remuneration;
- In determining such policy, taking into account all factors which it deems necessary. The objective of such policy shall be to ensure that senior executives of the Company are motivated to pursue the long-term growth and success of the Company within an appropriate control framework and that there is a clear relationship between senior executive performance and remuneration;

- Within the terms of the agreed policy, determining the total individual remuneration package of each senior executive ensuring an appropriate balance between fixed and incentive pay including, where appropriate, bonuses, incentive payments and shares or share options to reflect the short and long-term performance objectives appropriate to the Company's circumstances and goals;
- Determining the Company's recruitment, retention and termination policies and procedures for senior executives;
- Determining the policy for any incentive schemes to be operated by the Company and asking the Board, when appropriate, to seek shareholder approval for such schemes. The terms of any equity based remuneration schemes shall prohibit entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under these schemes;
- Determining the policy for superannuation arrangements for the Company's employees;
- Determining a framework or broad policy for the remuneration of the non-executive directors of the Company;
- Reviewing and reporting to the Board on the remuneration of directors, senior executives and all employees of the Company based on gender; and
- Reviewing and approving the corporate governance section of the Company's annual report.

Diversity:

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

RISK MANAGEMENT COMMITTEE:

The Bank has constituted a Risk Management Committee with the following directors:

Mr. Vikram Gandhi (Committee Chairman)

Mr. Ajay Kanwal - Member

Mr. R. Ramaseshan – Member

Ms. Vijayalatha Reddy – Member

Mr. Puneet Bhatia - Member

The Committee met 4 times during the year under review. The dates of the meeting were 9-May-2019; 13-Aug-2019; 24-Oct-2019 and 31-Jan-2020.

Terms of reference of the Committee:

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

- 1) Laying down and review of procedures relating to risk assessment & risk minimization to ensure that executive management controls risk through means of a properly defined framework.
- 2) Appraising the Board of Directors at regular intervals regarding the process of putting in place a progressive risk management system, risk management policy and strategy
- 3) To decide the policy and strategy for integrated risk management containing various risk exposures including credit, market, liquidity, operational and reputational risk
- 4) To obtain regular risk management reports to enable the Committee to assess risks involved in Bank business and give clear focus to current and forward looking aspects of risk exposure
- 5) To review the Asset Liability Management (ALM) of the Bank on a regular basis
- 6) To review risk return profile of the Bank, capital adequacy based on risk profile of Bank balance sheet, business continuity plan, disaster recovery plan, key risk indicators and significant risk exposures
- 7) To carry out prudent risk diversification ensuring that credit exposure to any group or industry does not exceed the internal limits

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Bank has constituted a Corporate Social Responsibility Committee with the following directors:

Ms. Vijayalatha Reddy - Committee Chairman

Mr. Ramesh Ramanathan - Member

Mr. Ajay Kanwal – Member

Mr. Puneet Bhatia - Member

The Committee did not meet during the year under review.

The terms of reference of the committee include:

- (a) Formulating and recommending to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII (attached as Annex A);
- (b) Recommending the amount of expenditure to be incurred on the CSR activities.
- (c) Monitoring the Corporate Social Responsibility Policy of the Company from time to time.
- (d) transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

The role of the Corporate Social Responsibility Committee:

- a) The Board shall ensure that the Bank spends in every financial year atleast 2% of the average net profits of the Bank made during the three immediately preceding financial years in pursuance of its CSR policy.
- b) Where the Bank fails to spend such amount, the Board shall in its report specify the reasons for not spending the amount. The approach is to 'comply or explain'.

c) The Bank shall give preference to local areas where it operates, for spending amount earmarked for Corporate Social Responsibility (CSR) activities.

INFORMATION TECHNOLOGY STRATEGY COMMITTEE:

The Bank has constituted an Information Technology Strategy Committee with the following directors:

Ms. Vijayalatha Reddy - (Committee Chairman)

Mr. Ramesh Ramanathan - Member

Mr. Ajay Kanwal – Member

Mr. Vikram Gandhi - Member

Mr. R. Ramaseshan

The Committee met 4 times during the year under review. The dates of the meeting were 9-May-2019; 13-Aug-2019; 24-Oct-2019 and 31-Jan-2020.

Terms of reference:

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

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

CUSTOMER SERVICE COMMITTEE :

The Bank has constituted a Customer Service Committee with the following directors:

Ms. Chitra Talwar (Committee Chairman)

Mr. Ajay Kanwal (Committee Chairman)

Mr. Vikram Gandhi - Member

Ms. Vijayalatha Reddy - Member

Mr. R Ramaseshan - Member

The Committee met 4 times during the year under review. The dates of the meeting were 9-May-2019; 13-Aug-2019; 24-Oct-2019 and 31-Jan-2020.

The terms of reference of the Customer Service Committee include:

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

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

1. Approving the various policies that relate to customer service; examples thereof include and are not limited to:
 - Comprehensive Deposit Policy
 - Cheque Collection Policy
 - Customer Compensation Policy
 - Customer Grievance Redressal Policy
2. Reviewing metrics and indicators that provide information on the state of customer service in the Bank; providing direction to the management of the Bank on actions to be taken to improve the metrics;
3. Reviewing the actions taken/ being taken by the Bank to standardize the delivery of customer experience across all branches;
4. Reviewing results of the surveys conducted that provide quantitative and qualitative information on the state of customer experience;

5. Providing inputs on the products introduced by the Bank with a view to ensure suitability and appropriateness;
6. Monitoring the implementation of the Banking Ombudsman Scheme with particular reference to:
 - Reviewing all the awards against the Bank with a focus on identifying issues of systemic deficiencies and the Bank's plan to address these deficiencies;
 - Reviewing all awards that remain unimplemented after 3 months from the date of the award with the reasons thereof; to report to the Board such delays in implementation without valid reasons and for initiating remedial action;
7. Review, on an overall basis, the customer service aspects in the Bank on the basis of the detailed memorandum submitted in this regard and report to the Board of Directors thereafter; this is done once every six months and based on the review, the Committee will direct the Bank to initiate prompt corrective action wherever service quality / skills gaps have been noticed;
8. Monitoring the activities of the Standing Committee on Customer Service (executive level committee) on a quarterly basis;

COMMITTEE FOR MONITORING LARGE VALUE FRAUDS

The Bank has constituted a Committee for monitoring large value frauds with the following directors:

Mr. Ramesh Ramanathan (Committee Chairman)

Mr. Ajay Kanwal - Member

Mr. Vikram Gandhi - Member

Ms. Vijayalatha Reddy - Member

Mr. R Ramaseshan - Member

Ms. Chitra Talwar - Member

The Committee met once during the year under review. The date of the meeting was 14-Aug-2019.

The terms of reference of the Committee are as under:

- a. Identify the systemic lacunae, if any, that facilitated perpetration of the fraud and put in place measures to plug the same;
- b. Identify the reasons for delay in detection, if any, reporting to top management of the Bank and RBI;
- c. Monitor progress of CBI / Police Investigation and recovery position;
- d. Ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time;
- e. Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls;
- f. Put in place other measures as may be considered relevant to strengthen detective and preventive measures against frauds;

CREDIT COMMITTEE

The Bank has constituted a Credit Committee with the following directors:

Mr. R. Ramaseshan (Committee Chairman)

Mr. Vikram Gandhi

Ms. Chitra Talwar

The Committee met 4 times during the year under review. The dates of the meeting were 9-May-2019;13-Aug-2019;24-Oct-2019 and 31-Jan-2020.

The terms of reference of the Committee are as under:

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

MEETING OF INDEPENDENT DIRECTORS:

Independent Directors of the Bank met during the year on 2nd March 2020 to review the performance of non- Independent Directors and the Board as a whole, review the performance of the Chairperson of the Board and had accessed the quality, quantity and timeliness of flow of information between the bank management and the Board.

During the financial year ended 31st March, 2020 independent directors did not have any pecuniary relationship with the Bank; neither did they have any transactions with the Bank.

ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETING:

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

General Meeting	Body	Date, Time & Venue	No. of Special Resolution passed
Extra - Ordinary General Meeting		16-Oct-2019 at 4:30 p.m. at the registered office address : "The Fairway Business Park, # 10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring road, Next to EGL Business Park, Challaghatta, Bengaluru - 560071	2
13 th Annual General Meeting		28-Jun-2019 at 11:00 a.m. at the registered office address : The Fairway Business Park, # 10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring road, Next to EGL Business Park, Challaghatta, Bengaluru - 560071	NIL
Extra - Ordinary General Meeting		30-May-2019 at 4:30 p.m. at the registered office address : "The Fairway	1

	Business Park, # 10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring road, Next to EGL Business Park, Challaghatta, Bengaluru – 560071	
Extra – Ordinary General Meeting	25-Mar-2019 at 4:00 p.m. at the registered office address : “The Fairway Business Park, # 10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring road, Next to EGL Business Park, Challaghatta, Bengaluru – 560071	1
Extra – Ordinary General Meeting	23-Nov-2018 at 11:00 a.m. at the registered office address : “The Fairway Business Park, # 10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring road, Next to EGL Business Park, Challaghatta, Bengaluru – 560071	4
Extra – Ordinary General Meeting	17-Aug-2018 at 11:00 a.m. at the registered office address : “Vaishnavi”, #29,Union Street, off Infantry Road, Bangalore – 560 001	1
12 th Annual General Meeting	10-Aug-2018 at 11:00 a.m. at the registered office address : “Vaishnavi”, #29,Union Street, off Infantry Road, Bangalore – 560 001	NIL
Extra – Ordinary General Meeting	4-Apr-2018 at 11:00 a.m. at the registered office address : “Vaishnavi”, #29,Union Street, off Infantry Road, Bangalore – 560 001	3
Extra – Ordinary General Meeting	5-Mar-2018 at 11:00 a.m. at the registered office address : “Vaishnavi”, #29,Union Street, off Infantry Road, Bangalore – 560 001	1
Extra – Ordinary General Meeting	12-Jan-2018 at 11:00 a.m. at the registered office address : “Vaishnavi”, #29,Union Street, off Infantry Road, Bangalore – 560 001	4
Extra – Ordinary General Meeting	4-Jan-2018 at 11:00 a.m. at the registered office address : “Vaishnavi”, #29,Union Street, off Infantry Road, Bangalore – 560 001	1
Extra – Ordinary General Meeting	6-Sep-2017 at 11:00 a.m. at the registered office address : “Vaishnavi”, #29,Union Street, off Infantry Road, Bangalore – 560 001	2
Extra – Ordinary General Meeting	30-Aug-2017 at 11:00 a.m. at the registered office address : “Vaishnavi”, #29,Union Street, off Infantry Road, Bangalore – 560 001	1

Extra - Ordinary General Meeting	9-Aug-2017 at 11:00 a.m. at the registered office address : "Vaishnavi", #29, Union Street, off Infantry Road, Bangalore - 560 001	0
11 th Annual General Meeting	30-June-2017 at 11:00 a.m. at the registered office address : "Vaishnavi", #29, Union Street, off Infantry Road, Bangalore - 560 001	3
Extra - Ordinary General Meeting	23-Mar-2017 at 5:30 p.m. at the registered office address : "Rajashree Saroja Plaza", #34/1, Andree Road, Shanthinagar, Bangalore - 560 027	1
Extra - Ordinary General Meeting	7-Mar-2017 at 10:30 a.m. at the registered office address : "Rajashree Saroja Plaza", #34/1, Andree Road, Shanthinagar, Bangalore - 560 027	2

WHISTLE BLOWER POLICY

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

Summary of the policy:

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

COMPLIANCES:

There have been no instances of non-compliance by the Bank on any matter related to the capital markets, nor have any penalty/strictures been imposed on the Bank by the Registrar of Companies, Reserve Bank of India, Stock Exchanges or SEBI or any other statutory authority on such matters.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date and time:	5 th June 2020, 11:00 a.m
Venue :	"The Fairway Business Park", # 10/1, 11/2 & 12/2B Off Domlur, Koramangala Inner Ring road, Next to EGL Business Park, Challaghatta, Bengaluru - 560071

Shareholding Pattern as on 31st March 2020

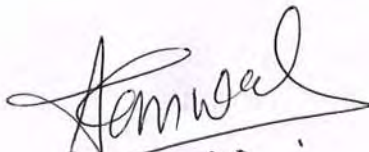
Sr No.	Name of the Equity Shareholder	Class	No of Shares	% holding
	Domestic Investor			
1	Jana Holdings Limited	Class A	21,344,374	42.08%
2	QRG Enterprises Limited	Class A	986,216	1.94%
3	Vallabh Bhanshali	Class A	119,410	0.24%
4	Enam Securities Private Limited	Class A	4,290	0.01%
5	Badri Narayan Pulinja	Class A	115,195	0.23%
6	Vallabh Bhanshali HUF	Class A	199,958	0.39%
7	Growth Partnership II Shiv Shankar Co-investment Trust	Class A	1,995	0.004%
8	Growth Partnership II Ajay Tandon Co-investment Trust	Class A	825	0.002%
9	Bajaj Allianz Life Insurance Company Ltd	Class A	1,084,128	2.14%
10	Bajaj Allianz General Insurance Company Ltd - Policyholder Fund	Class A	252,963	0.50%
11	Bajaj Allianz General Insurance Company Limited - Shareholder Fund	Class A	108,413	0.21%
12	ICICI Prudential Life Insurance Company Ltd	Class A	1,107,639	2.18%
13	ICICI Lombard General Insurance Company Ltd	Class A	361,376	0.71%
14	Hero Enterprise Partner Ventures	Class A	315,427	0.62%
15	Ashwin Khorana	Class A	650	0.0013%
16	Venkatesh Iyer S	Class A	509	0.0010%
17	Debdoot Banerjee	Class A	229	0.0005%
18	Ananth Kumar M S	Class A	289	0.0006%
19	Harnath Kummamuru	Class A	262	0.0005%
	Foreign Investor			
20	TPG Asia VI SF Pte. Ltd	Class A	5,026,499	9.91%
21	North Haven Private Equity Asia Platinum Pte. Ltd (earlier known as MSPEA Platinum Pte. Ltd.)	Class A	4,147,427	8.18%
22	Caladium Investment Pte. Ltd	Class A	762,608	1.50%
23	Client Rosehill Limited	Class A	1,757,755	3.47%
24	Alpha TC Holdings Pte. Ltd	Class A	1,748,975	3.45%
25	CVCI GP II Employee Rosehill Limited	Class A	984,455	1.94%
26	Treeline Asia Master Fund (Singapore) Pte. Ltd.	Class A	1,652,101	3.26%
27	India Financial Inclusion Fund (IFIF)	Class A	246,220	0.49%
28	Global Financial Inclusion Fund	Class A	141,285	0.28%
29	HarbourVest Partners Co-Investment Fund IV L.P.	Class A	2,266,940	4.47%
30	HarbourVest Partners Co-Investment IV AIF L.P.	Class A	595,353	1.17%
31	HarbourVest Skew Base AIF L.P.	Class A	70,469	0.14%
32	HIPEP VIII Partnership Fund L.P.	Class A	274,778	0.54%
33	HIPEP VIII Partnership AIF L.P.	Class A	183,186	0.36%

34	HarbourVest Asia Pacific Fund VIII L.P.	Class A	40,070	0.08%
35	HarbourVest Asia Pacific VIII AIF L.P.	Class A	74,418	0.15%
36	HarbourVest Co-Investment Opportunities Fund L.P	Class A	286,229	0.56%
37	HarbourVest Co-Invest 2017 Private Equity Partners L.P.	Class A	572,456	1.13%
38	The Maple Fund L.P.	Class A	572,456	1.13%
39	Manipal Research & Management Services International	Class A	156,500	0.31%
40	Amansa holdings Pte. Ltd	Class A	3,154,275	6.22%
	Total		50,718,603	100.00%

Sr No.	Name of the Compulsorily Convertible Preference Shares	Class	No of Shares	% holding
	Domestic Investor			
1	Hero Enterprise Partner Ventures	NA	150,000,000	100.00%
	Total		150,000,000	



Ramesh Ramanathan
Non Executive Chairman



Ajay Kanwal
MD & CEO

Date: 4 May 2020



Nagendra D. Rao, B.Com., LL.B., F.C.S.
Practising Company Secretary

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Jana Small Finance Bank Limited [Formerly Janalakshmi Financial Services Limited]

I have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by Jana Small Finance Bank Limited [Formerly Janalakshmi Financial Services Limited] (hereinafter called the company). Secretarial Audit was conducted in the manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of the secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;



- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 [Not Applicable];
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [Not Applicable];
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [Not Applicable];
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 [Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014); [Not Applicable];
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients [Not Applicable];
 - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not Applicable]; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018[Not Applicable];
 - () The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [To the extent Applicable to Non Convertible Debentures only].
- (vi) The Laws as are applicable specifically to the Company are as under,
- a) The Reserve Bank of India (RBI) Act, 1934;
 - b) The Banking Regulation Act, 1949;
 - c) "Operating Guidelines for Small Finance Banks" issued by RBI on October 6, 2016 ("SFB Operating Guidelines").
 - d) Prevention of Money-Laundering Act (PMLA), 2002 and The Prevention of Money-Laundering (Maintenance of Records, etc) Rules, 2005;



- e) FEMA Rules, Regulations and notifications issued from time to time;
- f) Indian Stamp Act, 1899 and State Stamp Acts.
- g) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- h) The Child labour [Prohibition and Regulation] Act, 1986,
- i) Shops and Establishments Act applicable under various states and
- j) The Sexual Harassment of Women at Workplace [Prevention, Prohibition and Redressal] Act, 2013.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1st July, 2015).
- (ii) The Listing Agreements entered into by the Company with BSE Limited [BSE];

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes of the Board of Directors duly recorded and signed by the Chairman, the decisions were Unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



I further report that during the audit period the company has in compliance with the Act:

- i. The Company has issued aggregate of 35,61,876 Class A equity shares having a face value of Rs. 10/- (Rupees Ten Only) each to its shareholders in the reporting period. Further, the Company complied with the requirement of necessary filings for the allotment of shares made during the reporting period.
- ii. The Company has Altered the Memorandum of Association by diminishing the authorised capital and thereby cancelling 72,76,00,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each and 25,00,00,000 Preference shares of Rs. 10/- each (Rupees Ten Only). The revised authorised capital of the Company after the above alteration is Rs. 350,00,00,000/- (Rupees Three Hundred and Fifty Crore Only) divided into 10,00,00,000 (Ten Crore) equity shares of Rs. 10/- (Rupees Ten only) each and 25,00,00,000 (Twenty Five Crore) Preference Shares of Rs. 10/- (Rupees Ten) each.
- iii. The Company has not Altered the Articles of Association of the Company.
- iv. The Company has allotted 2250 (Two Thousand Two Hundred and Fifty) Unsecured, Rated, Listed, Subordinated, Redeemable, Tier II Bonds in the form of Non Convertible Debentures at a nominal value of Rs. 10, 00, 000/- (Rupees Ten Lakh Only) each aggregating to Rs. 225 crore, on a Private Placement basis during the period under review.
- v. The Company has filed a petition for condonation of delay seeking approval from the Regional Director, Ministry of Corporate Affairs for registering the delayed filing of the satisfaction of charge in respect of the borrowings from Citibank N.A. with Registrar of Companies. Further, the same has been approved by the Regional Director, Ministry of Corporate Affairs and the said Satisfaction of Charge was duly registered by the Registrar of Companies.
- vi. The Company at its Extra Ordinary General Meeting has increased the remuneration of Mr. Ajay Kanwal, Managing Director and Chief Executive Officer of the Company.



Signature

Name of Company Secretary in Practice: Nagendra D. Rao

FCS No. : 5553

C P No. : 7731

UDIN : F005553B000199186

Place: Bengaluru

Date: May 4, 2020

Note: My report of even date is to be read along with my letter of even date which is annexed as Annexure - 1 and forms an integral part of this report.



Nagendra D. Rao, B.Com., LL.B., F.C.S.
Practising Company Secretary

Annexure – 1

To,

The Members

Jana Small Finance Bank Limited [Formerly Janalakshmi Financial Services Limited]

My report of even date is to be read along with this letter.

Management's Responsibility

It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

1. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
2. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.
3. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.



Nagendra D. Rao
Practising Company Secretary
Membership No. : FCS – 5553
Certificate of Practice No. : 7731
UDIN : F005553B000199186

Place: Bengaluru
Date: May 4, 2020

INDEPENDENT AUDITORS' REPORT

To the Members of Jana Small Finance Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jana Small Finance Bank Limited ("the Bank"), which comprise the Balance Sheet as at March 31, 2020, the Profit and Loss Account, Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as **well as the Companies Act, 2013 ("the Act") in the manner so required for Banking Companies and** give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2020, its profit and its cash flows for the year ended on that date.

Basis for Opinion

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 Auditors' 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 ("**the 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.

Emphasis of Matter

We draw attention to Note 7.4 to the financial statements, which describes that the extent to which the **COVID-19 Pandemic will impact the Bank's financial statements will depend on future** developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current 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.

<p>Identification of Non-Performing Assets ('NPA') and Provisioning on Advances Total Loans and Advances (Net of Provision) as at March 31, 2020: Rupees 9,959.24 crore Gross NPA as at March 31, 2020: Rupees 320.81 crore Provision for NPA as at March 31, 2020: Rupees 180.43 crore</p> <p>Refer Schedule 17(5) and Schedule 18(7) to the financial statements.</p>	
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). The Bank is required to prepare a Board approved policy as per the IRACP guidelines for NPA identification and provision.</p> <p>The IRACP guidelines stipulate the requirement to identify NPA through defined criteria such as past due status, out of order status etc. Provisions in respect of such NPAs and restructured advances are made based on minimum provisioning levels prescribed under the IRACP and Bank's internal credit policy. The provision on NPAs are also based on the valuation of the security available. In case of 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 to the borrower becomes an NPA then all facilities to such a borrower will be treated as an NPA.</p> <p>The Bank is also required to apply its judgement to determine the identification and provision required against NPA by applying quantitative as well as qualitative factors. The risk of identification of NPA is affected by factors like stress and liquidity concerns in certain sectors.</p> <p>The Bank has framed policies in line with the RBI's guidelines vide 'COVID-19 - Regulatory Package' and 'COVID19 Regulatory Package - Asset Classification and Provisioning' thereby providing moratorium as a relief measure to the borrowers and creating required provisions against these reliefs. Additionally, the Bank makes provisions on exposures that are not classified as NPAs for identified advances that can potentially slip into</p>	<p>Tested the design and operating effectiveness of key internal controls (including application controls) over approval, recording and recovery of loans, monitoring process for overdue/ stressed accounts, identification of NPA, measurement of provision on account of NPA and valuation of security and collateral against loans.</p> <p>Testing of application controls includes testing of automated controls, reports and system reconciliations.</p> <p>Evaluated the governance process and review controls over identification of NPA, measurement of provision and basis of provisioning in accordance with the Bank's policy.</p> <p>An inclusive list of substantive procedures performed is mentioned below:</p> <ul style="list-style-type: none"> • For sample borrowers, 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; • Selected samples of performing loans to assess whether they should be classified as NPA; • For selected samples, reviewed the collateral valuation performed by the Bank; • Performed inquiries with the Management of the Bank to ascertain if there were indicators of stress, perceived credit risk or occurrence of an event of default in any particular class of borrowers, product

<p>NPA. These are classified as contingency provisions.</p> <p>We have identified 'Identification of NPA and Provisioning on Advances' as a key audit matter in view of the significant level of estimation involved, as well as the stringent compliances laid down by the RBI in this regard.</p>	<p>category or loan account that warrants NPA assessment;</p> <ul style="list-style-type: none"> Selected samples for standard and overdue accounts to assess compliance with the RBI guidelines vide its circulars 'COVID-19 - Regulatory Package' and 'COVID19 Regulatory Package - Asset Classification and Provisioning'. <p>Reviewed the adequacy and accuracy of disclosures against the relevant accounting standards and RBI requirements relating to NPA.</p>
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Information Technology ("IT") Systems and Controls	
Key Audit Matter	How our audit addressed the key audit matter
<p>The Bank's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. Amongst, its multiple IT systems, five systems namely Core Banking System ('CBS'), Oracle General Ledger ('OGL'), Sales Force Dot Com ('SFDC'), Kondor Plus and Workline Human Resource Management System ('HRMS') are key for its overall financial reporting.</p> <p>We have identified 'IT systems and controls' as key audit matter because of the high level automation, significant number of systems being used by the management and the complexity of the IT architecture and its impact on the financial reporting system.</p>	<p>For testing the IT general controls, application controls and IT dependent manual controls, involved IT specialists as part of the audit. The team also assisted in testing the accuracy of the information produced by the Bank's IT systems.</p> <p>Gathered a comprehensive understanding of IT applications landscape implemented at the Bank. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology.</p> <p>Tested user access management change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.</p> <p>Tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.</p>

	Other areas that were assessed included password policies, security configurations, system interface controls, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment.
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Information Other than the Financial Statements and Auditors' Report Thereon

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Bank's Board report, but does not include the financial statements and our auditors' reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those charged with Governance for Financial Statements

The Bank's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars, guidelines and directions issued by the Reserve Bank of India from time to time as applicable to Bank. 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.

In preparing the financial statements, the Board of Directors is responsible **for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.**

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 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.
- **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 Auditors' 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 auditors' 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2020 and are **therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.**

Other Matter

The financial statements of the Bank for the year ended March 31, 2019, were audited by another auditor whose report dated May 30, 2019 expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
2. As required by Section sub-section 3 of Section 30 of the Banking Regulation Act, 1949, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and have found them to be satisfactory;
 - b) The transactions of the Bank, which have come to our notice during the course of our audit, have been within the powers of the Bank;
 - c) 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 as all the necessary records and data required for the purposes of our audit are available therein.
3. 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 Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent they are not inconsistent with the accounting policies prescribed by the Reserve Bank of India;

- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- 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"**;
- g) **With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended;**

The Bank is a Banking Company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under section 197 of the Companies Act, 2013 do not apply; and

- h) **With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:**
 - i. The Bank has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its financial statements - Refer Schedule 12, Schedule 17(13) and Schedule 18(13) to the financial statements;
 - ii. The Bank has made provision as at March 31, 2020, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.

For MSKC & Associates (Formerly known as R. K. Kumar & Co)
Chartered Accountants
ICAI Firm Registration Number: 001595S

Tushar Kurani

Tushar Kurani
Partner
Membership No. 118580
UDIN: 20118580AAAABC2841

Place: Mumbai
Date: May 04, 2020

ANNEXURE A TO THE INDEPENDENT **AUDITORS'** REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF JANA SMALL FINANCE BANK LIMITED

[Referred to in paragraph 3(f) under '**Report on Other Legal and Regulatory Requirements**' in the Independent **Auditors'** Report of even date to the Members of Jana Small Finance Bank Limited on the Financial Statements for the year ended March 31, 2020]

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

We have audited the internal financial controls with reference to financial statements of Jana Small Finance Bank Limited ("**the Bank**") as of **March 31, 2020** in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Bank'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, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With reference to Financial Statements

A **Bank's** internal financial control 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 Bank's internal financial control 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 authorizations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

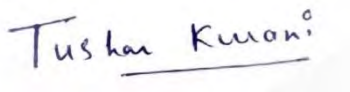
Inherent Limitations of Internal Financial Controls With reference to financial statements

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 control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Bank has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Bank considering the essential components of internal control stated in the Guidance Note.

For MSKC & Associates (Formerly known as R. K. Kumar & Co)
Chartered Accountants
ICAI Firm Registration Number: 001595S



Tushar Kurani
Partner
Membership No. 118580
UDIN: 20118580AAAABC2841

Place: Mumbai
Date: May 04, 2020

JANA SMALL FINANCE BANK LIMITED
(Formerly Known as Janalakshmi Financial Services Limited)
Balance Sheet as at March 31, 2020

(₹ In Crores)			
	Schedule	As at 31.03.2020	As at 31.03.2019
CAPITAL AND LIABILITIES			
Capital	1	200.72	197.16
Reserves and surplus	2	842.79	476.48
Deposits	3	9,651.95	4,198.70
Borrowings	4	2,898.74	4,086.47
Other liabilities and provisions	5	552.91	487.49
TOTAL		14,147.11	9,446.30
ASSETS			
Cash and balances with Reserve Bank of India	6	473.85	1,080.97
Balances with banks and money at call and short notice	7	506.46	87.59
Investments	8	2,650.03	1,468.13
Advances	9	9,959.24	6,217.08
Fixed assets	10	260.01	334.46
Other assets	11	297.52	258.07
TOTAL		14,147.11	9,446.30
Contingent liabilities	12	37.16	51.60
Bills for collection		-	-
Significant accounting policies and notes to accounts forming part of 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 MSKC & Associates
(Formerly known as R.K. Kumar & Co.)
Chartered Accountants
ICAI Firm Registration No.0015955

Tushar Kuranl

Tushar Kuranl
Partner
Membership Number: 118580

For and on behalf of the Board of Directors

Ramesh Ramanathan
Ramesh Ramanathan
Chairman
DIN: 00163276

Ramaseshan
R Ramaseshan
Independent Director
DIN: 00200373

Lakshmi R N
Lakshmi R N
Company Secretary

Ajay Kanwal
Ajay Kanwal
Managing Director & CEO
DIN: 07886434

Kapil Krishan
Kapil Krishan
Chief Financial Officer

Mumbai, May 04, 2020

Bengaluru, May 04, 2020



JANA SMALL FINANCE BANK LIMITED
(Formerly Known as Janalakshmi Financial Services Limited)
Profit and Loss Account for the year ended March 31, 2020

(₹ in Crores)

PARTICULARS	Schedule	Year ended 31.03.2020	Year ended 31.03.2019
I. INCOME			
Interest earned	13	1,991.52	1,250.54
Other Income	14	433.25	117.73
TOTAL		2,424.77	1,368.27
II. EXPENDITURE			
Interest expended	15	980.16	813.63
Operating expenses	16	1,164.08	1,131.19
Provisions and contingencies (refer note 18.15)		250.40	1,372.51
TOTAL		2,394.64	3,317.33
III. PROFIT/(LOSS)			
Net profit/(loss) for the year		30.13	(1,949.06)
Balance In Profit and Loss Account brought forward		(4,130.81)	(2,181.75)
TOTAL		(4,100.68)	(4,130.81)
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		7.53	-
Transfer to Capital Reserve		13.81	-
Transfer to Investment Fluctuation Reserve		4.64	-
Balance carried over to Balance Sheet		(4,126.66)	(4,130.81)
V. EARNINGS PER EQUITY SHARE (refer note 18.2)			
(Face value of per share ₹ 10 per share)			
Basic (₹)		6.21	(471.84)
Diluted (₹)		5.90	(471.84)
Significant accounting policies and notes to accounts forming part of 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 MSKC & Associates
(Formerly known as R.K. Kumar & Co.)
Chartered Accountants
ICAI Firm Registration No.0015955

Tushar Kurani

Tushar Kurani
Partner
Membership Number: 118580

For and on behalf of the Board of Directors

Ramesh Ramanathan

Ramesh Ramanathan
Chairman
DIN: 00163276

R Ramaseshan
R Ramaseshan
Independent Director
DIN: 00200373

Lakshmi R N
Lakshmi R N
Company Secretary

Ajay Kanwal

Ajay Kanwal
Managing Director & CEO
DIN: 07886434

Kapil Krishan
Kapil Krishan
Chief Financial Officer

Mumbai, May 04, 2020

Bengaluru, May 04, 2020



JANA SMALL FINANCE BANK LIMITED
(Formerly Known as Janalakshmi Financial Services Limited)
Cash Flow Statement for the year ended March 31, 2020

(₹ in Crores)

	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
A.	Cash flow from operating activities		
	Net profit/(loss) before taxes	30.13	(1,949.06)
	Adjustments for:		
	Depreciation on bank's property	92.53	99.39
	Loss on sale of fixed assets	2.84	4.82
	Employee stock option expenses	3.69	7.64
	Provision for non performing assets	(69.08)	(1,279.11)
	Bad debts written off	299.52	2,643.26
	Provision for standard assets	21.85	4.40
	Premium amortisation on HTM investments	3.60	0.50
	Operating profit / (loss) before working capital changes (i)	385.08	(468.16)
	Movement in working capital		
	(Increase)/Decrease in investments	(921.13)	705.88
	(Increase)/Decrease in advances	(3,994.46)	(1,557.31)
	Increase/(Decrease) in deposits	5,453.25	4,198.24
	(Increase)/Decrease in other assets	(52.34)	(43.54)
	Increase/(Decrease) in other liabilities and provisions	65.42	(70.42)
	Net change in working capital (ii)	550.73	3,232.86
	Direct taxes paid (net of refunds) (iii)	12.89	6.58
	Net cash flow from operating activities (i)+(ii)+(iii) (A)	948.70	2,771.27
B.	Cash flow used in investing activities		
	Purchase of fixed assets	(21.11)	(54.72)
	Proceeds from sale of fixed assets	0.21	0.71
	(Increase)/Decrease of held-to-maturity securities	(264.38)	(177.03)
	Net cash (used in) investing activities (B)	(285.28)	(231.03)



JANA SMALL FINANCE BANK LIMITED
(Formerly Known as Janalakshmi Financial Services Limited)
Cash Flow Statement for the year ended March 31, 2020

(₹ in Crores)

	Particulars	Year ended 31.03.2020	Year ended 31.03.2019
C.	Cash Flow from financing activities		
	Proceeds from issue of equity shares	3.56	7.87
	Proceeds from Issue of compulsorily convertible preference shares	-	150.00
	Securities premium received	335.03	928.37
	Share issue expenses	(2.54)	-
	Repayment borrowings (including IBPC)	(1,187.73)	(3,575.13)
	Net cash used in financing activities (C)	(851.68)	(2,488.89)
	Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	(188.25)	51.35
	Cash and cash equivalents as at beginning of the year	1,168.56	1,117.21
	Cash and cash equivalents as at end of the year (refer note 2 below)	980.31	1,168.56

Notes:

1. The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statements specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

2. Cash and Cash Equivalents comprises of 'Cash & Balances with Reserve Bank of India (Schedule 6)' and 'Balances with Banks and Money at Call and Short Notice (Schedule 7)' with balances having original maturity of less than three months.

As per our report of even date

For MSKC & Associates
(Formerly known as R.K. Kumar & Co.)
Chartered Accountants
ICAI Firm Registration No.001595S

Tushar Kurani

Tushar Kurani
Partner
Membership Number: 118580

For and on behalf of the Board of Directors

Ramesh Ramanathan
Ramesh Ramanathan
Chairman
DIN: 00163276

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R Ramaseshan
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Ajay Kanwal
Managing Director & CEO
DIN: 07886434

Kapil Krishan
Kapil Krishan
Chief Financial Officer

Mumbai, May 04, 2020

Bengaluru, May 04, 2020



JANA SMALL FINANCE BANK LIMITED

(Formerly Known as Janalakshmi Financial Services Limited)

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2020

(₹ in Crores)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
SCHEDULE 1 - CAPITAL		
Authorised Capital		
Equity		
100,000,000 (March 31, 2019: 827,600,000) Class 'A' Equity Shares of ₹ 10 each	100.00	827.60
Preference		
250,000,000 (March 31, 2019: 500,000,000) Preference Shares of ₹ 10 each	250.00	500.00
Issued, Subscribed and Paid-Up Capital*		
Equity		
50,718,603 (March 31, 2019: 47,156,727) Class 'A' Equity Shares of ₹ 10 each fully paid up	50.72	47.16
Preference		
150,000,000 (31 March 2019: 150,000,000) 16% Non-Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each fully paid up	150.00	150.00
* Refer note 18.1.2 Capital infusion		
TOTAL	200.72	197.16
SCHEDULE 2 - RESERVES AND SURPLUS		
I. STATUTORY RESERVE		
Opening balance	95.14	95.14
Add: Addition during the year	7.53	-
Less: Deductions during the year	-	-
TOTAL	102.67	95.14
II. SHARE PREMIUM		
Opening balance	4,484.97	3,556.60
Add: Additions during the year	335.29	928.37
Less: Deductions during the year	(2.54)	-
TOTAL	4,817.72	4,484.97
III. GENERAL RESERVE		
Opening balance	14.41	14.41
Add: Additions during the year	-	-
Less: Deductions during the year	-	-
TOTAL	14.41	14.41
IV. CAPITAL RESERVE		
Opening balance	-	-
Add: Additions during the year (refer note 18.3.3)	13.81	-
Less: Deductions during the year	-	-
TOTAL	13.81	-
V. INVESTMENT FLUCTUATION RESERVE		
Opening balance	-	-
Add: Additions during the year	4.64	-
Less: Deductions during the year	-	-
TOTAL	4.64	-
VI. EMPLOYEE STOCK OPTIONS OUTSTANDING		
Opening balance	12.77	5.12
Add: Employee Stock Option expense during the year	3.69	7.65
Less: Transfer to Share Capital / Securities Premium on exercise of stock options	(0.26)	-
TOTAL	16.20	12.77
VII. BALANCE IN PROFIT & LOSS ACCOUNT	(4,126.66)	(4,130.81)
TOTAL (I to VII)	842.79	476.48



JANA SMALL FINANCE BANK LIMITED

(Formerly Known as Janalakshmi Financial Services Limited)

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2020

(₹ in Crores)

PARTICULARS	As at 31.03.2020	As at 31.03.2019
SCHEDULE 3 - DEPOSITS		
A. I. Demand deposits		
i. From banks	30.40	4.70
ii. From others	246.88	184.37
II. Savings bank deposits	436.60	152.43
III. Term deposits		
i. From banks	1,753.54	460.56
ii. From others	7,184.53	3,396.64
TOTAL (I to III)	9,651.95	4,198.70
B. I. Deposits of branches in India	9,651.95	4,198.70
II. Deposits of branches outside India	-	-
TOTAL (I to II)	9,651.95	4,198.70
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
i. Reserve Bank of India	-	-
ii. Other banks*	648.20	1,525.90
iii. Other institutions and agencies^	2,146.50	2,422.26
II. Borrowings outside India	104.04	138.31
TOTAL (I to II)	2,898.74	4,086.47
Secured Borrowings included in (ii) & (iii) above is ₹ 191.54 crores (March 31, 2019: ₹ 767.00 crores) *Includes Sub-ordinated debt (Tier II capital) ₹ 343 crores (March 31, 2019: ₹ 203 crores) ^ Includes sub-ordinated debt (Tier II capital) ₹ 358 crores (March 31, 2019: ₹ 548 crores)		
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills payable	60.51	35.89
II. Inter office adjustments (net)	-	-
III. Interest accrued	223.19	186.58
IV. Standard Asset- General Provision (Refer Note - 18.14)	43.68	21.83
V. Others (Including Provisions)	225.53	243.19
TOTAL (I to V)	552.91	487.49



JANA SMALL FINANCE BANK LIMITED
(Formerly Known as Janalakshmi Financial Services Limited)
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2020

		(₹ In Crores)	
PARTICULARS	As at 31.03.2020	As at 31.03.2019	
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA			
I. Cash in hand (including cash at ATM)	97.60	30.37	
II. Balances with Reserve Bank of India			
i. In Current account	376.25	1,050.60	
ii. In Other accounts	-	-	
TOTAL (I to II)	473.85	1,080.97	
SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE			
I. In India			
i) Balances with banks			
a) In Current accounts	7.27	46.76	
b) In Other deposit accounts*	114.19	40.83	
ii) Money at call and short notice			
a) With banks	-	-	
b) With other institutions	-	-	
c) Lending under reverse repo (Reserve Bank of India)	385.00	-	
TOTAL (I to II)	506.46	87.59	
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)	506.46	87.59	

* Deposit with banks ₹ 114.19 crores (March 31, 2019: ₹ 40.83 crores) is lien marked towards term loans availed from banks and financial institutions, security deposit, and cash collateral placed in connection with assignment/securitisation of receivables.



JANA SMALL FINANCE BANK LIMITED
(Formerly Known as Janalakshmi Financial Services Limited)
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2020

PARTICULARS	(₹ in Crores)	
	As at 31.03.2020	As at 31.03.2019
SCHEDULE 8 - INVESTMENTS		
I. Investments in India (net of provisions)		
i) Government securities	2,649.93	1,468.03
ii) Other approved securities	-	-
iii) Shares	0.10	0.10
iv) Debentures and bonds	-	-
v) Subsidiaries / joint ventures	-	-
vi) Others	-	-
TOTAL	2,650.03	1,468.13
II. Investments Outside India		
i) Government securities	-	-
ii) Subsidiaries/joint ventures/associates	-	-
iii) Others (equity shares and bonds)	-	-
TOTAL	-	-
GRAND TOTAL (I to II)	2,650.03	1,468.13
III. Investments		
i) Gross value of investments		
a) In India	2,650.03	1,468.13
b) Outside India	-	-
Total	2,650.03	1,468.13
ii) Depreciation/provision for investments		
a) In India	-	-
b) Outside India	-	-
Total	-	-
iii) Net value of investments		
a) In India	2,650.03	1,468.13
b) Outside India	-	-
Total	2,650.03	1,468.13
SCHEDULE 9 - ADVANCES		
A. i) Bills purchased and discounted	31.71	-
ii) Cash credits, overdrafts and loans repayable on demand	523.87	234.26
iii) Term loans	9,403.66	5,982.82
TOTAL	9,959.24	6,217.08
B. i) Secured by tangible assets	2,678.20	675.78
ii) Covered by bank/government guarantees	-	-
iii) Unsecured (refer note 18.9.5)	7,281.04	5,541.30
TOTAL	9,959.24	6,217.08
C. I ADVANCES IN INDIA		
i) Priority sector*	8,146.41	5,578.15
ii) Public sector	-	-
iii) Banks	-	-
iv) Others	1,812.83	638.93
* Priority sectors excluded ₹ 1,000 crores (March 31, 2019: ₹ 4,528.75 crores), in respect of which the Bank has sold Priority Sector Lending Certificates (PSLC). During the year ended March 31, 2020, the Bank has bought PSLC amounting to ₹ 600 crores (March 31, 2019: Nil), which is included in above.		
II ADVANCES OUTSIDE INDIA		
TOTAL	9,959.24	6,217.08



JANA SMALL FINANCE BANK LIMITED
(Formerly Known as Janalakshmi Financial Services Limited)
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2020

		(₹ In Crores)	
PARTICULARS	As at 31.03.2020	As at 31.03.2019	
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	603.24	538.66	
ii) Additions during the year	23.30	81.71	
	626.54	620.37	
iii) Deductions during the year	(9.16)	(17.13)	
iv) Depreciation to date	(357.96)	(271.22)	
v) Capital Work in Progress	0.59	2.44	
TOTAL*	260.01	334.46	
*Includes leased assets of ₹ 23.68 crores (March 31, 2019 ₹ 28.91 crores)			
GRAND TOTAL (I to II)	260.01	334.46	
SCHEDULE 11 - OTHER ASSETS			
I. Inter office adjustments (net)	-	-	
II. Interest accrued	50.51	22.12	
III. Tax paid in advance / tax deducted at source (net of provisions)	62.42	49.53	
IV. Stationery and stamps	-	-	
V. Non Banking Assets acquired in satisfaction of claims	-	-	
VI. Others	184.59	186.42	
TOTAL	297.52	258.07	
SCHEDULE 12 - CONTINGENT LIABILITIES			
I. Claims against the bank not acknowledged as debts	-	-	
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	-	-	
b) Outside India	-	-	
VI. Acceptances, endorsements and other obligations	-	-	
VII. Other items for which the Bank is contingently liable	37.16	51.60	
TOTAL	37.16	51.60	



JANA SMALL FINANCE BANK LIMITED (Formerly Known as Janalakshmi Financial Services Limited)		
SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2020		
	(₹ in Crores)	
PARTICULARS	Year ended 31.03.2020	Year ended 31.03.2019
SCHEDULE 13 - INTEREST EARNED		
I. Interest/discount on advances/bills	1,832.80	1,121.68
II. Income on investments	145.96	103.20
III. Interest on balances with Reserve Bank of India and other inter-bank funds	12.76	25.66
IV. Others	0.00	-
TOTAL	1,991.52	1,250.54
SCHEDULE 14 - OTHER INCOME		
I. Commission, exchange and brokerage	235.96	78.14
II. Profit / (loss) on sale of investments (net)	23.05	7.58
III. Profit / (loss) on revaluation of investments (net)	-	-
IV. Profit / (loss) on sale of land, buildings and other assets(net)	(2.84)	(4.82)
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 PSLC income ₹ 0.10 crores (March 31, 2019: ₹ 16.06 crores), recoveries from written off accounts ₹ 169.70 crores (March 31, 2019: ₹ 13.96 crores), lease income ₹ 7.25 crores (March 31, 2019: ₹ 6.27 crores)	177.08	36.83
TOTAL	433.25	117.73
SCHEDULE 15 - INTEREST EXPENDED		
I. Interest on deposits	640.90	146.05
II. Interest on Reserve Bank of India/inter-bank borrowings	106.81	304.04
III. Others (Including interest on debentures and other borrowings)	232.45	363.54
TOTAL	980.16	813.63
SCHEDULE 16 - OPERATING EXPENSES		
I. Payments to and provisions for employees (refer note 18.4)	623.74	602.27
II. Rent, taxes and lighting (refer note 18.24)	110.94	109.50
III. Printing and stationery	10.62	6.60
IV. Advertisement and publicity	11.36	35.26
V. Depreciation on bank's property (including leased assets)	92.53	99.39
VI. Director's Fees, allowances and expenses	0.24	0.26
VII. Auditors' fees and expenses	0.65	0.81
VIII. Law charges	6.50	9.66
IX. Postage, courier, telephones etc.	24.81	33.27
X. Repairs and maintenance	41.03	44.53
XI. Insurance	6.87	1.50
XII. Travel and conveyance	40.92	47.05
XIII. Professional fees	143.90	81.90
XIV. Other expenditure	49.97	59.19
TOTAL	1,164.08	1,131.19



SCHEDULE - 17

Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2020

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 now 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 (refer note 18.44), 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 in so far as they apply to the banks and the current practices prevalent within the banking industry in India.

SIGNIFICANT ACCOUNTING POLICIES

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.

ii. Penal interest is recognized on realization.

iii. 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.

iv. Processing fees on loan, direct assignment and securitisation is recognised upfront when it becomes due.

v. Dividend is accounted on an accrual basis where the right to receive the dividend is established.

vi. 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.

vii. All other fees are accounted for as and when they become due.



Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2020 (Contd.)

4. INVESTMENTS:

Classification:

In accordance with RBI guidelines on Investment classification and valuations, 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 recorded 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 as "Held to Maturity (HTM)".
- ii. Investments that are held principally 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:

In determining the acquisition cost of investments, 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.

The cost of investments is determined on weighted average basis.

Valuation:

Investments classified under AFS and HFT categories are marked to market as per the RBI guidelines.

Traded investments are valued based on the trades / quotes on the recognised stock exchanges, price list of RBI or prices declared by Primary Dealers Association of India ('PDAI') jointly with Fixed Income Money Market and Derivatives Association ('FIMMDA'),/Financial Benchmark India Private Limited ('FBIL') periodically.



Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2020 (Contd.)

Investments (contd.)

The market value of unquoted government securities which qualify for determining the Statutory Liquidity Ratio ('SLR'), included in the AFS and HFT categories, is computed as per the Yield-to-Maturity ('YTM') rates published by FIMMDA/FBIL.

Unquoted equity shares are valued at the break-up value, if the latest Balance sheet is available or at ₹ 1 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 already provided.

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" as per the RBI guidelines.

Non-performing investments are identified and depreciation / provision are made thereon based on the RBI guidelines. The depreciation / provision on such non-performing investments are not set off against the appreciation in respect of other performing securities. 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.

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 for as interest expense and revenue on reverse repo transactions is accounted for 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.

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).

For restructured/rescheduled assets, provision is made in accordance with the guidelines issued by RBI, which requires the diminution in the fair value of the assets to be provided at the time of restructuring.

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

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

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



Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2020 (Contd.)

Floating Provisions:

Provisions made 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:

The Bank securitises out its receivables subject to the Minimum Holding Period ('MHP') criteria and the Minimum Retention Requirements ('MRR') of RBI, to Special Purpose Vehicles ('SPVs') in securitisation transactions. Such securitized receivables are de-recognized in the balance sheet when they are sold (true sale criteria being fully met with) and consideration is received by the Bank. Sales / Transfers that do not meet these criteria for surrender of control are accounted for as secured borrowings. In respect of receivable pools securitised-out, the Bank provides liquidity and credit enhancements, as specified by the rating agencies, in the form of cash collaterals / guarantees and / or by subordination of cash flows, in line with RBI guidelines. The Bank also acts as a servicing agent for receivable pools securitised-out.

In accordance with the RBI guidelines, the profit / premium on account of securitisation of assets at the time of sale is computed as the difference between the sale consideration and the book value of the securitised asset amortized over the tenure of the securities issued. Loss on account of securitisation on assets is recognized immediately to the Profit and Loss Account.

The Bank also enters into transactions for transfer of standard assets through the direct assignment of cash flows, which are similar to asset-backed securitisation transactions through the SPV route, except that such portfolios of receivables are assigned directly to the purchaser and are not represented by Pass Through Certificates ('PTCs'), subject to the RBI prescribed MHP criteria and the MRR. The Bank does not provide any liquidity or credit enhancements on the direct assignment transactions undertaken.

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.

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 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 which are fully depreciated.

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	Primary leasehold period as per agreement



Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2020 (Contd.)

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.



Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2020 (Contd.)

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 earning per share in accordance with AS-20, Earning 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.



Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2020 (Contd.)

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 event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resource would be required to settle the obligation, the provision is reversed.

A disclosure for contingent liability is made when there is:

- i) A possible obligation arising from a past event, 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.

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 from Share Premium Account in terms of Section 52 of the Companies Act, 2013.



Significant Accounting Policies appended to and forming part of the financial statements for the year ended March 31, 2020 (Contd.)

18. SEGMENT INFORMATION:

The disclosure relating to segment information is in accordance with AS-17, Segment Reporting and as per 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 towards corporate social responsibility, in accordance with Companies Act, 2013, are recognised in the Profit and Loss Account.

20. EMPLOYEE STOCK OPTION PLAN and RESTRICTED STOCK UNITS:

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

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

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.

22. EXTERNAL COMMERCIAL BORROWINGS:

External commercial borrowings taken by the Bank prior to conversion into Small Finance Bank is hedged by entering into a cross currency interest rate swap. The Bank recognises the loan liability separately from the cross currency interest rate swap and measures at fair value since a derivative contract represents a contractual right or an obligation.



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Schedule 18 - Notes forming part of the Financial Statements for the year ended March 31, 2020**1 Capital****1.1 Capital Adequacy Ratio (CAR)**

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

Particulars	March 31, 2020	March 31, 2019
Common equity tier I capital ratio (%)	13.12%	12.27%
Tier I capital ratio (%)	13.12%	12.27%
Tier II capital ratio (%)	6.13%	6.54%
Total capital ratio as per Basel-II (CRAR) (%)	19.25%	18.81%
Amount of tier II capital raised through debt capital instruments during the year	225.00	-

Subordinated debt (Tier II capital) outstanding as at March 31, 2020 is ₹ 701 crores (March 31, 2019 : ₹ 751 crores).

1. The Capital Adequacy Ratio [CRAR] of the Bank, calculated as per the Standardised approach for Credit Risk under Basel II regulation is set out above. Market Risk and Operational Risk are not considered for computation of Risk Weighted Assets as per Guidelines applicable for Small Finance Banks in accordance with RBI Circular No. RBI/2016-17/81 DBR. NBD.No.26/16.13.218/2016-17 dated October 6, 2016. No Capital Conservation Buffer and Counter - Cyclical Capital Buffer is applicable on Small Finance Bank (SFB) as per operating guidelines issued on Small Finance Banks by RBI.

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 II capital has been limited to 50% of Tier I capital.

1.2 Capital Infusion

During the year ended March 31, 2020 the Bank has issued equity shares having face value of ₹ 10 each for cash pursuant to rights issue of 35,59,937 equity shares at ₹ 951.09 each aggregating to ₹ 338.58 crores pursuant to Board's approval.

During the previous year ended March 31, 2019 the Bank has issued equity shares having face value of ₹ 10 each for cash pursuant to a private placement of equity, 2,213,428 shares at ₹ 1,383.60 each, 2,132,396 shares at ₹ 1,383.42 each and 3,522,273 shares ₹ 951.09 each aggregating to ₹ 936.25 crores pursuant to Board and shareholders approval. Further bank has issued 150,000,000 16% non-cumulative compulsorily convertible preference shares at ₹ 10 each aggregating to ₹ 150 crores for cash pursuant to private placement.

During the year ended March 31, 2020, the Bank has allotted 1,939 equity shares in respect of stock options exercised, (March 31, 2019 : Nil).

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

Particulars	March 31, 2020		March 31, 2019	
	No. of Equity shares	Amount	No. of Equity shares	Amount
Equity shares as at the beginning of the year	47,156,727	47.16	39,288,630	39.29
Addition pursuant to equity shares issued during the year	3,561,876	3.56	7,868,097	7.87
Equity shares outstanding as at the end of the year	50,718,603	50.72	47,156,727	47.16



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2. Earnings per equity share

Particulars	March 31, 2020	March 31, 2019
Net profit/(loss) after tax (₹ in crores)	30.13	(1,949.06)
Weighted average number of equity shares in computing the basic earnings per share	48,548,128	41,307,710
Basic earnings per share ₹	6.21	(471.84)
Weighted average number of equity shares in computing the diluted earnings per share*	51,057,018	41,307,710
Diluted earnings per share ₹	5.90	(471.84)
Nominal value per share ₹	10.00	10.00

* For the previous year, dilutive earnings per share is same as basic earnings per share as the results are anti dilutive.

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 in 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 Perpetual Non-Cumulative Compulsorily Convertible Preference Shares

3. Reserves

3.1 Share premium account

Share issue expenses amounting to ₹ 2.54 crores (March 31, 2019: Nil) are adjusted from securities premium account in terms of section 52 (2) (c) of the Companies Act, 2013.

3.2 Statutory Reserve

The Bank has transferred ₹ 7.53 crores (March 31, 2019: Nil) to statutory reserves pursuant to the requirements of Section 17 of the Banking Regulation Act, 1949 and RBI guidelines dated September 23, 2000.

3.3 Capital Reserve

The Bank has transferred ₹ 13.81 crores (March 31, 2019: Nil) to capital reserves, being the profit from sale of HTM investments, net of taxes and appropriation to statutory reserve, as per the RBI regulations.

3.4 Investment Fluctuation Reserve

In accordance with RBI guidelines, banks are required to create an Investment Fluctuation Reserve (IFR) equivalent to 2% of their HFT and AFS investment portfolios, within a period of three years starting fiscal 2019. Accordingly, the Bank has transferred ₹ 4.64 crores (March 31, 2019: Nil) to investment reserves.

3.5 Drawdown of Reserves

During the year ended March 31, 2020; there were no drawdown from reserves (March 31, 2019 : Nil).



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4. Employees Stock Option Plan Scheme

The Bank has share-based payment schemes for its employees. Schemes in operations during the year ended March 31, 2020 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.

Particulars	ESOP 2017	ESOP 2018	RSU 2017	RSU 2018
Grant Date	Various dates	Various dates	Various dates	Various dates
Option available under the plan	1,867,579	2,023,697	Sub-set of ESOP 2017	Sub-set of ESOP 2018
Number of Options granted	1,019,469	294,525	841	11,203
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	Continued employment/ service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be		
Exercise Price Per Option (₹)	951.09	10.00		

The details of the Employee Stock Option Plan Schemes (ESOP) and Restrictive Stock Unit Scheme (RSU) during the previous year.

Particulars	ESOP 2018	RSU 2017
Grant Date	Various dates	Various dates
Number of Options granted	589,402	25,182
Method of Settlement	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.	Continued employment/ service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be.
Exercise Price Per Option (₹)	1245.24, 1245.08 and 951.09	10.00

The following are the outstanding options as at year end:

Particulars	March 31, 2020			
	ESOP 2017	ESOP 2018	ESOP 2017 (RSU)	ESOP 2018 (RSU)
(i) Outstanding at the beginning of the year	686,179	449,402	54,206	23,267.00
(ii) Granted during the year	1,019,469	294,525	841	11,203
(iii) Forfeited, expired and lapsed during the year	14,143	240,307	9,836	8,762
(iv) Exercised during the year	-	-	-	1,939
(v) Outstanding at the end of the year	1,691,505	503,620	45,211	23,769
- Vested	341,276	63,729	44,370	15,891
- Yet to Vest	1,350,229	439,891	841	7,878



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As per SEBI guidelines, the accounting for share based payments can be done either under the 'Intrinsic Value' basis or 'Fair Value' basis. As per the approval of Board the Bank has adopted 'Intrinsic Value' method for accounting of share based payments.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Employee Stock Option expenditure	0.48	3.23
Restrictive Stock Units expenditure	3.21	4.42
Total	3.69	7.65

Particulars	March 31, 2020	March 31, 2019
Employee stock options and restrictive stock options outstanding	16.20	12.77

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:

Particulars	ESOP 2017	Employee stock option plan scheme (ESOP) 2018		ESOP 2017 and 2018 Scheme
Variables	Tranche 1	Tranche 1	Tranche 2	Tranche 3
1. Risk Free Interest Rate	7.76%	7.92%	8.16%	7.92%
2. Expected Life (in years)	4.50	4.50	4.50	4.50
3. Expected Volatility	24.36%	50.63%	48.47%	56.96%
4. Dividend Yield	0.00%	0.00%	0.00%	0.00%
5. The weighted average fair value of options granted ₹	498.85	753.98	751.56	449.81

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 ₹ 10.65 crores (March 31, 2019: reported loss would have been higher ₹ 7.84 crores). The basic and diluted EPS would have been ₹ 4.01 and ₹ 3.82 respectively [March 31, 2019: ₹ (473.74) and ₹ (473.74)].

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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5. Investments

5.1 Particulars of Investments and movement in provision held towards depreciation on investments

Particulars	March 31, 2020	March 31, 2019
(1) Value of Investments		
i) Gross value of Investments	2,650.03	1,468.13
- In India	2,650.03	1,468.13
- Outside India	-	-
(ii) Provisions for depreciation on investments	-	-
- In India	-	-
- Outside India	-	-
(iii) Net value of investments	2,650.03	1,468.13
- In India	2,650.03	1,468.13
- Outside India	-	-
2) Movement of provisions held towards depreciation on investments		
i) Opening balance	-	-
ii) Add: Provision made during the year	-	-
iii) Less: Write-off / write back of excess provision during the year	-	-
iv) Closing balance	-	-

5.2 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, 2020, (March 31, 2019: Nil).

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as at March 31, 2020
Securities sold under repo	-	-	-	-
i. Government securities	-	-	-	-
a) MSF (Repo with RBI)	2.00	2.00	0.01	-
b) Tri-Party Repo (TREPS)	5.00	649.91	27.53	-
c) Market Repo (CROMS)	4.99	72.99	0.60	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	-	-	-	-
Securities purchased under reverse repo	-	-	-	-
i. Government securities	-	-	-	-
a) LAF (Reverse Repo with RBI)	10.00	565.00	64.08	385.00
b) Tri-Party Repo (TREPS)	3.50	599.67	15.86	-
c) Market Repo (CROMS)	4.00	372.96	12.73	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	-	-	-	-

5.3 Sale and Transfers to/from HTM Category

During the year ended March 31, 2020, there was no sale and transfers to/from HTM category in excess of 5% of the book value of Investments held in the HTM category at the beginning of the year. (March 31, 2019: Nil)

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

- 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;
- Sales to the RBI under pre-announced open market operation auctions;
- Repurchase of Government securities by Government of India from banks;
- Additional shifting of securities explicitly permitted by the RBI from time to time; and
- Direct sales from HTM for bringing down SLR holdings in the HTM category.

5.4 Issuer-wise composition of non-SLR Investments

During the year ended March 31, 2020, the Bank has following non-SLR Investments- As at March 31, 2020

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 corporate	-	-	-	-	-
5.Subsidiaries / Joint ventures	-	-	-	-	-
6.Others	0.10	-	-	-	0.10
7.Provision held towards depreciation	-	-	-	-	-
Total	0.10	-	-	-	0.10

During the previous year ended March 31, 2019, the Bank has following non-SLR Investments- As at March 31, 2019

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	0.10	-	-	-	0.10
7.Provision held towards depreciation	-	-	-	-	-
Total	0.10	-	-	-	0.10

Amounts reported under these columns above are not mutually exclusive

5.5 Non performing Non-SLR investments

During the year ended March 31, 2020; there are no non performing Non - SLR investments (March 31, 2019: Nil).



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6. Derivatives

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

a) Cross Currency Interest Rate Swap

Particulars	March 31, 2020	March 31, 2019
i) The notional principal of swap agreements	86.68	125.97
ii) Losses which would be Incurred if counter parties failed to fulfil their obligation under the agreements	17.36	12.34
iii) collateral required by the Bank upon entering into swaps	7.73	7.37
iv) concentration of credit risk arising from the swaps	Nil	Nil
v) fair value of the swap book	17.36	12.34

The nature and terms of the Cross Currency Interest Rate Swap

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

b) Exchange Traded Interest Rate Derivatives - Not applicable**c) Disclosures on Risk Exposure in Derivatives****Qualitative Disclosure**

The Bank's treasury function is responsible for Bank's access to financial markets. Further, treasury function monitors and manages various risks relating to treasury operations of the Bank including currency risk, market risk and liquidity risk. In course of managing these risks, the Bank may use various market instruments as permissible for the Bank based on RBI guidelines and internal approvals. Further, compliance with various policies and exposure limits is reviewed by the internal auditors as required. The Bank does not enter into any trade in financial instruments including derivative financial instruments for speculative purposes. The existing exposure is fully hedged exposure which is towards external commercial borrowings borrowed prior to conversion into Small Finance Bank and are grandfathered on conversion and there are no derivatives entered into during the financial year as per operating guidelines of Small Finance Bank Issued by RBI.

Quantitative Disclosure

Sr. No.	Particulars	March 31, 2020		March 31, 2019	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	a) For hedging	86.68*	-	125.97*	-
	b) For trading	-	-	NA	-
(ii)	Marked to Market Positions				
	a) Asset (+)	17.36	-	12.34	-
	b) Liability (-)	-	-	-	-
(iii)	Credit Exposure	-	-	-	-
(iv)	Likely impact of one percentage change in Interest rate (100*PV01)				
	a) on hedging derivatives	-	-	-	-
	b) on trading derivatives	NA	-	NA	-
(v)	Maximum and Minimum of 100*PV01 observed during the year				
	a) on hedging	-	-	-	-
	b) on trading	NA	-	NA	-

* Pertains to cross currency interest rate swap



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7. Asset Quality

7.1 Non Performing Assets

Particulars	March 31, 2020	March 31, 2019
(i) Net NPAs to Net Advances (%)	1.41%	4.39%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	522.59	3,182.83
(b) Additions during the year#	230.42	560.53
(c) Reductions during the year*	(432.20)	(3,220.77)
(d) Closing balance	320.81	522.59
(iii) Movement of Net NPAs		
(a) Opening balance	273.08	1,670.89
(b) Additions during the year#	178.34	420.40
(c) Reductions during the year*	(311.04)	(1,818.21)
(d) Closing balance	140.38	273.08
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	249.51	1,511.94
(b) Provision made during the year	230.44	1,380.85
(c) Write off/ write back of excess provisions	(299.52)	(2,643.28)
(d) Closing balance	180.43	249.51

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

7.2 Movement of Non Performing Assets

Particulars	March 31, 2020	March 31, 2019
Gross NPAs as on April 1 of particular year	522.59	3,182.83
Additions (fresh NPAs) during the year#	230.42	560.53
Sub Total (A)	753.01	3,743.36
Less :		
(i) Upgradations	29.48	56.22
(ii) Recoveries (excluding recoveries made from upgraded accounts)*	103.20	521.27
(iii) Technical / Prudential write offs (refer note 7.2A)	235.67	2,514.25
(iv) Write offs other than those under (iii) above	63.85	129.03
Sub Total (B)	432.20	3,220.77
Gross NPAs as on March 31 of the following year (Closing balance) (A-B)	320.81	522.59

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

7.2A 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. The financial accounting systems of the Bank are integrated and there are no write-offs done by the Bank which remain outstanding in the books of the branches.

Particulars	March 31, 2020	March 31, 2019
Opening balance of technical / prudential write-offs accounts as at April 1 of particular year	2,505.93	-
Add: Technical / Prudential write-offs during the year	235.67	2,514.25
Sub - Total (A)	2,741.60	2,514.25
Recoveries made from technical/ prudential written off accounts during the year	169.15	8.32
Actual Write-offs during the year	49.85	-
Sub - Total (B)	219.00	
Closing balance as at March 31 (A-B)	2,522.60	2,505.93



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7.3 Disclosure on accounts subjected to restructuring for the year ended March 31, 2020

The Bank has restructured accounts during the year ended March 31, 2020, excluding the standard MSME accounts restructured based on RBI circular dated January 01, 2019

Sl. No.	Type of Restructuring → Asset Classification → Details ↓	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total			
		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	
1	Restructured Accounts as on April 1 of the FY (opening figures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding (opening figures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Fresh restructuring during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Upgradations to restructured standard category during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Restructured standard advances which cease to attract provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Downgradations of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Write-offs/Recovery/Sale of restructured accounts during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Increase/(Decrease) in borrower level outstanding of existing restructured cases during the FY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Restructured Accounts as on March 31 of the FY (closing figures)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Sub-standard	-	-	-	-	-	-	-	-	-	-	-	-	-		

7.3.1 Particulars of accounts restructured for 'Micro, Small and Medium Enterprises (MSME) sector based on RBI guidelines dated January 01, 2019.

The Bank has restructured accounts during the year ended March 31, 2020 and previous year ended March 31, 2019.

Particulars	March 31, 2020	March 31, 2019
No of Accounts Restructured	136	58
Provision Amount	0.08	0.98
Outstanding Amount	1.59	0.05



7.3 Particulars of Accounts Restructured contd..

The Bank has restructured accounts during the year ended March 31, 2019																		
Sl No.	Type of Restructuring → Asset Classification → Details ↓	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total	
		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total		
1	Restructured Accounts as on April 1 of the FY (opening figures)		-	-	-	-		-	-	-	-		2,086	94	-	2,180		2,180
			-	-	-	-		-	-	-	-		2,91	0.19	-	3.10		3.10
			-	-	-	-		-	-	-	-		0.73	0.19	-	0.92		0.92
2	Fresh restructuring during the year		-	-	-	-		-	-	-	-		103,287	82,002	-	185,289		185,289
			-	-	-	-		-	-	-	-		131.87	112.24	-	244.11		244.11
			-	-	-	-		-	-	-	-		39.56	112.24	-	151.80		151.80
3	Upgradations to restructured standard category during the FY		-	-	-	-		-	-	-	-		-	-	-	-		-
			-	-	-	-		-	-	-	-		-	-	-	-		-
			-	-	-	-		-	-	-	-		-	-	-	-		-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY		-	-	-	-		-	-	-	-		-	-	-	-		-
			-	-	-	-		-	-	-	-		-	-	-	-		-
			-	-	-	-		-	-	-	-		-	-	-	-		-
5	Downgradations of restructured accounts during the FY		-	-	-	-		-	-	-	-		(41,641)	41,641	-	-		(41,641)
			-	-	-	-		-	-	-	-		(63.23)	63.23	-	-		(63.23)
			-	-	-	-		-	-	-	-		(18.97)	18.97	-	-		(18.97)
6	Write-offs/Recovery/Sale of restructured accounts during the FY		-	-	-	-		-	-	-	-		(25,955)	(13,434)	-	(39,389)		(39,389)
			-	-	-	-		-	-	-	-		(16.98)	(8.47)	-	(25.45)		(25.45)
			-	-	-	-		-	-	-	-		(4.95)	(8.47)	-	(13.42)		(13.42)
7	Increase/(Decrease) in borrower outstanding level		-	-	-	-		-	-	-	-		-	-	-	-		-
			-	-	-	-		-	-	-	-		(13.01)	(37.97)	-	(50.98)		(50.98)
			-	-	-	-		-	-	-	-		(3.90)	6.29	-	2.39		2.39
8	Restructured Accounts as on March 31 of the FY (closing figures)		-	-	-	-		-	-	-	-		37,777	110,303	-	148,080		148,080
			-	-	-	-		-	-	-	-		41.55	129.22	-	170.77		170.77
			-	-	-	-		-	-	-	-		12.47	129.22	-	141.69		141.69



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7.4 Disclosure on COVID - 19 (RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20)

The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets. Governments, including the Bank, have introduced a variety of measures to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Bank's results will depend on future developments, which are highly uncertain at this point of time.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Bank had granted a moratorium of three months on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms).

The Bank holds provisions as at March 31, 2020 against the potential impact of COVID-19 based on the information available at this point in time. The provisions held by the Bank are in excess of the RBI prescribed norms.

Particulars of Moratorium/Deferment extended in SMA categories

Particulars	Total
Amounts in SMA/overdue categories, where the moratorium / deferment was extended	158.61
Amount where asset classification benefits is extended	28.93
Provisions made during the Q4 FY 19-20	8.94*
Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6 of the aforementioned circular.	

Above disclosure includes all the accounts which were standard but overdue as at February 29, 2020 and remained overdue as at March 31, 2020.

*It includes an additional general provision of 20% amounting to Rs 1.01 Crore on overdue standard advances with days past due between 71 and 90 (both inclusive) as at February 29, 2020 and remained overdue as at March 31, 2020.

7.5 Details of Non Performing Financial Assets Purchased / Sold

The Bank has not purchased or sold any non performing financial assets during the year ended March 31, 2020 (March 31, 2019 : Nil).

7.6 Floating provisions

The Bank has not created any floating provision during the year ended March 31, 2020 (March 31, 2019 : Nil).

Particulars	March 31, 2020	March 31, 2019
(a) Opening balance in floating provision account	-	-
(b) The quantum of floating provision made in accounting year	-	-
(c) Amount of draw down made during the accounting year	-	-
(d) Closing balance in floating provision account	-	-

7.7 Disclosures Resolution of Stressed Assets

The scheme has implemented via circular No RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated June 07, 2019. There were no accounts during the year ended March 31, 2020 were restructured under prudential framework on resolution of stressed assets.

8. Securitisation and related disclosures**8.1 Details of Sales**

During the year ended March 31, 2020 the Bank has not sold any financial assets to Securitisation/ Reconstruction Companies (SC/ RC) in accordance with the guidelines issued by the RBI (March 31, 2019 : Nil).

8.2 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, 2020	March 31, 2019
(i) No. of accounts	-	-
(ii) Aggregate value (net of provision) of accounts sold to SC/RC	-	-
(iii) Aggregate Consideration	-	-
(iv) Aggregate gain / loss over net book Value	-	-



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

During the year the Bank has not Invested in security receipts (March 31, 2019: Nil).

9. Exposures

9.1 Exposure to Real Estate Sector

Category	March 31, 2020	March 31, 2019
A) Direct exposure	989.32	56.37
(i) Residential mortgages	988.99	54.04
(of which housing loans eligible for inclusion in priority sector advances)	518.48	54.04
(ii) Commercial real estate	0.33	2.33
(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).	-	-

9.2 Exposure to Capital Market

As at March 31, 2020, the Bank has Investments in equity instruments of Alpha Micro Finance Consultants Private Limited, 100,000/- shares of ₹ 10 each fully paid up full paid up ₹ 0.10 crores Exposure (March 31, 2019 : ₹ 0.10 crores).

9.3 Risk Category wise Country Exposure

The Bank's exposures are concentrated in India, hence country risk exposure as at March 31, 2020 is Nil (March 31, 2019 : Nil).

9.4 Intra Group Exposure

The Bank does not have any group entities, hence intra group exposure as at March 31, 2020 is Nil (March 31, 2019 : Nil).

9.5 Unsecured Advances

The Bank has not extended any advances where the collateral is an intangible asset such as a charge over rights, licenses, authorisations, etc. (March 31, 2019: Nil). The unsecured advances of ₹ 7,281.04 crores (March 31, 2019 ₹ 5,541.30 crores) as disclosed in Schedule 9 are without any collateral security.

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

During the year ended March 31, 2020, the Bank's credit exposures to single borrowers and group borrowers were within the limits prescribed under extant RBI guidelines (March 31, 2019 : Nil).

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

10.1 Concentration of deposits

Particulars	March 31, 2020	March 31, 2019
Total deposits of twenty largest depositors	1,709.11	736.48
Percentage of deposits of twenty largest depositors to total deposits of the Bank	17.71%	17.54%

10.2 Concentration of advances*

Particulars	March 31, 2020	March 31, 2019
Total Advances to twenty largest borrowers	305.14	177.19
Percentage of Advances of twenty largest borrowers to Total Advances of the Bank	3.01%	2.74%

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



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10.3 Concentration of Exposures*

Particulars	March 31, 2020	March 31, 2019
Total exposure to twenty largest borrowers / customers*	305.14	183.07
Percentage of exposure of twenty largest borrowers / customers to total exposure of the Bank on borrowers / customers	3.00%	2.83%

*Represents credit and investment exposures as per RBI guidelines on exposure norms

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

10.4 Concentration of NPAs

Particulars	March 31, 2020	March 31, 2019
Total Exposure to top four NPA accounts	9.05	3.06

11. Sector-wise advances

Sector	March 31, 2020		
	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A . Priority Sector			
1. Agriculture and allied activities	2,567.28	47.48	1.85%
2. Advances to Industries sector eligible as priority sector lending	341.85	33.18	9.71%
3. Services	1,129.11	38.54	3.41%
(i) Retail Trade	383.38	21.32	5.56%
4. Personal loans*	4,273.46	152.28	3.56%
Sub total (A)	8,311.70	271.48	3.27%
B. Non Priority Sector			
1. Agriculture and allied activities	-	-	0.00%
2. Industry	82.00	21.00	25.61%
3. Services	792.47	11.90	1.50%
4. Personal loans*	953.50	16.43	1.72%
Sub total (B)	1,827.97	49.33	2.70%
Total (A+B)	10,139.67	320.81	3.16%

Sector	March 31, 2019		
	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A . Priority Sector			
1. Agriculture and allied activities	526.15	38.41	7.30%
2. Advances to industries sector eligible as priority sector lending	-	-	-
3. Services	895.96	76.59	8.55%
4. Personal loans*	4,405.97	399.01	9.06%
Sub total (A)	5,828.08	514.01	8.82%
B. Non Priority Sector			
1. Agriculture and allied activities	-	-	-
2. Industry	55.18	1.89	3.42%
3. Services	5.23	-	-
4. Personal loans*	578.10	6.69	1.16%
Sub total (B)	638.51	8.58	1.34%
Total (A+B)	6,466.59	522.59	8.08%

*Personal loan includes Housing loans

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



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12. 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, 2020	Deposits	Advances	Investments*	Borrowings	Foreign currency assets	Foreign currency liabilities
Day - 1	36.25	3.29	635.17	-		
2-7 Days	241.87	(80.36)	40.56	-		
8-14 Days	364.16	22.93	60.29	-		
15-30 Days	272.50	(397.22)	59.74	36.75		
31 Days and up to 2 months	722.08	(149.67)	130.97	31.06		
More than 2 months and up to 3 months	300.71	508.04	72.31	77.82		
Over 3 months and up to 6 months	1,376.64	1,256.86	237.31	113.91		
Over 6 months and up to 1 year	1,651.36	2,641.45	349.93	529.99		
Over 1 Year and up to 3 years	4,518.27	4,616.83	927.00	1,404.20		
Over 3 Years and up to 5 years	164.30	274.28	100.84	480.00		
Over 5 years	3.81	1,262.81	35.91	225.01		
Total	9,651.95	9,959.24	2,650.03	2,898.74	-	-

As at March 31, 2019	Deposits	Advances	Investments*	Borrowings	Foreign currency assets	Foreign currency liabilities
Day - 1	7.16	3.15	18.22	-	-	-
2-7 Days	98.96	24.85	19.04	-	-	-
8-14 Days	89.85	22.90	35.55	100.00	-	-
15-30 Days	69.95	317.32	71.80	301.28	-	-
31 Days and up to 2 months	244.00	327.86	79.50	161.06	-	-
More than 2 months and up to 3 months	203.96	342.50	110.89	387.42	-	-
Over 3 months and up to 6 months	816.49	724.97	235.77	548.91	-	-
Over 6 months and up to 1 year	865.36	1,631.07	299.43	842.08	-	-
Over 1 Year and up to 3 years	1,730.23	2,194.16	463.70	1,021.72	-	-
Over 3 Years and up to 5 years	69.70	35.20	133.72	724.00	-	-
Over 5 years	3.04	593.10	0.51	-	-	-
Total	4,198.70	6,217.08	1,468.13	4,086.47	-	-

* Investments does not include balances with RBI and other Banks

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

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



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13. Contingent liabilities

Contingent liabilities	March 31, 2020	March 31, 2019
Income tax liability	35.91	38.85
Bank guarantee given	1.25	12.75
Others	-	-
Total	37.16	51.60

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.

14. Provisions on Standard Assets

Particulars	March 31, 2020	March 31, 2019
Provisions towards Standard Assets	43.68	21.83

15. Provisions and Contingencies

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

Particulars	March 31, 2020	March 31, 2019
Provision for Non-Performing Asset (including bad debts written off)	230.44	1,364.15
Provision for Standard Assets	21.85	4.40
Other provision and contingencies (refer note 18.31)	(1.89)	3.96
Total	250.40	1,372.51

16. Business ratio

Particulars	March 31, 2020	March 31, 2019
Interest income as a percentage to working funds ¹	13.01%	10.57%
Non-interest income as a percentage to working funds ¹	2.83%	1.00%
Operating profit ² as a percentage to working funds	1.83%	(4.87%)
Return on average assets	0.20%	(16.48%)
Business ³ (deposit plus net advances) per employee ⁴ (in ₹ crores)	1.16	0.62
Profit per employee ⁴ (in ₹ crores)	0.00	(0.12)
Provision coverage ratio (including floating provision)	56.24%	47.74%

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

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

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

4. Productivity ratios are based on average employee number.

5. Provision coverage ratio does not include technical write offs.



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17. 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 financial year ended March 31, 2020 and March 31, 2019, the Bank does not have unamortised gratuity and pension liability.

Expenses recognised in the Profit and Loss Account

Particulars	March 31, 2020	March 31, 2019
Current service cost	1.94	1.72
Interest cost on benefit obligation	(0.49)	(0.31)
Past service cost vested benefit recognised during the period	-	-
Net actuarial loss recognized in the year	4.28	2.39
Employer Expenses	5.73	3.80

Net Liability/ (Asset) recognised in the Balance Sheet

Particulars	March 31, 2020	March 31, 2019
Present value of Defined Benefit Obligation	11.41	7.66
Fair value of plan assets	13.06	14.54
Net (asset) / liability recognized in balance sheet	(1.66)	(6.88)
Less: Unrecognised Past Service Cost	-	-
(Asset)/Liability recognized in balance sheet	(1.66)	(6.88)

Reconciliation of Defined Benefit Obligation (DBO)

Particulars	March 31, 2020	March 31, 2019
Present Value of DBO at start of year	7.66	5.65
Interest cost	0.55	0.43
Current service cost	1.94	1.72
Past service cost vested benefit recognised during the period	-	-
Benefits paid	(1.98)	(1.84)
Actuarial loss/(gain)	3.24	1.70
Present Value of DBO at end of year	11.41	7.66



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Reconciliation of Fair Value of Plan Assets

Particulars	March 31, 2020	March 31, 2019
Fair Value of Plan Assets at start of year	14.54	9.59
Expected return on plan assets	1.04	0.74
Contributions by employer	0.50	6.74
Benefits paid	(1.98)	(1.84)
Actuarial gain / (loss)	(1.04)	(0.69)
Fair value of plan assets at end of year	13.06	14.54

Investment details of plan assets

Particulars	March 31, 2020	March 31, 2019
Balance with Life Insurance Corporation of India	13.06	14.54

Information of investment details of plan assets are not available, hence not disclosed and the obligation is funded with Life Insurance Corporation of India.

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

Particulars	March 31, 2020	March 31, 2019
Discount rate	6.43%	7.22%
Expected rate of return on assets	6.43%	7.22%
Employee turnover (in service for 4 years and below)	45.00%	45.00%
Employee turnover (in service for above 4 years)	1.00%	1.00%
Salary growth rate	6.00%	6.00%
Mortality Rate - Indian Assured Lives Mortality (IALM) Ultimate	IALM (2006-08)	IALM (2006-08)
Expected average remaining working lives of employees	6 Years	6 Years

Experience Adjustments

Particulars	FY 19-20	FY 18-19	FY 17-18	FY 16-17	FY 15-16
Present Value of DBO at the end of the year	11.41	7.66	5.65	5.83	2.92
Fair Valuation of Plan Assets	13.06	14.54	9.59	8.74	2.28
Funded Status [Surplus/(Deficit)]	1.66	6.89	3.94	2.91	(0.64)
Experience adjustment on plan liabilities : Gain / (Loss)	(1.71)	(1.74)	(3.16)	(1.01)	(0.04)
Experience adjustment on plan Assets : Gain / (Loss)	(1.04)	(0.69)	(0.64)	0.07	(0.09)

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 ₹ 25.87 crores (March 31, 2019: ₹ 24.22 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, 2020 is ₹ 4.76 Crores (March 31, 2019 : ₹ 5.10 Crores).

Assumption used in determining the privilege leave liability

Discount rate : 6.43% (March 31, 2019: 7.22%)

Salary Escalation rate : 6% (March 31, 2019: 6%)

Attrition rate: In service for 4 years and below 45%, above 4 years 1% (March 31, 2019: 4 years and below 45%, above 4 years 1%)



18. 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. The mandate is to support the achievement of the Bank's on going business objectives by rewarding achievement of objectives linked directly to its strategic business priorities. As at March 31, 2020, 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, approved by the Board on February 8, 2018, pursuant to the guidelines issued by RBI, to cover 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, 2020 was 16,212, 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. 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.

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 been appraised of the Bank's remuneration practices.

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.



18. 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 overview of main performance metrics for the Bank, top level business lines and individuals from overview:**

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

Discussion of how amounts of individual remuneration are linked to the Bank-wide and individual performance:

The assessment of employees shall be based on their performance with respect to their result areas and shall include the metrics mentioned above.

Discussion of the measures the Bank will in general implement to adjust remuneration in the event that performance metrics are weak, including the Bank's criteria for determining 'weak' performance metrics:

The Board/ NRC shall review and provide an overall guidance on the measures to be taken.

- e) Description of the ways in which the Bank seeks to adjust remuneration to take account of the longer term performance**

Discussion of the Bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance:
Not Applicable.

Discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements:
Not Applicable.

- f)**

Description of the different forms of variable remuneration that the Bank utilises and the rationale for using these different forms. Overview of the forms of variable remuneration offered. A discussion of the use of different forms of variable remuneration and if the mix of different forms of variable remuneration differs across employees or group of employees, a description of the factors that determine the mix and their relative importance.
Not Applicable



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18. Disclosures on Remuneration contd..

The quantitative disclosures cover should only cover Whole Time Directors / Chief Executive Officer/ Other Risk Takers of the Bank. Key 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. The Bank's Key Risk Taker include Managing Director/Chief Executive Officer.

B) Quantitative Disclosure

Sr. No.	Subject	March 31, 2020	March 31, 2019
(a)	Number of meetings held by the NRC during the financial year and remuneration paid to its members	Number of meetings: 4 Remuneration paid: ₹ 0.02 crores	Number of meetings: 1 Remuneration paid: ₹ 0.01 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	567,647 shares granted under ESOP scheme and 44,370 units under RSU scheme in previous years yet to be exercised. There are no grants during the year. Out of the stock options granted 2,83,829 shares are unvested.	567,647 shares granted under ESOP scheme and 54,206 units under RSU scheme during the previous year, yet to be exercised.
(c) (ii)	Total amount of deferred remuneration paid out in the financial year	None	None
(d) (i)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non deferred	Fixed Pay : ₹ 4.74 crores Car EMI : ₹ 0.13 crores Variable pay : ₹ 1.20 crores ³	Fixed Pay: ₹ 4.02 crores Car EMI : ₹ 0.13 crores
(e) (i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustments	None	None
(e) (ii)	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 to MD/CEO does not include the provisions made for gratuity and compensated absences, as they are obtained on an actuarial basis for the Bank as a whole.

2. Fixed pay includes basic salary, contribution to provident fund and reimbursements.

3. Variable pay does not include the amount payable for the financial year 2019-20



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19. Segment Reporting

Business Segments

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

a) Treasury

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

b) Retail Banking

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

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

c) Wholesale Banking

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

d) Other Banking Operation

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

e) Unallocated

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

Geographical segments

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

(₹ in Crores)									
Business Segments	Treasury		Corporate / Wholesale Banking		Retail Banking		Other Banking Operations		Total
Particulars	Year ended 31.03.2020	Year ended 31.03.2019	Year ended 31.03.2020	Year ended 31.03.2019	Year ended 31.03.2020	Year ended 31.03.2019	Year ended 31.03.2020	Year ended 31.03.2019	Year ended 31.03.2020 Year ended 31.03.2019
Revenue	181.87	136.72	26.58	7.94	2,209.07	1,217.07	7.25	6.54	2,424.77 1,368.27
Result	(61.41)	(49.88)	5.26	(2.06)	84.26	(1,897.25)	2.02	0.13	30.13 (1,949.06)
Unallocated result									
Operating profit									30.13 (1,949.06)
Income taxes									
Extraordinary profit/loss									
Net profit									30.13 (1,949.06)
Other information:									
Segment assets	3,569.95	2,630.68	332.38	56.36	9,975.51	6,428.45	23.68	27.80	13,901.52 9,143.29
Unallocated assets									245.59 303.01
Total assets	3,569.95	2,630.68	332.38	56.36	9,975.51	6,428.45	23.68	27.80	14,147.11 9,446.30
Segment liabilities	3,001.04	4,269.00	1.51	3.17	10,072.59	4,484.88			13,075.14 8,757.05
Unallocated liabilities									28.46 15.60
Capital and reserves	568.91	(1,638.32)	330.87	53.18	(97.08)	1,943.57	23.68	27.80	826.38 386.23
Unallocated capital and reserves									217.13 287.42
Total liabilities	3,569.95	2,630.68	332.38	56.35	9,975.51	6,428.45	23.68	27.80	14,147.11 9,446.30

- The Reportable segments are identified into Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations in compliance with the RBI guidelines.
- The Bank is in the process of formulating and implementing Funds Transfer Pricing (FTP) methodology and hence the adjustment of revenue and cost on account of FTP is not adjusted in between segments.
- Unallocated assets and liabilities pertain to the assets and liabilities not identifiable to the particular segment.



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20. Liquidity Coverage Ratio

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

Particulars	June 30, 2019**		September 30, 2019**		December 31, 2019**		March 31, 2020	
	Total unweighted value (average)*	Total weighted value (average)*	Total unweighted value (average)*	Total weighted value (average)*	Total unweighted value (average)*	Total weighted value (average)*	Total unweighted value (average)*	Total weighted value (average)*
1 Total High Quality Liquid Assets (HQLA)	1,901.53	1,901.53	2,117.76	2,117.76	2,376.40	2,376.40	2,720.65	2,720.65
Cash Outflows	-	-	-	-	-	-	-	-
2 Retail deposits and deposits from small business customers, of which:	2,802.30	238.41	3,813.78	323.31	4,544.69	384.25	4,959.16	417.93
(i) Stable deposits	836.28	41.81	1,161.43	58.07	1,404.26	70.21	1,559.80	77.99
(ii) Less stable deposits	1,966.02	196.60	2,652.35	265.24	3,140.43	314.04	3,399.36	339.94
3 Unsecured wholesale funding, of which:	531.66	181.97	666.22	184.01	760.42	213.92	832.73	100.05
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	388.14	38.45	535.18	52.97	606.42	59.92	813.09	80.41
(iii) Unsecured debt	143.52	143.52	131.04	131.04	154.00	154.00	19.64	19.64
4 Secured wholesale funding	137.60	129.27	61.85	11.85	241.25	191.25	132.90	132.90
5 Additional requirements, of which	-	-	-	-	-	-	-	-
(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	-	-	-	-	-	-	-	-
7 Other contingent funding obligations	48.35	2.25	49.68	2.23	40.10	1.76	39.61	1.92
8 Total cash outflows	3,519.91	551.90	4,591.53	521.40	5,586.46	791.18	5,964.40	652.80
Cash Inflows	-	-	-	-	-	-	-	-
9 Secured lending (e.g. reverse repo)	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	465.28	229.31	494.72	247.36	576.13	288.06	574.17	287.08
11 Other cash inflows	2.57	2.57	3.60	3.60	2.63	2.63	0.03	0.03
12 Total cash inflows	467.85	231.88	498.32	250.96	578.76	290.69	574.20	287.11
21 Total HQLA	1,901.53	1,901.53	2,117.76	2,117.76	2,376.40	2,376.40	2,720.65	2,720.65
22 Total Net Cash Outflows	3,052.06	320.02	4,093.21	270.44	5,007.70	500.49	5,390.20	365.69
23 Liquidity Coverage Ratio (%)		594.19%		783.09%		474.81%		743.98%



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20. Liquidity Coverage Ratio contd..

Particulars	June 30, 2018		September 30, 2018		December 31, 2018		March 31, 2019	
	Total unweighted value (average)*	Total weighted value (average)*	Total unweighted value (average)*	Total weighted value (average)*	Total unweighted value (average)*	Total weighted value (average)*	Total unweighted value (average)*	Total weighted value (average)*
1 Total High Quality Liquid Assets (HQLA)	1,133.58	1,133.58	994.60	994.60	1,253.45	1,253.45	1,361.92	1,361.92
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:								
(i) Stable deposits	17.63	1.57	385.71	33.88	1,010.36	87.84	1,760.48	151.56
(ii) Less stable deposits	3.91	0.20	93.82	4.69	264.01	13.20	489.74	24.49
3 Unsecured wholesale funding, of which:	13.72	1.37	291.89	29.19	746.35	74.64	1,270.74	127.07
(i) Operational deposits (all counterparties)	189.01	148.19	457.67	144.22	412.90	119.99	445.25	140.46
(ii) Non-operational deposits (all counterparties)								
(iii) Unsecured debt	45.34	4.53	348.25	34.80	325.38	32.47	338.47	33.68
4 Secured wholesale funding	143.67	143.66	109.42	109.42	87.52	87.52	106.78	106.78
5 Additional requirements, of which	242.82	242.82	185.33	185.33	31.68	31.68	66.80	66.80
(i) Outflows related to derivative exposures and other collateral requirement	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6 Other contractual funding obligation	-	-	-	-	-	-	-	-
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
8 Total cash outflows	51.14	2.28	35.89	1.52	32.85	1.37	35.46	1.51
Cash Inflows	500.60	394.86	1,064.60	364.95	1,487.79	240.88	2,307.99	360.33
9 Secured lending (e.g. reverse repo)	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	555.21	277.60	479.12	239.56	434.95	217.48	452.12	226.06
11 Other cash inflows	4.80	4.80	1.39	1.39	1.54	1.54	1.70	1.70
12 Total cash inflows	560.01	282.40	480.51	240.95	436.49	219.02	453.82	227.76
13 Total HQLA	1,133.58	1,133.58	994.60	994.60	1,253.45	1,253.45	1,361.92	1,361.92
14 Total Net Cash Outflows	125.15	112.45	584.09	124.00	1,051.30	60.22	1,854.18	132.58
15 Liquidity Coverage Ratio (%)	-	1008.07%	-	802.10%	-	2081.45%	-	1027.24%

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. This methodology is consistent with computation in the FY 2018-19.

** The disclosure for the quarter ended June 30, 2019, September 30, 2019 and December 31, 2019 is based on the average of monthly BLR return (BLR 1) for the respective quarters filed by the Bank with the RBI.

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 borrowing), as well as to undrawn commitments and derivatives-related exposures, partially offset by inflows from assets maturing within 30 days.

The Bank has started submitting LCR reports to RBI from March 2018. Currently the Liquidity Coverage Ratio is higher than minimum regulatory threshold. The Bank follows the criteria laid down by the RBI for month end calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-days period (subject to Note* mentioned above). HQLA predominantly comprises Government securities in excess of minimum SLR and CRR requirement viz. Treasury Bills, Central government securities, marginal liquidity facility allowed by RBI under marginal standing facility (MSF) and facility to avail liquidity for liquidity coverage ratio (FALLCR). Bank is presently funded through deposits, TPC 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.



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21. Related party disclosures

As per AS-18, Related Party Disclosure, the Bank's related parties are disclosed below: as at and for the year ended 31 March 2020

A. Names of the related parties where control exists		Nature of relationship
i. Mr. Ramesh Ramanathan		Non Executive Chairman
ii. Mr. Ajay Kanwal		Managing Director & Chief Executive Officer (w.e.f. August 01, 2017)
B. Others - with whom transactions have taken place during the year		Nature of relationship
i. Jana Urban Services for Transformation Private Limited		Private company in which director or his relative is member or director
ii. Jana Urban Space Foundation (India)		Private company in which director or his relative is member or director (w.e.f. October 01, 2017)
iii. Cross Domain Solutions Private Limited		Private company in which director or his relative is member or director
iv. Jana Holding Limited		Public Limited company in which director or his relative is member or director and the holding company
v. Jana Capital Limited		Public Limited company in which director or his relative is member or director and the ultimate holding company
vi. Janaadhar (India) Pvt. Ltd		Private company in which director or his relative is member or director
vii. Jana Urban Foundation (Section 25 Company - not for profit)		Private company in which director or his relative is member or director
viii. Mr. Vivek Venkatesan		Chief Financial Officer (upto December 31, 2018)
ix. Mr. Anurag Adlakha		Chief Financial Officer (upto July 04, 2019)
x. Mr. Kapil Krishan		Chief Financial Officer (w.e.f. August 14, 2019)
xi. Ms. Richa Saxena		Company Secretary (upto July 06, 2018)
xii. Ms. Lakshmi R N		Company Secretary (w.e.f. August 08, 2018)

Name of related party	Nature of transactions	Transaction value for the year ended March 31, 2020	Outstanding amount as at March 31, 2020	Transaction value for the year ended March 31, 2019	Outstanding amount as at March 31, 2019
A. Private company in which director or his relative is member or director					
1. Jana Urban Services for Transformation Private Limited	Income from rent and amenities	-	-	-	-
	Receiving of services	-	-	0.04	-
	Reimbursement of expense	-	-	-	-
2. Jana Holding Limited	Reimbursement of expense	2.09	-	0.39	0.14
	Issue of equity shares (1,545,596 equity shares)	147.00	2,324.17	295.00	2,177.17
	Rendered professional services	0.01	0.00	0.01	0.00
3. Jana Urban Space Foundation (India)	Receiving of services	0.65	-	1.29	0.12
4. Cross Domain Solutions Private Limited	Receiving of services	1.47	-	3.05	0.25
5. Jana Urban Foundation (Section 25 Company - not for profit)	Royalty payments	3.03	1.93	-	-
6. Jana Capital Limited	Rendered professional services	0.01	0.00	0.01	0.00
	Reimbursement of expense	0.03	-	-	-
B. Directors					
C. Key Management Personnel* (KMP)					
1. Mr. Ajay Kanwal	Salary	9.47	4.60	4.15	-
2. Mr. Vivek Venkatesan	Salary	-	-	0.80	-
3. Mr. Anurag Adlakha	Salary	0.41	-	0.39	-
4. Mr. Kapil Krishan	Salary	0.98	0.02	-	-
4. Ms. Richa Saxena	Salary	-	-	0.18	-
7. Ms. Lakshmi R N	Salary	0.24	-	0.14	-
D. Deposits of related parties					
KMP	Deposit	0.73	0.77	0.66	0.71
	Interest	0.04	-	0.05	-
Relatives of KMP	Deposit	0.03	0.04	0.20	0.21
	Interest	0.00	-	0.00	-
Director	Deposit	0.54	0.58	0.50	0.54
	Interest	0.04	-	0.04	-
Relatives of Director	Deposit	0.43	0.43	0.01	0.01
	Interest	0.00	-	0.00	-
Private company in which director or his relatives is member or director	Deposit	6.07	6.27	1.00	1.05
	Interest	0.20	-	0.05	-

*The remuneration does not include cost of retirement benefit such as gratuity and compensated absences since provision for these are based on an actuarial valuation carried out for the Company as whole.



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22. 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 had brought forward losses for the year ended March 31, 2018 and March 31, 2019. The net deferred tax asset amounting to ₹1,085.9 crores as at March 31, 2020 has not been recognised. The said amount of ₹ 1,085.9 crores will be available to offset tax on future taxable income.

23. Unhedged Foreign currency Exposure

The Bank doesn't have any unhedged foreign currency exposure as at March 31, 2020 (March 31, 2019: Nil)

24. 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, 2020	March 31, 2019
Not less than one year	6.12	9.82
Later than one year but not later than five years	26.31	31.57
Later than five years	1.04	7.10

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. Accordingly the lease rental payments for assets taken on an operating lease ₹ 88.10 crores (March 31, 2019 ₹ 87.06 crores) have been recognised as "Rent" in the statement of profit and loss account. The rental expenses under the non-cancellable operating lease paid during the year was ₹ 6.38 crores (March 31, 2019 ₹ 10.44 crores).

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

25.(A) Customer Complaints

Particulars	March 31, 2020	March 31, 2019
(a) No. of complaints pending at the beginning of the year	223	614
(b) No. of complaints received during the year	12,741	15,245
(c) No. of complaints redressed during the year	12,779	15,636
(d) No. of complaints pending at the end of the year	185	223

Customer complaints disclosed above includes all customer complaints pertaining to ATM cards. During the year, 4,351 complaints are received, 4,297 complaints are redressed and balance 54 complaints are pending at the end of the year. During the previous year, 434 complaints are received, 415 complaints are redressed and balance 19 complaints are pending at the end of the year. The above information is certified by the Management and relied upon by the auditors.

25.(B) Award passed by the Banking Ombudsman

Particulars	March 31, 2020	March 31, 2019
(a) No. of unimplemented Awards at the beginning of the year	-	-
(b) No. of Awards passed by the Banking Ombudsmen during the year	-	-
(c) No. of Awards implemented during the year	-	-
(d) No. of unimplemented Awards at the end of the year	-	-



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26. Corporate Social Responsibility (CSR)

a) Gross amount required to be spent by the Bank during the year ended March 31, 2020 is Nil (March 31, 2019 Nil) under section 135 of the Companies Act, 2013.

b) Amount spent during the year ended March 31, 2020

Particulars	Amount spent	Amount unpaid /provision	Total
i) Construction /acquisition of asset	-	-	-
ii) on purpose other than (i) above	0.17	-	0.17
Total	0.17	-	0.17

c) Amount spent during the previous year ended March 31, 2019

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

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.

27. Off balance sheet SPVs and Para banking activities

There are no off balance sheet SPVs sponsored by the Bank, which needs to be consolidated as per accounting norms. During the year ended March 31, 2020, the Bank has not undertaken any Para banking activities (March 31, 2019: Nil).

28. 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 (March 31, 2019: Nil).

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

During the year end March 31, 2020, no amount was required to be transferred to Depositor Education and Awareness Fund. (March 31, 2019: Nil)

30. Overseas Assets, NPAs and Revenue

The Bank does not hold any overseas assets / NPA as at March 31, 2020 and no overseas operations were undertaken during the year ended March 31, 2020 hence revenue from overseas operation is 'Nil'. (March 31, 2019: Nil)

31. Fraud cases reported

During the year ended March 31, 2020, the Bank has reported 1,623 cases of fraud amounting to ₹ 7.83 crores (March 31, 2019 ₹ 4.98 crores). During the year, Bank has made a total provision of ₹ (1.89) crores (March 31, 2019 ₹ 3.96 crores), adjusted for recovery.

32. Insurance business

During the year ended March 31, 2020 the Bank has earned ₹ 11.17 crores income from selling life insurance policies (March 31, 2019: ₹ 1.19 crores)

33. Priority Sector Lending Certificates ('PSLCs'):

PSLC Category	March 31, 2020		March 31, 2019	
	PSLC Bought	PSLC Sold	PSLC Bought	PSLC Sold
Agriculture	600.00	-	-	-
Small and Marginal Farmers	-	-	-	350.00
Micro Enterprises	-	-	-	100.00
General	-	1,000.00	-	4,078.75
Total	600.00	1,000.00	-	4,528.75

34. Inter-bank Participation (IBPC) with and without risk sharing

During the year the bank has raised funds through issue of IBPCs with and without risk sharing. The outstanding balance of IBPC (risk sharing) and IBPC (non-risk sharing) is ₹ 1,116 crore and ₹ Nil respectively as on March 31, 2020. Outstanding balance of IBPC (risk sharing) and IBPC (non-risk sharing) was ₹ Nil and ₹ 200 crores respectively in previous year.



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35. Details of payments to Auditors'

Particulars	March 31, 2020	March 31, 2019
Audit Fees	0.60	0.63
Tax audit fees	-	0.04
Other services	0.05	0.08
Out-of pocket expenses	0.01	0.06
Total	0.66	0.81

36. Long term contracts

The Bank has a process whereby periodically all long term contracts including derivative contracts 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, 2020 and March 31, 2019.

37. 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, 2020, (March 31, 2019: Nil)

38. Credit default swaps

The Bank has not transacted in credit default swaps during the period ended March 31, 2020, (March 31, 2019: Nil).

39. 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 1st April 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 not yet received any communication on material divergence for the financial year 2018-19 from the RBI in respect of the Bank's asset classification and provisioning under the extant prudential norms on income recognition asset classification and provisioning (IRACP) hence disclosure is not provided.

40. Penalties levied by the RBI

During the year ended March 31, 2020, no penalty was imposed by the RBI on the Bank. (March 31, 2019: Nil)

41. Proposed Dividend

The Reserve Bank of India, vide its circular dated April 17, 2020, has decided that banks shall not make any further dividend pay-outs from profits pertaining to the financial year ended March 31, 2020 until further instructions, with a view that banks must conserve capital in an environment of heightened uncertainty caused by COVID-19. Accordingly, the Board of Directors of the Bank has not proposed any dividend for the year ended March 31, 2020, (March 31, 2019: Nil)



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42. Disclosure of Letters of Comfort (LoC) Issued by the Bank

The Bank has not issued letter of comfort during the year ended March 31, 2020. (March 31, 2019: Nil)

43. Investor education and protection fund

There is no amount required to be transferred to Investor Education and Protection Fund by the Bank, (March 31, 2019: Nil).

44. Going concern assertion

The Bank has reported a net profit for the year ended March 31, 2020. In this context, the Bank's management has concluded the appropriateness of the going concern assumption in the preparation of the financials, based on the key actions undertaken such as, return to profitability, raising of further equity capital and maintenance of adequate liquidity surplus on an ongoing basis.

The Bank has raised equity capital of ₹ 339 crores during the year from the existing investors through rights issue.

45. Comparatives

Figures for the previous year have been regrouped and reclassified wherever necessary to conform with the current year's presentation. The previous year comparative numbers were audited by a firm of Chartered Accountants other than MSKC & Associates.

As per our report of even date

For MSKC & Associates

(Formerly known as R.K. Kumar & Co.)

Chartered Accountants

ICAI Firm Registration No.0015955

Tushar Kurani

Tushar Kurani

Partner

Membership Number: 118580

For and on behalf of the Board of Directors

[Signature]

Ramesh Ramanathan

Chairman

DIN: 00163276

[Signature]

R Ramaseshan

Independent Director

DIN: 00200373

[Signature]

Lakshmi R N

Company Secretary

[Signature]

Ajay Kanwal

Managing Director & CEO

DIN: 07886434

[Signature]

Kapil Krishan

Chief Financial Officer

[Signature]

Mumbai, May 04, 2020

Bengaluru, May 04, 2020

