

**NOTICE OF 5<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the Fifth Annual General Meeting of Jana Holdings Limited will be held on October 5, 2021, Tuesday at 11.00 AM IST through video conferencing ("VC") at the registered office of the Company at 2<sup>nd</sup> Floor, No. 80, 5<sup>th</sup> Cross, 4<sup>th</sup> Main, Maruthi Extension, Bangalore – 560021 (Deemed Venue) at shorter notice, to transact the following businesses:

**ORDINARY BUSINESS**

1. To consider and adopt the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2021, together with the Board's Report and Auditors' Reports thereon.
2. To appoint Mr. Rajamani Muthuchamy (DIN: 08080999) who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for reappointment.

**SPECIAL BUSINESS**

3. Ratification of related party transaction.

To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time, as recommended by the Audit Committee and the Board of Directors at their meeting held on September 23, 2021, contract entered into by the Company with related party as detailed in the explanatory statement annexed to the notice be and is hereby ratified and approved by the Members.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such agreements, documents, instruments, applications etc. as may be required, with power to settle all questions, difficulties or doubts that may arise in regard this resolution as it may in its sole discretion deem fit and to delegate all or any of its powers herein conferred to any of the Directors and/or officers of the Company, to give effect to this Resolution.

4. To fix the borrowing powers of the Board upto Rs. 3,000 crores.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION

**RESOLVED THAT** in supersession of the resolution passed in this regard by the shareholders on October 22, 2018, the consent of the members be and is hereby accorded to the Board, in terms of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the

time being in force), and the Articles of Association of the Company, and subject to such approvals, consents, sanctions and permissions, as may be necessary, consent of the members be and is hereby accorded to borrow total amount not exceeding Rs. 3,000 Crores (Rupees Three Thousand Crores only) from time to time, notwithstanding that the monies so borrowed together with the monies already borrowed by the Company, if any, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), may exceed the aggregate of the Paid-up Capital of the Company, its Free Reserves, that is to say, Reserves not set apart for any specific purposes and securities premium.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to finalise and to execute the Documents, Letters, Papers, Undertakings and such other Agreements including amendments thereto from time to time, as it may, in its absolute discretion, consider necessary, expedient in order to give effect to this resolution in the best interest of the Company.

5. To grant approval for creation of charge/mortgage on the assets of the Company upto Rs. 3,000 crores.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a SPECIAL RESOLUTION:

**RESOLVED THAT** in supersession of the resolution passed in this regard, by the shareholders on October 22, 2018, the consent of the members be and is hereby accorded to create Mortgage and/or Charge and/ or Hypothecation and/or other Encumbrances upto Rs. 3,000 Crores (Rupees Three thousand crores Only), on the immovable and movable properties of the Company, in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and the Articles of Association of the Company and such other approvals, consents, sanctions and permissions, as may be necessary.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to finalise such documents as may be required for creating aforesaid Mortgage and/or Charge, or any other Encumbrances and to execute the Documents, Letters, Papers, Undertakings and such other Agreements including amendments thereto from time to time, as it may, in its absolute discretion, consider necessary to give effect to this resolution in the best interest of the Company.

6. To issue non-convertible debentures on a private placement basis not exceeding Rs. 1,000 crores during the year

To consider and if thought fit, to pass with or without modification(s) the following resolution as a SPECIAL RESOLUTION:

**RESOLVED THAT** in accordance with the provisions of Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendments thereto or re-enactment thereof, for the time being in force) read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, if any, and any other law for the time being in force and the provisions in the Memorandum and Articles of Association of the Company, the guidelines issued by the Securities and Exchange Board of India ("SEBI"), subject to the approval, permissions and sanctions of the lenders of the

Company, SEBI, stock exchanges, Reserve Bank of India ("RBI"), as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of the aforementioned authorities while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, the consent of the Members be and is hereby accorded to offer or invite subscription for redeemable Non-convertible Debentures in one or more series or tranches, aggregating upto Rs. 1,000 Crores (Rupees One Thousand Crores Only), during a period of 1 (One) Year from the date of passing of this Resolution on a Private Placement basis, on such terms and conditions as the Board of Directors may, from time to time, determine and consider proper and beneficial to the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Members hereby authorise the Board of Directors to do all such acts, deeds, matters and things, settle all question, difficulties or doubts that may arise in regard to the issue or allotment of such Debentures, utilisation of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise.

7. To consider and approve the payment of remuneration to Mr. Rajamani Muthuchamy, MD and CEO of the Company for a further period of 2 (Two) years w.e.f. 1<sup>st</sup> October 2021.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a SPECIAL RESOLUTION

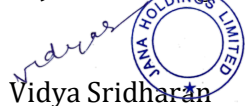
**RESOLVED FURTHER THAT** pursuant to provisions of Part II of Schedule V, of the Companies Act, 2013, other applicable provisions, if any, and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the approval of the shareholders be and is hereby accorded for payment of remuneration to Mr. Rajamani Muthuchamy (DIN: 08080999), MD and CEO, for further period of 2 years commencing from October 1, 2021 as per the break up mentioned below, in excess of the limits mentioned under section II or Part II of Schedule V of the Companies Act, 2013,

Particulars	Amt (Rs.) per Annum
Fixed Compensation	
Basic	26,46,000
HRA	13,23,000
Special Allowance	26,46,000
Employer PF	NIL
<b>Gross Salary(A)</b>	<b>66,15,000</b>
Perquisites	Nil
<b>Total Perquisites (B)</b>	<b>Nil</b>
Total (A) + (B)	66,15,000
Variable Pay	Nil
<b>GRAND TOTAL</b>	<b>66,15,000</b>

**RESOLVED FURTHER THAT** Mr. Ramesh Ramanathan, Mr. Gopalakrishnan. S and Mrs. Vidya Sridharan be and are hereby severally authorised to do all such acts, deeds, things, matters and to execute all such documents as may be required to give effect to this resolution.

By Order of the Board of Directors

of **Jana Holdings Limited**

  
Vidya Sridharan

Company Secretary (Mem. No. A44354)

*Notes:*

- 1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated January 13, 2021 permitted convening the Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act'), the AGM of the Company is being held through VC. The meeting shall be held through Microsoft teams and link for joining the meeting will be shared separately.*
- 2. For any technical assistance before or during the meeting, the Company Secretary may be contacted:-*
- 3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.*
- 4. Since the AGM will be held through VC, the route map of the venue of the Meeting is not annexed hereto.*
- 5. In terms of the provisions of Section 152 of the Act, Mr. Rajamani Muthuchamy retires by rotation at the ensuing Annual General Meeting. Nomination and Remuneration Committee and the Board of Directors of the Company recommended his appointment. Mr. Rajamani Muthuchamy is interested in the Ordinary Resolution set out at Item No. 2 of the Notice with regard to his appointment. None of the Directors or Key Managerial Personnel are concerned or interested in this resolution except the appointee.*
- 6. Notice of the AGM along with the Annual Report for 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report for 2020-21 will also be available on the Company's website [www.janaholdings.co.in](http://www.janaholdings.co.in).*
- 7. The Company has been maintaining the statutory registers at its registered office at 2<sup>nd</sup> Floor, No. 80, 5<sup>th</sup> Cross, 4<sup>th</sup> Main, Maruthi Extension, Bangalore - 560021. In accordance with the MCA Circulars, the said registers will be made accessible for inspection through electronic mode and shall remain open and be accessible to any member during the continuance of the meeting.*

**EXPLANATORY STATEMENT**

The Explanatory Statement, as required under section 102 of the companies Act, 2013 are as follows:

**Item No. 3**

On September 15, 2021, the Company executed a Rental Agreement with Vidya Sridharan and her Relative, who are Related Parties as defined under Section 2 (76) of the Companies Act, 2013. The Company is a Non-Operating Financial Holding Company, having no business except investment in Jana Small Finance Bank Limited; hence, the Company does not have any turnover, obviously the transaction entered with related party exceeds 10% of the Annual Turnover of the Company as per the Last Audited Financial Statement of the Company. The details of the said transaction is given below:-

a) Name of the related party	Vidya Sridharan, Company Secretary and her relative
b) Name of the director or key managerial personnel who is related, if any	Vidya Sridharan, Company Secretary (KMP).
c) Nature of relationship	Transaction with KMP and Relative
d) Nature of transaction	Renting of premises for the purpose of use as Registered Office of the Company.
e) Material terms, monetary value and particulars of the contract or arrangements;	Rent per month does not exceed Rs. 6,000/-
f) Duration of contract	11 months and renewal from time to time on the basis of mutual consent among the parties.
g) Any other information relevant or important for the members to take a decision on the proposed resolution.	The Audit Committee and the Board of Directors have ratified the transaction at the meeting held on September 23, 2021 and recommended the same for the approval of the members.

The transactions as mentioned above is not in the Ordinary course of business. Accordingly, the Audit Committee & the Board of Directors of the Company have considered the contract entered with the related party and ratified the same at their respective meetings held on September 23, 2021, and have also decided to seek ratification and approval of Shareholders pursuant to Section 188 of the Act, read with the Companies (Meetings of Board and its Powers) Rules, 2014.

Vidya Sridharan, Company Secretary being a related party to the contract is interested in Resolution at Item no. 3. None of the Directors or other Key Managerial Personnel are in any way concerned or interested in the Resolution at **Item no. 3** of the Notice.

The Directors recommend the resolution for approval by the members as an Ordinary Resolution.

**Item No. 4 and 5**

The shareholders at the Extra-Ordinary General Meeting held on October 22, 2018 approved the borrowing under Section 180(1)(c) of the Companies Act, 2013 and creating Mortgage and/or Charge and/ or Hypothecation and/or other Encumbrances on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013 for an overall limit not exceeding Rs. 2000 crores. The Company proposes to increase the Borrowing Powers and Powers to Create Mortgage and/or Charge and/or Hypothecation and/or other Encumbrances on the assets of the Company for an amount not exceeding Rs. 3,000 crores. The increase in the borrowing powers is an enabling resolution and is intended to meet the Business/ long-term funds requirements of the Company.

None of the Directors or the Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise in this Resolution.

The Directors recommend the resolutions for approval by the members as Special Resolution.

**Item No. 6:**

The Board of Directors of the Company are contemplating the feasibility of borrowing money through the issue of non-convertible debentures, subject to the approval of the Members of the Company by passing a Special Resolution. Pursuant to Rule 14 of The Companies (Prospectus and Allotment of Securities) Rules 2014, issue of any non-convertible debentures on a private placement basis requires a prior approval of the members of the Company by way of a Special Resolution and such approval shall be valid for all private placements made during the year. Accordingly consent of the members is being sought to enable the Board of Directors to offer or invite subscriptions for redeemable non-convertible debentures in one or more series or tranches as may be required, aggregating upto Rs. 1,000 crores (Rupees One Thousand Crores Only), [during a period of 1(One) Year from the date of passing of this Resolution and within the overall Borrowing Limits of the Company, as approved by the Members, from time to time].

None of the Directors or the Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise in this Resolution.

The Directors recommend the resolutions for approval by the members as Special Resolution.

**Item No. 7:**

Mr. Rajamani Muthuchamy was appointed as MD and CEO for a period of 5 years w.e.f 1<sup>st</sup> October 2018 at the Extra-Ordinary General Meeting held on 22<sup>nd</sup> October 2018 by way of passing Special Resolution. The overall remuneration approved by the shareholders at the EGM held on 22<sup>nd</sup> October 2018 is Rs. 66,15,000 per annum. The same has not been revised since then. Based on the effective capital of the Company is eligible to pay remuneration to MD and CEO upto Rs. 60 lakhs per annum; however, as provided in Part II of Schedule V the remuneration can be doubled if the same is passed by way of Special Resolution. However, the said remuneration shall be valid for 3 years.

The Board of Directors of the Company in its meeting held on September 23, 2021, approved the payment of remuneration for not exceeding Rs. 66,15,000 per annum to Mr. Rajamani Muthuchamy, MD and CEO for a further period of 2 (Two) years w.e.f. October 1, 2021 as recommended by the

Nomination and Remuneration Committee in its meeting held on September 23, 2021 in terms of Section 197, 198, Schedule V and any other applicable provisions of the Companies Act, 2013.

Other terms:

- a) He shall be entitled to re-imbursement of actual out of pocket expenses incurred in connection with the business of the Company.
- b) He shall not be entitled to any sitting fees for attending any meeting of the Board and/or Committee thereof.
- c) He shall be entitled to earned/privileged leave as per the Rules of the Company.
- d) He shall be entitled for telephone facility as per Company's policy.

The Directors recommend the resolutions for approval by the members as Special Resolution.

Except Mr. Rajamani Muthuchamy no other Director or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution.

By Order of the Board of Directors  
of **Jana Holdings Limited**



Vidya Sridharan

Company Secretary (Mem. No. A44354)



JANA HOLDINGS LIMITED

5<sup>TH</sup> BOARD'S REPORT

FY 2020-21

## CORPORATE INFORMATION

### Board of Directors:

Mr. Ramesh Ramanathan	-	Non-Executive Chairman and Director
Mr. Rajamani Muthuchamy	-	MD and CEO
Mrs. Saraswathy Athmanathan	-	Independent Director
Mr. Abraham Chacko	-	Independent Director

### Statutory Auditors

MSKC & Associates

### Secretarial Auditors

Nagendra D. Rao, Practicing Company Secretary

### Registered Office

Regd off: 2<sup>nd</sup> Floor, No. 80, 5<sup>th</sup> Cross,  
4<sup>th</sup> Main, Maruthi Extension,  
Bangalore-560021  
Website: <https://www.janacapital.co.in/>  
CIN: U67100KA2015PLC079488  
Tel No. 080-42566100

### Bankers

HDFC Bank Limited, Federal Bank Limited.

### Key Managerial Personnel

Mr. Rajamani Muthuchamy, MD and CEO  
Mr. Gopalakrishnan Seshadri, Chief Financial Officer  
Mrs. Vidya Sridharan, Company Secretary

### Registrar and Share transfer agent

KFin Technologies Pvt. Ltd.  
Selenium Tower B, Plot 31 & 32,  
Financial District, Nanakramguda, Serilingampally Mandal,  
Hyderabad - 500 032, Telangana.  
Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com); web: <https://www.kfintech.com>

### Debenture Trustees

Catalyst Trusteeship Limited.  
Address : Office No. 604, 6<sup>th</sup> floor, Windsor, C.S.T. Road, Kalina, Santacruz (East),  
Mumbai 400098

To

The Members of

Jana Holdings Limited

Your Directors are pleased to present the 5<sup>th</sup> Annual Report on the business and state of affairs of the Company together with the audited financial statement of the Company for the financial year ended March 31, 2021.

## 1. Financial Highlights based on the Standalone and Consolidated financials of the Company

Rupees in Thousands

Particulars	Standalone	
	Year ended 31.3.2021	Year ended 31.3.2020
Revenue from Operations	-	-
Other Income	1,380.57	337.35
Total Revenue	1,380.57	337.35
Total Expenditure	23,28,185.79	19,96,126.57
Profit/(Loss) before Taxation	(23,26,805.22)	(19,95,789.22)
Tax expenses	-	-
Profit/(Loss) after Taxation	(23,26,805.22)	(19,95,789.22)
Surplus/(deficit) carried to the Balance Sheet	(23,26,805.22)	(19,95,789.22)

Particulars	Consolidated	
	Year ended 31.3.2021	Year ended 31.3.2020
Revenue from Operations	-	-
Other Income	1,380.57	337.35
Total Revenue	1,380.57	337.35
Total Expenditure	23,28,185.79	19,96,126.57
Profit/(Loss) before tax and share of loss of Associate	(23,26,805.22)	(19,95,789.22)
Tax expenses	-	-
Share of Profit/(loss) of the associate accounted for using equity method	(4,09,370.64)	(16,96,615.53)
Profit/(Loss) after Taxation	(27,36,175.86)	(36,92,404.74)
Surplus/(deficit) carried to the Balance Sheet	(27,36,175.86)	(36,92,404.74)

## 2. General information about the Financial Performance of the Company

The Company is a Non-Operating Financial Holding Company (NOFHC) which holds the investment in Jana Small Finance Bank Limited, Associate Company. The Company does not have any other operations except holding the Investments in its Associate Company. The Company is a registered with the RBI as NBFC-ND-SI.

During the year under review, the total expenditure was Rs. 23,281.86 lakhs as against 19,961.26 lakhs for the financial year ended 31<sup>st</sup> March 2020. The finance cost increased from Rs. 19,804.58

lakhs (FY 2019-20) to Rs. 23,074.65 lakhs (FY 2020-21), which was mainly due to the interest accruals for the non-convertible debentures issued by the Company.

### **3. Dividend**

During the year under review, your Directors did not declare any dividends as the Company has suffered losses.

### **4. Amount proposed to be carried to reserves**

No amount was carried to reserves during the year under review in view of losses as stated above.

### **5. State of Company's Affairs:**

#### **a. Share Capital**

The Authorised share capital of the Company as on 31<sup>st</sup> March 2021 is Rs. 50,00,00,000/- consisting of 3,50,00,000 equity shares having face value of Rs.10 each amounting to Rs. 35,00,00,000/- and 1,50,00,000 preference shares of face value of Rs. 10 each amounting to Rs. 15,00,00,000/-.

The Issued, subscribed and paid-up share capital of the Company as on 31<sup>st</sup> March 2021 stood at Rs. 2,38,09,440/- divided into 23,80,944 equity shares of Rs. 10 each.

#### **b. Debentures**

During the year under review, no Debentures were issued by the Company.

#### **c. Directors & Key Managerial Personnel**

The composition of the Board is in compliant with the applicable provisions of the Companies Act, 2013, ("Act") and the rules framed thereunder, guideline(s) issued by the Reserve Bank of India and other applicable laws.

There was no change in the composition of the Board of Directors of the Company, during the year under review.

#### **Policy on Appointment of Directors and Senior Management Personnel**

In terms of Section 178 of the Companies Act, 2013 read with rules framed thereunder and the RBI Master Directions, the Board has adopted, 'Policy on "Fit & Proper" Criteria for appointment of Directors. The said policy has been updated on the website (<http://janaholdings.co.in>) of the Company.

#### **Board of Directors**

There was no change in constitution of the Board of Directors during the year under review. The Board of Directors of the Company as on 31<sup>st</sup> March 2021 are as follows:

<b>Name of the Director</b>	<b>Category</b>
Mr. Ramesh Ramanathan	Non-Executive Chairman
Mr. Rajamani Muthuchamy	MD and CEO
Mr. Abraham Chacko	Independent Director
Mrs. Saraswathy Athmanathan	Independent Director

#### **Declarations from the Directors**

Based on the declarations and confirmations received in terms of the applicable provisions of the Act, circulars, notifications and directions issued by the Reserve Bank of India and the Companies Act, 2013 none of the Directors of the Company are disqualified from being appointed as Directors of the Company. The Company has received necessary declarations from the Independent Directors, affirming compliance with the criteria of independence stipulated under Section 149(6) of the Act.

#### **Director(s) retiring by rotation**

In accordance with the provisions of the Companies Act, 2013 read along with the applicable Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Rajamani Muthuchamy, MD and CEO retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

#### **Key Managerial Personnel**

The Company appointed Mr. Gopalakrishnan. S as the CFO with effect from 1<sup>st</sup> April 2020 in place of Mr. Krishnan Iyer who resigned with effect from 30<sup>th</sup> March 2020.

Mr. Rajamani Muthuchamy, MD and CEO, Mr. Gopalakrishnan. S, CFO and Mrs. Vidya Sridharan, Company Secretary are the Key Managerial Personnel of the Company in terms of Section 203 of the Act.

#### **d. Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the various Committees. A Board evaluation form consisting of structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance etc. were prepared and the same was sent through email to all the Directors for carrying out the evaluation exercise for evaluating the performance of individual Directors including the Chairman of the Board. The Directors were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company etc. The evaluation forms received from the Directors were compiled and the overall rating was shared with all the Directors.

#### **e. Subsidiaries / Joint Venture / Associate Companies**

Jana Small Finance Bank Limited continues to be the Associate Company in accordance with the provisions of the Act. Statement containing salient features of the financial statement of Associate Company in form AOC-1 is attached as **Annexure-1**.

Brief contribution and performance of Jana Small Finance Bank Limited, Associate Company is as follows:

The total income increased from Rs. 2,424.77 crores (FY 2019-20) to Rs. 2,732.79 crores (FY 2020-21). The total expenditure increased from Rs. 2,394.64 crores (FY-2019-20) to Rs. 2,648.48 (FY-2020-21). The Net (Loss) reduced from Rs. (4,100.68) crores (FY 2019-20) to Rs. (4,042.35) crores in (FY 2020-21).

**f. Transfer of Unclaimed Dividend etc to Investor Education and Protection Fund (IEPF)**

Since there was no amount lying with respect to the unpaid/ unclaimed Dividend, the provisions of Section 125 of the Companies Act, 2013 do not apply.

**g. Compliance Monitoring System.**

In terms of provisions of Section 134(5)(f) of the Act, the Company has right resources for effectively monitoring to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**h. Amalgamation**

The Board of Directors had approved to adopt the Fast track method of amalgamation of the Company with Jana Capital Limited, Holding Company. The Company received the in-principle approval from the RBI on 10<sup>th</sup> August 2020 for the amalgamation. As per the existing guidelines, the requirement of having a NOFHC has been dispensed with by the RBI for setting up Small Finance Banks and Universal Banks. Subsequent to the receipt of the in-principle approval from the RBI the Board of Directors of the transferor and the Transferee Company met on 24<sup>th</sup> August 2020, approved the Scheme of Amalgamation of the Company (Wholly Owned subsidiary) with Jana Capital Limited (Holding Company). The Company held the Extra-Ordinary General Meeting of the Shareholders on 30<sup>th</sup> October 2020 for the approval of the Scheme. Jana Capital Limited submitted necessary application with the Regional Director, South-east Region, Ministry of Corporate Affairs, Hyderabad on 6<sup>th</sup> November 2020 for obtaining approval of Amalgamation under Section 233 of the Companies Act, 2013. However, said application was rejected by the Regional Director on March 26<sup>th</sup>, 2021 since the Company could obtain the creditors consent to the extent of 82.78% as against 90% required under section 233 of the Companies Act, 2013.

**i. Credit Rating:**

During the year under review, there were no change in the ratings assigned earlier and the Company retained the following ratings from ICRA and India Ratings for the ongoing debt programme of the Company: -

- PP-MLD [ICRA]B+ (Negative) by ICRA
- IND B+/ Stable by India Rating.

**6. Particulars of Deposits:**

The Company has been granted Certificate of Registration by the RBI to carry on the business of non-banking financial Institution without accepting public deposits. Accordingly, the provisions of

Section 73 and Section 74 of the Act read with Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, are not applicable to the Company. During the year under review, the Company had neither accepted nor held any deposits from the public and shall not accept any deposits from the public without obtaining prior approval from the Reserve Bank of India.

#### **7. Extracts of the Annual Return:**

In accordance with the notification by MCA dated 28<sup>th</sup> August 2020, the Company is not required to attach the extract of the Annual return with the Board's report in form MGT-9, if the web link of such annual return has been disclosed in the Board's report in accordance with sub-section (3) of Section 92 of the Companies Act, 2013. Accordingly, the Company having the website has uploaded its Annual Return and the same can be accessed from the website (<http://janaholdings.co.in>) of the Company.

#### **8. Particulars of contracts or arrangements with related parties:**

During the period under review, the Company did not enter any new contract or arrangement with related parties. All the Related Party contracts have been disclosed in Form AOC-2 and the details 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 are given in **Annexure 2** of this Report.

#### **9. Particulars of Loans, Guarantees and Investments:**

During the year under review, there were no investment made by the Company. The provisions of Section 186 of the Companies Act pertaining to granting of loans to any persons or body corporate and giving of guarantees or providing security in connection with the loan to any other body corporate or persons are not applicable to the Company, since the Company is a Non-Banking Financial Company, registered with Reserve Bank of India.

#### **10. Internal Financial Control Systems:**

Pursuant to Section 134(5)(e) your Company has a proper and adequate system of Internal Financial Control, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Company has appointed Ramesh Ashwin & Karanth, Chartered Accountants as Internal Auditor who conducted the Internal Audit of the Company for the Financial Year 2020-21. The Internal Auditor appointed as aforesaid monitors and evaluates the efficacy and adequacy of internal financial control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the internal audit report, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions, if any, are presented to the Audit Committee of the Board. During the year under review, such controls were tested by the Internal Auditors of the Company and no material weaknesses in the design or operations were observed.

## **11. Conservation of energy, technology absorption, foreign exchange earnings and outgo:**

### **A. Conservation of Energy:**

Your Company, with a view to conserving energy wherever possible and practicable, has implemented suitable devices. As far as possible, natural light is used during the daytime. CFL/ LED lamps/ monitors are used to save power consumption. Further, awareness is also created among the employees on the need to conserve the energy in their workplace. There was no capital investment in this regard.

### **B. Technology Absorption:**

Your Company be Non-Operating Financial Holding Company does not have any operation except for holding investment in Jana Small Finance Bank (JSFB). As such the Company have updated technology to work effectively as far as the extent and scope for which the Company is concerned.

### **C. Research & Development Activities (R & D):**

Since the Company does not have operations on its own no research and development activities are carried out.

### **D. Foreign exchange earnings and Outgo:**

There were no foreign exchange earnings and outgo during the year under review.

## **12. Risk Management:**

The Company's principal financial liabilities comprise debt securities and sundry payables. The main purpose of these financial liabilities is to invest in its operating entity. The Company's principal financial assets include investment in associate company, cash and cash equivalents, balances in banks other than cash and cash equivalents.

The Risk Management Committee oversees various risks affecting the Company. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Risk Management Committee and the Board of Directors reviews and agrees policies for managing each of these risks. The Company has formulated a policy for Risk management.

## **13. Nomination and Remuneration policy.**

### **Disclosure of remuneration & particulars of employees:**

In terms of Section 178 of the Companies Act, 2013, your Board have adopted a 'Nomination and Remuneration Policy' inter-alia setting out the criteria for deciding remuneration of Executive Directors, Non-Executive Directors and Key Management Personnel. The said Policy is available on the website (<http://janaholdings.co.in>) of the Company.

In terms of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the disclosures with respect to the remuneration of Directors, Key Managerial Personnel and Employees of the Company have been provided in **Annexure 3**.

The Board hereby confirm that the remuneration paid to the Directors is as per the Remuneration Policy of the Company.

#### **14. Corporate Social Responsibility (CSR)**

The CSR committee was formed as per the provisions of Section 135 of the Companies Act, 2013. The composition of CSR committee was as under:

1. Mrs. Saraswathy Athmanathan (Chairperson)
2. Mr. S. V. Ranganathan (Member)
3. Mr. Rajamani Muthuchamy (Member)

Section 135(9) of the Companies Amendment Act, 2020 notified on 28th September 2020 effective from 22<sup>nd</sup> January 2021 provides that, if the amount to be spent by a company under Section 135(5) for CSR activity, does not exceed fifty lakh rupees, then the Company is not required to constitute the Corporate Social Responsibility Committee and the functions of such Committee provided under this section shall be discharged by the Board. Accordingly, the CSR committee was dissolved by the Board on March 4<sup>th</sup>, 2021. The CSR policy formulated by the Company pursuant to Section 135 of the Companies Act, 2013 has been placed on the website (<https://www.janacapital.co.in>) of the Company.

During the year under review, the Company was not required to spend any amount towards CSR expenditure.

#### **15. Whistle Blower / Vigil Mechanism:**

The Company as part of the 'vigil mechanism' has in place a 'Whistle Blower Policy' to deal with instances of fraud and mismanagement, if any. The Whistle Blower Policy has been placed on the website (<http://janaholdings.co.in>) of the Company. Audit Committee oversees the vigil mechanism of the Company and provides adequate safeguard against victimization of employees. The Vigil mechanism provides direct access to the Chairperson of the Audit Committee in exceptional circumstances. During the year under review, there were no whistle blowers.

#### **16. Management Discussions and Analysis**

The Management Discussion and Analysis is annexed herewith as **Annexure 5** to this Report.

#### **17. Maintenance of cost records.**

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, accordingly such accounts and records are not made and maintained.

**18. Compliance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The Board of Directors have adopted POSH policy. The Company is not required to constitute Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 since the number of employees are less than 10.

**19. Secretarial Standards:**

The Company has complied with the applicable Secretarial Standards viz. SS-1 and SS-2 during the year.

**20. Meetings of the Board of Directors and Committees.**

The Board is required to meet at periodical intervals and the gap between two Board meetings does not exceed 120 days as required under the Companies Act, 2013. However, the mandatory requirement of holding meetings of the Board of Directors of the companies within the intervals provided in section 173 of the Companies Act, 2013 (i.e 120 days) was extended by a period of 60 days for the first two quarters of the year i.e., until 30th September 2020 by the Ministry of Corporate Affairs vide General Circular 11/2020 dated March 24, 2020 in order to support and enable Companies to focus on taking necessary measures to address the unprecedented outbreak of the pandemic caused by COVID-19. Accordingly, as a onetime relaxation the gap between two consecutive meetings of the Board was extended to 180 days for the first two quarters, instead of 120 days as required in the Companies Act, 2013. During the financial year 2020-21, the Company held the following meetings of the Board of Directors as per Section 173 of Companies Act, 2013 as mentioned below:

<b>Date of Board meeting</b>	<b>No. of Directors eligible to attend the meeting</b>	<b>No. of Directors attended the meeting</b>
July 27, 2020	4	4
August 24, 2020	4	4
November 10, 2020	4	4
December 24, 2020	4	4
March 4, 2021	4	3

During the year under review, the Company dissolved the CSR committee at the Board meeting held on March 4<sup>th</sup>, 2021, as per Section 135(9) of the Companies Amendment Act, 2020 notified on 28<sup>th</sup> September 2020 effective from 22<sup>nd</sup> January 2021 as the amount to be spent by a company under Section 135(5) for CSR activity did not exceed fifty lakh rupees and the functions of such Committee provided under this section shall be discharged by the Board.

The Company has constituted mandatory committees as required to under the Companies Act, 2013 viz., Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee and Committees as required under the Master Directions of the Reserve Bank of India such as Risk Management Committee, Asset and Liability Management Committee and IT strategy committee. The details of meeting of committees constituted under the Companies Act, 2013 such as Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee are provided below:

Date of Audit committee	No. of Members eligible to attend the meeting	No. of Members attended the meeting
July 27, 2020	3	3
August 24, 2020	3	3
November 10, 2020	3	3
March 4, 2021	3	2

Date of Risk management Committee	No. of Members eligible to attend the meeting	No. of Members attended the meeting
July 27, 2020	4	4

Date of Nomination and Remuneration Committee	No. of Members eligible to attend the meeting	No. of Members attended the meeting
November 10, 2020	3	3

Date of CSR Committee	No. of Members eligible to attend the meeting	No. of Members attended the meeting
November 10, 2020	3	3

## 21. Meeting of Independent Directors:

The Company held Independent Directors meeting on March 31, 2021.

## 22. Statutory Auditors

In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, MSKC & Associates (formerly R.K Kumar & Co.) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 4<sup>th</sup> Annual General Meeting until the 9<sup>th</sup> Annual General Meeting for the purpose of conducting the Statutory Audit upto the FY 2024-25.

During the year under review, the statutory auditors have not reported any incident of fraud to the Audit Committee.

## 23. Qualification made by the Statutory Auditor's in the Audit report of Standalone and Consolidated Financial Statements.

Following are the qualifications/observations made by the statutory Auditors in the Statutory Audit report on Standalone financial statements for the Financial Year 2020-21:

(i) The Company is a Non operating Financial Holding Company ('NOFHC') of Jana Small Finance Bank Limited ('JSFB' or 'the Bank'). As per RBI guidelines, the Company shall maintain minimum capital adequacy ratio ('CAR') at a consolidated level based on the prudential guidelines on Capital Adequacy and Market Discipline – New Capital Adequacy Framework (NCAF) issued under Basel II framework and Guidelines on Implementation of Basel III Capital Regulations of India, when implemented.

For the year ended 31 March 2021, the Company is not meeting with the regulatory minimum CAR on a consolidated basis. Capital adequacy computed on a consolidated basis as on 31 March 2021,

is -5.20 %, which is below the regulatory minimum of 15%. The consequential impact of such non-compliances on the standalone financial statements is presently unascertainable.

**Our reply:** The above-mentioned qualification appeared in the last year Auditors' report as well. This issue can be addressed if the Company amalgamates with Jana Capital Limited (JCL) Core Investment Company as the requirement of CAR at 15% is not a requirement for Core Investment Company and hence the Company approached the RBI to seek their consent for the amalgamation of the Company with JCL. Subsequent to the receipt of the In-principle approval from the RBI on 10<sup>th</sup> August 2020, the Board of Directors of the transferor and the Transferee Company met on 24<sup>th</sup> August 2020, approved the Scheme of Amalgamation of the Company (Wholly Owned subsidiary) with Jana Capital Limited (Holding Company). The Company held the Extra-Ordinary General Meeting of the Shareholders on 30<sup>th</sup> October 2020 for the approval of the Scheme. The Company submitted necessary application with the Regional Director, South-east Region, Ministry of Corporate Affairs, Hyderabad on 6<sup>th</sup> November 2020 for obtaining approval of Amalgamation under Section 233 of the Companies Act, 2013. However, said application was rejected by the Regional Director on March 26<sup>th</sup>, 2021 since the Company could obtain the creditors consent to the extent of 82.78% as against 90% required under section 233 of the Companies Act, 2013. The Company has taken steps to repay the said creditor and file the application with the Regional Director again for the amalgamation under the fast track exit route.

ii. The terms and conditions of the Certificate of registration issued to the Company by the RBI vide letter no. N-02.00275 dated 27 January 2017, requires Company to comply with prescribed net owned fund requirement in accordance with Section 45-IA of the Reserve Bank of India Act, 1934 and RBI's Master Direction DNBR.PD.008/03.10.119/2016-17 dated 1 September 2016. The net owned funds of the Company as on 31 March 2021, is in a deficit of Rs. 1,50,26,204 thousand, which is below the regulatory minimum of Rs. 20,000 thousand. The consequential impact of such non-compliance on the standalone financial statements is presently unascertainable. (Refer note 33 to the audited standalone financial statements).

**Our reply:** JHL is an NOFHC established as per the requirement of the RBI, as an intermediate entity between the CIC and Associate Company, with the sole purpose of raising money and investing in Jana Small Finance Bank Ltd (JSFB), Associate Company. The entire investment is in the form of equity in JSFB. Hence, the Net owned funds calculated under section 45-1A of the Reserve Bank of India Act 1934 which negates excess of investment over 10% of Net worth will result in lower or negative Net owned funds. The proposed Amalgamation of the Company with JCL, Holding Company, will address this issue as well.

iii. As per RBI guidelines, the NOFHC may have a leverage of up to 1.25 times of its paid up equity capital and free reserves. For the year ended 31 March 2021, the Company had a leverage ratio of 3.24 which is above the regulatory threshold of 1.25 on a standalone basis. The consequential impact of such non-compliances on the standalone financial statements is presently unascertainable. (Refer Note 34 to the audited standalone financial statements).

**Our Reply:** This issue will also get addressed after the amalgamation of JHL with JCL.

The qualifications stated by the Auditors in the Audit report of Consolidated Financial Statements is same as standalone for which the reply is made as mentioned above.

## **24. Internal Auditors**

In terms of provisions of Section 138 of the Companies Act, 2013 and other applicable laws, M/s Ramesh Ashwin & Karanth, Chartered Accountants, Firm Registration No. 010680S were appointed as the Internal Auditors of the Company for the FY 2020-21. The Internal Audit reports are reviewed by the Audit Committee.

## **25. Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Nagendra. D. Rao, Practising Company Secretary, Bangalore to conduct the secretarial audit for the financial year ended March 31, 2021. The Report of the Secretarial Auditor is provided as **Annexure 6** to this Report. The following are the qualifications made by the Secretarial Auditors in their report:

- a) The company is required to maintain a minimum Net owned funds ('NOF') of Rs. 200 lakhs in order to continue as a NBFC. The company has not maintained the minimum NOF.
- b) For the year ended 31 March 2021, the Company is not meeting with the regulatory minimum CAR on a consolidated basis. Capital adequacy computed on a consolidated basis as on 31 March 2021, is -5.20 % (minus 5.20 %), which is below the regulatory minimum of 15%.
- c) As per RBI guidelines, the NOFHC may have a leverage of up to 1.25 times of its paid up equity capital and free reserves. For the year ended 31 March 2021, the Company had a leverage ratio of 3.24 which is above the regulatory threshold of 1.25 on a standalone basis.

The aforesaid qualifications are also made by the Statutory Auditor and the same is addressed in Sl. No. 23 to this report.

## **26. Change in nature of business**

During the period under review, there was no change in the nature of business of the Company.

The Company having first listed the debentures on a private placement basis on October 11, 2017 was considered as the listed company as per section 2(52) of the Companies Act, 2013. MCA notification dated February 19, 2021 which amended the Companies (Specification of definitions details) Second Amendment Rules, 2021 excluded the Company from the definition of listed Company with effect from April 1, 2021. Accordingly, the Company having listed the debentures on a private placement basis is not considered as Listed Company, pursuant to the said amendment.

## **27. Material changes after the closure of financial year.**

There have been no material changes and commitments, which affect the financial position of the company that have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

## **28. Material adverse orders, if any**

There are no significant and material orders passed by the Reserve Bank of India or the Ministry of Corporate Affairs or Courts or Tribunals or other Regulatory/ Statutory authorities which will have an impact on the going concern status of the Company and Company's operations in future.

## 29. One Time Settlement

There was no instance of onetime settlement with any Bank or Financial Institution, and hence, no disclosure is required under rule 8(5)(xii) of the Companies (Accounts) Rules, 2014.

## 30. Pending proceedings under Insolvency And Bankruptcy Code, 2016

There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016, initiated by or against the Company.

## 31. Directors responsibility statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

(a) That in the preparation of the annual financial statements for the year under review, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

(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 company as at the end of the financial year and of the profit and loss of the company 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 the Companies Act for safeguarding the assets of the company 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 have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and

(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.

## Acknowledgement

The Board wishes to place on record their appreciation for the dedication and hard work put in by the employees of the Company at all levels and the support extended by Investors, Bankers and stakeholders of the Company. The Board is also thankful to the Reserve Bank of India and other regulatory authorities for their cooperation, guidance and support extended by them to the Company in its endeavours.

For and on behalf of board of directors of  
**Jana Holdings Limited**



Rajamani Muthuchamy  
MD & CEO (DIN: 08080999)



Ramesh Ramanathan  
Chairman (DIN: 00163276)

Place: Bangalore  
Date: September 23, 2021

Place: Bangalore  
Date: September 23, 2021

**FORM AOC\_I****Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures***(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)***Part "A": Subsidiaries:**

1. Sl. No.	
2. Name of the Subsidiary	
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	
5. Share capital (Rs.)	Not applicable as the Company has no subsidiary.
6. Reserves & surplus	
7. Total assets	
8. Total Liabilities	
9. Investments	
10. Turnover	
11. Profit before taxation	
12. Provision for taxation	
13. Profit after taxation	
14. Proposed Dividend	
15. % of shareholdings	

- Names of subsidiaries which are yet to commence operations – NIL
- Names of subsidiaries which have been liquidated or sold during the year- NIL

For and on behalf of board of directors of

**Jana Holdings Limited**


Rajamani Muthuchamy  
MD & CEO (DIN: 08080999)  
Place: Bangalore  
Date: September 23, 2021



Ramesh Ramanathan  
Chairman (DIN: 00163276)  
Place: Bangalore  
Date: September 23, 2021

**Part "B": Associates and Joint Ventures :**

**Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associates and Joint Ventures:**

<b>Name of Associates/<del>Joint Ventures</del></b>	<b>Jana Small Finance Bank Limited</b>
1. Latest audited Balance Sheet Date	31 <sup>st</sup> March 2021
2. Shares of Associate/Joint Ventures held by the company on the year end	2,13,44,374 equity shares
Amount of Investment in Associates/ <del>Joint Venture</del> (in thousand)	Rs.2,03,00,420.67
Extent of Holding %	42.08%
3. Description of how there is significant influence	Shareholding
4. Reason why the associate/joint venture is not consolidated	Not applicable
5. Net worth attributable to Shareholding as per latest audited Balance Sheet (Amount in thousand)	
6. Profit / Loss for the year	
i. Considered in Consolidation	Rs. (4,042.35) lakhs
ii. Not Considered in Consolidation	-

1. Names of associates or joint ventures which are yet to commence operations : NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year : NIL

For and on behalf of board of directors of  
**Jana Holdings Limited**



Rajamani Muthuchamy  
MD & CEO (DIN: 08080999)  
Place: Bangalore  
Date: September 23, 2021



Ramesh Ramanathan  
Chairman (DIN: 00163276)  
Place: Bangalore  
Date: September 23, 2021

**Annexure- 2****FORM NO. AOC -2**

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

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 transaction under third proviso thereto:

**1. Details of contracts or arrangements or transactions not at Arm's length basis:**

Sr.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	NA
2.	Nature of contracts /arrangements /transaction	
3.	Duration of the contracts /arrangements /transaction	
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	
5.	Justification for entering into such contracts or arrangements or transactions'	
6.	Date of approval by the Board	
7.	Amount paid as advances, if any	
	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

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

	<b>Particulars</b>	<b>Details</b>	<b>Details</b>
1	Names(s) of the related party & nature of relationship	Jana Small Finance Bank Ltd.	Janaadhar (India) Private Ltd
2	Nature of contracts /arrangements /transaction	Availing of services	Leasing of property
3	Duration of the tracts/arrangements/transaction	3 years from the effective date	54 months from 12 <sup>th</sup> November 2018
4	Salient terms of the contracts or arrangements or transaction including the value, if any	As detailed in service provider agreement dated 2 <sup>nd</sup> March 2018 Rs. 10,000 per month	As per the Sub lease agreement Rs. 4,388 per month with year on year increase.
5	Date of approval by the Board	8 <sup>th</sup> March 2018	28 <sup>th</sup> Sept 2018
6	Amount paid as advances, if any	Nil	Nil

For and on behalf of board of directors of

**Jana Holdings Limited**



Rajamani Muthuchamy  
MD & CEO (DIN: 08080999)



Ramesh Ramanathan  
Chairman (DIN: 00163276)

Place: Bangalore  
Date: September 23, 2021

Place: Bangalore  
Date: September 23, 2021

### Annexure 3

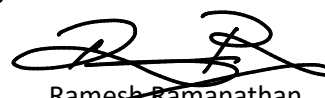
The statement relating to particulars of employees of the Company in terms of Section 197 of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014,

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	1.94:1
(ii) There percentage increase in the remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the financial year.	There was no change in remuneration to MD and CEO during the year under review. There was no increment given to the CFO and CEO Remuneration to the Company Secretary was increased by 10% during the year.
(iii) the percentage increase in the median remuneration of employees in the financial year.	the percentage increase in the median remuneration of employees in the financial year was 13%.
(iv) the number of permanent employees on the rolls of company.	The Company has 5 employees on the rolls including 3 KMPs.
(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.	Nil

For and on behalf of board of directors of  
**Jana Holdings Limited**



Rajamani Muthuchamy  
MD & CEO (DIN: 08080999)



Ramesh Ramanathan  
Chairman (DIN: 00163276)

Place: Bangalore  
Date: September 23, 2021

Place: Bangalore  
Date: September 23, 2021

## Annexure 4

### Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2020-21

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs	The CSR Policy of the Company is the guiding document to optimally allocate, manage and supervise prescribed CSR funds of the Company. The document spells out the Company's CSR mission of contributing towards social and economic development of the community, and the strategy to work towards its mission statement. The company has adopted seven development areas that are in line with Schedule VII, and further defines the nature of CSR initiatives to be undertaken. The policy document highlights the role of the CSR committee members too. The CSR Policy of the Company is line with Section 135 of the Companies Act, 2013, CSR Rules and Schedule VII of the Companies Act, 2013.
2	Composition of CSR committee	The CSR committee comprises of the following Directors: 1. Mrs. Saraswathy Athmanathan (Committee Chairperson) 2. Mr. Ramesh Ramanathan 3. Mr. Rajamani Muthuchamy The Committee was dissolved w.e.f March 4, 2021, as detailed in point 14 of Board's Report.
3	Average net profit of the Company for last three financial years	Nil
4	Prescribed CSR expenditure (two percent of the amount mentioned in item 3 above)	Nil
<b>Details of CSR spent during the financial year</b>		
5	Total amount to be spent for the financial year	Nil
6	Amount unspent, if any	Not applicable
	Manner in which the amount spent during the financial year	Nil
7	Reasons for unspent CSR expenditure	Not applicable

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or others 2. Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (in Rs.)	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period (in Rs.)	Amount spent: Direct or through implementing Agency (give details of implementing Agency)
1	NA	NA	NA	NA	NA	NA	NA

### RESPONSIBILITY STATEMENT

It is hereby affirmed that the implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

For and on behalf of board of directors of

**Jana Holdings Limited**



Rajamani Muthuchamy  
MD & CEO (DIN: 08080999)



Ramesh Ramnathan  
Chairman (DIN: 00163276)

Place: Bangalore

Date: September 23, 2021

Place: Bangalore

Date: September 23, 2021

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****a) About the Economy**

The COVID-19 pandemic and the economic shutdown across the globe have disrupted several lives and are jeopardizing decades of development progress. COVID-19 has been declared as a pandemic by the World Health Organisation. It affected India too during the last week of March 2020 which compelled the Government to enforce series of lock-down all over the country, which was slowly liberalised by lifting the lock-down in some of the states later on, depending on the severity at which the pandemic. This has led to an overall slow-down of the entire economy affecting various Industries at large excepting few Industrial sectors. However, shutdown was indispensable to protect the health of citizens in the country.

During this pandemic, the government has taken several steps to support the Industries by reducing the corporate tax rates, providing various concessions to Micro, Small and Medium Enterprises (MSME), liberalising various laws, extension of timelines for complying with the various statutes, improving ease of doing business etc., to support the Indian Economy,. The Government is also focusing more on the digitalisation across various sectors and organisation and thus enabling speedier, easily accessible and paper less, less human interface modes of communication.

**b) Industry structure and developments.**

The Company being a Non-Operating Financial Holding Company and registered as NBFC with the RBI has no operations of its own except investment in its Associate company. The Company do not accept the deposits from public. However, the investment made by the Company has an impact based on the performance of Operating entity i.e Jana Small Finance Bank. The Small finance business is picking up at a fast pace and growth-oriented development.

**c) Opportunities and Threats.**

The Company does not envisage any opportunity or treat at the moment.

**d) Segment-wise or product-wise performance.**

The Company is Non-Operating Financial Holding Company (NOFHC) having investment in the Associate Company and has classified this as its business segment and accordingly there are no separate reportable segments. Since the Company does not have any other operations on its own or any product on its own, product-wise performance is not applicable for the Company.

**e) Outlook**

As mentioned above, the Company being a NOFHC does not have any other operations except holding the investment in Jana Small Finance Bank Limited ("Bank"), Associate Company. There has been a significant improvement in the performance of the Bank during the Financial Year 2019-20 when compared to the previous years as envisaged in the Audited Financial Statements of the Bank. Your Directors hope that such progressive improvement in the Associate entity will help the Company to maintain investment value.

**f) Internal control systems and their adequacy.**

Your Company has an efficient Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Company has appointed the Internal Auditors of the Company for the Financial Year 2019-20. The Internal

Auditor appointed as aforesaid monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the internal audit report, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions, if any, are presented to the Audit Committee of the Board. The Company has right amount of resources having specialized knowledge in their respective fields which helps the Company keep abreast of the developments in the constantly changing environment.

**g) Discussion on financial performance with respect to operational performance.**

The Company's financial performance and operational performance is dependent upon the performance of the Bank. There has been considerable improvement in the performance of the Bank as compared to that of the previous year and the Bank is optimistic to continue the same in the years to come.

**h) Material developments in Human Resources / Industrial Relations front, including number of people employed.**

Your Company has required number of human resources having requisite knowledge, skills and experience for efficiently discharging his/her duties and responsibilities. The Company has well defined roles and responsibilities for each employee in executing their functions and thus enables the Company to maintain effective Corporate Governance.

For and on behalf of board of directors of

**Jana Holdings Limited**



Rajamani Muthuchamy  
MD & CEO (DIN: 08080999)



Ramesh Ramanathan  
Chairman (DIN: 00163276)

Place: Bangalore  
Date: September 23, 2021

Place: Bangalore  
Date: September 23, 2021



**Nagendra D. Rao**, B.Com., LL.B., F.C.S.

**Practising Company Secretary**

To

The Members of Jana Holdings Limited,  
No.4/1 to 4/8, Meanee Avenue Road,  
Old Tank Road, Ulsoor,  
Bengaluru - 560 042.

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  
Practicing Company Secretary  
Membership No.: FCS - 5553  
Certificate of Practice No.: 7731  
UDIN: 005553C000991362

Date : September 23, 2021  
Place : Bengaluru.



**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 31<sup>ST</sup> MARCH 2021**

**[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 of Jana Holdings Limited  
No.4/1 to 4/8, Meanee Avenue Road,  
Old Tank Road, Ulsoor,  
Bengaluru - 560 042.

I have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by Jana Holdings 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 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March 2021 according to the provisions of:

- (i) The Companies Act 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act 1956 ('SCRA') and the rules made thereunder.
- (iii) The Depositories Act 1996 and the Regulations and Byelaws framed thereunder;
- (iv) Foreign Exchange Management Act 1999 and the rules and regulations made thereunder 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].
- (g) 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].
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 [Only Chapter III and V are applicable]
- (vi) The Laws as are applicable specifically to the Company are as under:
  - a) The Reserve Bank of India (RBI) Act 1934.
  - b) the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007.
  - c) Prevention of Money-Laundering Act (PMLA) 2002 and The Prevention of Money-Laundering (Maintenance of Records, etc.) Rules 2005.
  - d) RBI Master Direction on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016.
  - e) Monitoring of Frauds in NBFCs (Reserve Bank) Directions 2016.

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).



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

- a) *The company is required to maintain a minimum Net owned funds ('NOF') of Rs. 200 lakhs in order to continue as a NBFC. The company has not maintained the minimum NOF.*
- b) *For the year ended 31 March 2021, the Company is not meeting with the regulatory minimum CAR on a consolidated basis. Capital adequacy computed on a consolidated basis as on 31 March 2021, is -5.20 % (minus 5.20 %), which is below the regulatory minimum of 15%.*
- c) *As per RBI guidelines, the NOFHC may have a leverage of up to 1.25 times of its paid up equity capital and free reserves. For the year ended 31 March 2021, the Company had a leverage ratio of 3.24 which is above the regulatory threshold of 1.25 on a standalone basis.*

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 under review:

*The Company had approved the Scheme of Amalgamation of Jana Holdings Limited (Transferor Company/Wholly owned subsidiary of Transferee Company) with Jana Capital Limited (Transferee Company/Holding Company) through Fast Track Route of Amalgamation at the Extra Ordinary General Meeting dated October 30, 2020.*

*Jana Capital Limited, being the Holding Company and the Transferee Company, submitted the application with the Regional Director, South-East Region, Hyderabad on 6th November 2020. Regional Director, Ministry of Company Affairs, Hyderabad vide letter dated 26th March 2021 has rejected the application for the merger of JHL with JCL, since "JHL had obtained consent from the creditors only to the extent of 82.78% in value as against the minimum threshold of*



*consent from 90% of the creditors in value as required under Section 233 of the Companies Act, 2013 and, thus, the provisions of Section 233(1)(d) could not be fully complied with."*

I further report that Due to the net loss incurred during the year ended March 31, 2021 and accumulated losses as of March 31, 2021, the Net worth of the Company is substantially eroded.

I further report that during the audit period the company has, in compliance with the Act, altered the Articles of Association of the Company by passing Special Resolution at their Annual General Meeting held on December 15, 2020.



Nagendra D. Rao  
Practicing Company Secretary  
Membership No.: FCS - 5553  
Certificate of Practice No.: 7731  
UDIN: F005553C000991362

Date : September 23, 2021.  
Place : Bengaluru.

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Jana Holdings Limited

### **Report on the Audit of the Standalone Financial Statements**

#### **Qualified Opinion**

We have audited the standalone financial statements of Jana Holdings Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its loss, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Qualified Opinion**

- i. The Company is a Non operating Financial Holding Company ('NOFHC') of Jana Small Finance Bank Limited ('JSFB' or 'the Bank'). As per RBI guidelines, the Company shall maintain minimum capital adequacy ratio ('CAR') at a consolidated level based on the prudential guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF) issued under Basel II framework and Guidelines on Implementation of Basel III Capital Regulations of India, when implemented.

For the year ended 31 March 2021, the Company is not meeting with the regulatory minimum CAR on a consolidated basis. Capital adequacy computed on a consolidated basis as on 31 March 2021, is -5.20 %, which is below the regulatory minimum of 15%. The consequential impact of such non-compliances on the standalone financial statements is presently unascertainable. (Refer Note 32 to the audited standalone financial statements)

- ii. The terms and conditions of the Certificate of registration issued to the Company by the RBI vide letter no. N-02.00275 dated 27 January 2017, requires Company to comply with prescribed net owned fund requirement in accordance with Section 45-IA of the Reserve Bank of India Act, 1934 and RBI's Master Direction DNBR.PD.008/03.10.119/2016-17 dated 1 September 2016. The net owned funds of the Company as on 31 March 2021, is in a deficit of Rs. 1,50,26,204 thousand, which is below the regulatory minimum of Rs. 20,000 thousand. The consequential impact of such non-compliance on the standalone financial statements is presently unascertainable. (Refer note 33 to the audited standalone financial statements).

iii. As per RBI guidelines, the NOFHC may have a leverage of up to 1.25 times of its paid up equity capital and free reserves. For the year ended 31 March 2021, the Company had a leverage ratio of 3.24 which is above the regulatory threshold of 1.25 on a standalone basis. The consequential impact of such non-compliances on the standalone financial statements is presently unascertainable. (Refer Note 34 to the audited standalone financial statements).

These matters were also qualified in our report on the standalone financial statements for the year ended 31 March 2020.

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

#### **Material Uncertainty Related to Going Concern**

We draw attention to Note 35 in the financial statements, which indicates that the Company incurred a net loss of INR 232 crores during the year ended 31 March 2021 and has accumulated losses amounting to INR 900 crores, as of that date, which has substantially eroded its net worth and further the Company has fixed term borrowings approaching maturity with prospects of repayment currently being evaluated by the management. Further, the Company is in breach of certain regulatory financial parameters as of 31 March 2021 as stated in the Basis of Qualified Opinion section above. These conditions indicate that a material uncertainty exists that may cast significant doubt on Company's ability to continue as a going concern. However, as stated in the note, the Company is in the process of raising additional funds as necessary to operate as a going concern. Accordingly, the financial statements have been prepared under going concern assumption.

Our opinion is not modified in respect of this matter.

#### **Emphasis of Matter**

We draw attention to Note 30 to the standalone financial statements which describes the extent to which the COVID-19 Pandemic will impact the associate's financial statements. Consequentially, the impact on the carrying value of investment in associate in the books of the Company will depend on the future developments.

Our opinion is not modified in respect of this matter.

#### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the standalone financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'. The other information included in the Director's Report have not been adjusted for the impacts as described in the Basis for Qualified section above. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

### **Impairment Assessment of Investment in Associate**

Refer Note 2 to the Standalone Financial Statement with respect to the disclosures of Investment in Associate.

The investment in the associate is recorded at cost and tested for impairment annually. On 31 March 2021, Investment in associate amounts to INR 2,324 crores (Previous year 31 March 2020: 2,324 crores) against which provision of INR 294 crores (Previous year 31 March 2020: INR 294 crores) was made towards impairment in the books of account as at 31 March 2021.

The annual impairment testing of value of investment in the associate is considered to be a key audit matter due to the materiality of investment for the company and the fact that process and methodology for assessing and determining the recoverable amount of investment are based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to identification of impairment.

Our audit procedures in respect of this area include but are not limited to:

- i. Verified the design, implementation and operating effectiveness of key internal controls over approval, recording and monitoring of Impairment in Investments.
- ii. Reviewed the management's impairment assessment and assessed the reasonableness of judgements and assumptions used in such impairment assessment.
- iii. Assessed the accuracy of the impairment loss and evaluated the adequacy of the financial statement disclosures.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 standalone 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 company 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone 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 standalone financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

- (d) Except for the matter described in the Basis of Qualified Opinion section above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The matter described in Basis of Qualified Opinion paragraph above and Material Uncertainty Related to Going Concern section of our report, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position as at 31 March 2021.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

**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: 21118580AAAADX8965  
Place: Mumbai  
Date: 24 June 2021

**ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF JANA HOLDINGS LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

- i. In respect of Property, plant and equipment:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
  - (b) Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- ii. The Company is Non-Banking Financial Company ('NBFC') Non-Operating Financial Holding Company ('NOFHC'). Accordingly, it does not hold any physical inventories. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act. The Company has complied with Section 186(1) of the Act, in relation to investment made by the Company. The remaining provisions related to Section 186 of the Act do not apply to the Company as it is an NBFC.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act for the business activities carried out by the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii. In respect of statutory dues:
  - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, goods and service tax, cess and any other statutory dues applicable to it. The Company did not have any dues on account of sales tax, provident fund, employees' state insurance and duty of customs.

- 
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company did not have any outstanding dues to debenture holders during the year. The Company does not have any loans or borrowings from any financial institution, banks, government during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.
- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into transactions with the related parties as stated in the provisions of the sections 177 and 188 of the Act. Accordingly, provisions stated in paragraph 3(xiii) of the Order are not applicable to the Company.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

- xvi. The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as NBFC-ND-NOFHC.

**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: 21118580AAAADX8965

Place: Mumbai  
Date: 24 June 2021

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF JANA HOLDINGS LIMITED**

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

**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 standalone financial statements of Jana Holdings Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company 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 adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company'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 Company's internal financial controls with reference to standalone 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 standalone 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 internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 Company's internal financial controls with reference to standalone financial statements.

### **Meaning of Internal Financial Controls with Reference to Standalone Financial Statements**

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone 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 company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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 Company has, in all material respects, internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2021, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**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: 21118580AAAADX8965  
Place : Mumbai  
Date : 24 June, 2021

**JANA HOLDINGS LIMITED**  
Standalone Balance Sheet as at 31 March 2021

		(Amounts are in INR thousands)	
Particulars	Note	As at	As at
		31-Mar-21	31-Mar-20
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and Cash Equivalent	1(i)	9,592.35	30,494.75
(b) Bank Balance other than (a) above	1(ii)	-	-
(c) Investments	2	2,03,00,420.67	2,03,00,420.67
(d) Other Financial Assets	3	1,610.69	141.87
<b>(2) Non- Financial Assets</b>			
(a) Current tax assets (Net)	4	136.30	33.44
(b) Property, Plant and Equipment	5	184.33	332.66
(c) Other Intangible assets	6	22.87	44.11
(d) Other Non financial assets	7	169.05	152.01
<b>Total Assets</b>		<b>2,03,12,136.26</b>	<b>2,03,31,619.51</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
<b>(a) Payables</b>			
<b>(I) Trade Payables</b>			
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
<b>(II) Other Payables</b>			
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	8	32.40	857.11
(b) Debt Securities	9	1,55,16,034.36	1,32,08,569.37
(c) Other financial liabilities	10	410.00	330.00
<b>(2) Non-Financial Liabilities</b>			
(a) Other non-financial liabilities	11	374.98	152.45
(b) Provisions	12	518.76	139.60
<b>(3) Non-current liability and disposal group held for sale</b>			
		-	-
<b>(4) EQUITY</b>			
(a) Equity Share capital	13	23,809.44	23,809.44
(b) Other Equity	14	47,70,956.32	70,97,761.54
<b>Total Liabilities and Equity</b>		<b>2,03,12,136.26</b>	<b>2,03,31,619.51</b>

Summary of significant accounting policies

See accompanying notes to the standalone financial statements

The accompanying notes are 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 No: 118580

Place: Mumbai

Date: 24 June 2021

For and on behalf of the Board of Directors of Jana Holdings Limited  
CIN:U74900KA2016PLC086838

*Rajamani Muthuchamy*

Rajamani Muthuchamy  
Managing Director and CEO  
DIN:08080999

Place: Bangalore

Date: 24 June 2021

*Gopalakrishnan S*

Gopalakrishnan S  
Chief Financial officer  
ICAI Membership No: 021783

Place: Bangalore

Date: 24 June 2021

*Ramesh Ramanathan*

Ramesh Ramanathan  
Chairman  
DIN:00163276

Place: Bangalore

Date: 24 June 2021

*Vidya Sridharan*

Vidya Sridharan  
Company Secretary  
ICSI Membership No: A44354

Place: Bangalore

Date: 24 June 2021



## JANA HOLDINGS LIMITED

## Standalone Statement of Profit and Loss for the year ended 31 March 2021

(Amounts are in INR thousands)			
Particulars	Note	For the year ended 31-March-2021	For the year ended 31-March-2020
<b>Revenue from Operations</b>			
(i) Dividend Income		-	-
<b>(I) Total Revenue from Operations</b>		-	-
(II) Other Income	15	1,380.57	337.35
<b>(III) Total Income (I+II)</b>		<b>1,380.57</b>	<b>337.35</b>
<b>Expenses</b>			
(i) Finance Costs	16	23,07,465.00	19,80,458.24
(ii) Employee Benefits Expenses	17	10,480.28	8,688.67
(iii) Depreciation and amortization	18	169.57	123.68
(iv) Others expenses	19	10,070.94	6,855.98
<b>(IV) Total Expenses (IV)</b>		<b>23,28,185.79</b>	<b>19,96,126.57</b>
<b>(V) Loss before tax</b>		<b>(23,26,805.22)</b>	<b>(19,95,789.22)</b>
<b>(VI) Tax Expense:</b>			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
<b>(VII) Loss for the year (V-VI)</b>		<b>(23,26,805.22)</b>	<b>(19,95,789.22)</b>
<b>(VIII) Other Comprehensive Income</b>			
(A) (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Subtotal (A)</b>		-	-
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Subtotal (B)</b>		-	-
<b>Other Comprehensive Income (A + B)</b>		-	-
<b>(IX) Total Comprehensive Income / (Loss) for the period (VII+VIII)</b>		<b>(23,26,805.22)</b>	<b>(19,95,789.22)</b>
<b>(X) Earnings per equity share (for continuing operations)</b>	20		
Basic (Rs.)		(977.26)	(838.23)
Diluted (Rs.)		(977.26)	(838.23)

Summary of significant accounting policies

See accompanying notes to the standalone financial statements

1-44

The accompanying notes are an integral part of the financial statements

As per our report of even date

For MSKC &amp; Associates

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

Chartered Accountants

ICAI Firm Registration No.:0015955



Tushar Kurani

Partner

Membership No: 118580

Place: Mumbai

Date: 24 June 2021

For and on behalf of the Board of Directors of Jana Holdings Limited

CIN:U74900KA2016PLC086838



Rajamani Muthuchamy

Managing Director and CEO

DIN:08080999

Place: Bangalore

Date: 24 June 2021



Ramesh Ramanathan

Chairman

DIN:00163276

Place: Bangalore

Date: 24 June 2021



Gopalakrishnan S

Chief Financial officer

ICAI Membership No: 021783

Place: Bangalore

Date: 24 June 2021



Vidya Sridharan

Company Secretary

ICSI Membership No: A44354

Place: Bangalore

Date: 24 June 2021

## JANA HOLDINGS LIMITED

## Statement of Standalone cash flows for the year ended 31 March 2021

(Amounts are in INR thousands)

	Year ended 31-Mar-21	Year ended 31-Mar-20
<b>Cash flow from operating activities</b>		
Profit / Loss before tax	(23,26,805.22)	(19,95,789.22)
Adjustments for:		
Depreciation and amortization expenses	169.57	123.68
Impairment on financial instruments	-	-
Provisions	379.16	139.60
Finance cost (Interest on debt securities)	23,07,465.00	19,67,478.25
<b>Operating Loss before working capital changes and adjustments</b>	<b>(18,791.51)</b>	<b>(28,047.69)</b>
<b>Changes in working capital</b>		
(Decrease) / Increase in payables	(824.71)	(532.34)
Decrease/ (Increase) in other financial assets	(1,468.82)	(140.87)
(Decrease) / Increase in other financial liabilities	80.00	230.00
(Decrease) / Increase in other non-financial liabilities	222.54	(777.65)
Decrease/ (Increase) in other non financial assets	(17.04)	(152.01)
<b>Cash used in operations before adjustments</b>	<b>(20,799.54)</b>	<b>(1,372.87)</b>
Income tax paid / Current tax assets (net)	(102.86)	39.75
<b>Net cash flows from (used in) operating activities (A)</b>	<b>(20,902.40)</b>	<b>(29,380.81)</b>
<b>Cash flow from Investing activities</b>		
Payment for property, plant and equipment and intangible assets		(360.73)
Investment in associate	(0.00)	(14,70,000.91)
<b>Net cash flow from / (Used in) investing activities (B)</b>	<b>(0.00)</b>	<b>(14,70,361.64)</b>
<b>Cash flow from Financing activities</b>		
Proceeds from issuance of equity share capital	-	14,89,996.56
Proceeds from Debt securities issued	-	-
Others	-	327.36
Share Issue Expenses	-	(5,570.00)
<b>Net cash flow from financing activities (C)</b>	<b>-</b>	<b>14,84,753.92</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(20,902.40)</b>	<b>(14,988.53)</b>
Cash and cash equivalents at the beginning of the year	30,494.75	45,483.28
Cash and cash equivalents at the end of the year	9,592.35	30,494.75
<b>Cash and cash equivalents comprise (Refer note 1)</b>		
Balances with banks		
On current accounts	1,364.34	10,193.77
On Deposits with Banks	8,228.01	20,300.98
<b>Total cash and bank balances at end of the year</b>	<b>9,592.35</b>	<b>30,494.75</b>

See accompanying notes to the financial statements

1-44

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For MSKC &amp; Associates

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

Chartered Accountants

ICAI Firm Registration No.:0015955



Tushar Kurani

Partner

Membership No: 118580

Place: Mumbai

Date: 24 June 2021

For and on behalf of the Board of Directors of Jana Holdings Limited

CIN:U74900KA2016PLC086838



Rajamani Muthuchamy

Managing Director and CEO

DIN:08080999

Place: Bangalore

Date: 24 June 2021



Gopalakrishnan S

Chief Financial officer

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Place: Bangalore

Date: 24 June 2021



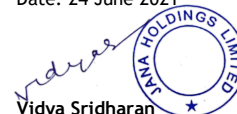
Ramesh Ramanathan

Chairman

DIN:00163276

Place: Bangalore

Date: 24 June 2021



Vidya Sridharan

Company Secretary

ICSI Membership No: A44354

Place: Bangalore

Date: 24 June 2021

**JANA HOLDINGS LIMITED**
**Statement of Standalone changes in equity for the year ended 31 March 2021**

(Amounts are in INR thousands)

	As at 31-Mar-21		As at 31-Mar-20	
	No. of shares	Amount	No. of shares	Amount
<b>(A) Equity share capital</b>				
Equity shares of Rs.10 each issued, subscribed and fully paid				
Opening	23,80,944	23,809.44	19,92,114	19,921.14
Add: Issued during the year	-	-	3,88,830	3,888.30
Closing	<b>23,80,944</b>	<b>23,809.44</b>	<b>23,80,944</b>	<b>23,809.44</b>

**(B) Other equity**

01 April 2020 to 31 March 2021

Particulars				Total
	Securities Premium	Statutory Reserve	Retained Earnings	
Balance at the beginning of the reporting period	1,37,47,177.92	30,339.16	(66,79,755.54)	70,97,761.54
Total Comprehensive Income for the year	-	-	(23,26,805.22)	(23,26,805.22)
Premium on issue of equity shares	-	-	-	-
Less: Share Issue Expenses	-	-	-	-
Balance at the end of the reporting period	<b>1,37,47,177.92</b>	<b>30,339.16</b>	<b>(90,06,560.76)</b>	<b>47,70,956.32</b>

01 April 2019 to 31 March 2020

Particulars				Total
	Securities Premium	Statutory Reserve	Retained Earnings	
Balance at the beginning of the reporting period	1,22,66,639.66	30,339.16	(46,83,966.32)	76,13,012.50
Total Comprehensive Income for the year	-	-	(19,95,789.22)	(19,95,789.22)
Premium on issue of equity shares	14,86,108.26	-	-	14,86,108.26
Less: Share Issue Expenses	5,570.00	-	-	5,570.00
Balance at the end of the reporting period	<b>1,37,47,177.92</b>	<b>30,339.16</b>	<b>(66,79,755.54)</b>	<b>70,97,761.54</b>

The accompanying notes are an integral part of these financial statements

1-44

As per our report of even date

**For MSKC & Associates**

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

**Chartered Accountants**

ICAI Firm Registration No.:0015955


**Tushar Kurani**

Partner

Membership No: 118580

Place: Mumbai

Date: 24 June 2021

For and on behalf of the Board of Directors of Jana Holdings Limited

CIN:U74900KA2016PLC086838


**Rajamani Muthuchamy**

Managing Director and CEO

DIN:08080999

Place: Bangalore

Date: 24 June 2021


**Ramesh Ramanathan**

Chairman

DIN:00163276

Place: Bangalore

Date: 24 June 2021


**Gopalakrishnan S**

Chief Financial officer

ICAI Membership No: 021783

Place: Bangalore

Date: 24 June 2021


**Vidya Sridharan**

Company Secretary

ICSI Membership No: A44354

Place: Bangalore

Date: 24 June 2021

## JANA HOLDINGS LIMITED

### Notes to the financial statements for the year ended 31 March 2021

#### 1 Company Overview

##### 1.1 Reporting Entity

The Company was incorporated on 10 March 2016 to carry on the business of an Investment Company and to invest, buy, sell, transfer, deal in and dispose of any shares, stocks, debentures, whether perpetual or redeemable debenture, debentures, stocks, securities of any Government, Local Authority, Bonds and Certificates. The Company is a wholly owned subsidiary of Jana Capital Limited. The Company has received certificate of registration for Non-Banking Financial Company (NBFC) Non Operating Financial Holding Company (NOFHC) from Reserve Bank of India, on 27 January 2017. As per the guidelines for licensing of new banks in the private sector issued by Reserve Bank of India, the company, a Non-Operating Financial Holding Company Limited holds the investment in Jana Small Finance Bank (formerly known as 'Janalakshmi Financial Services Limited').

The Board in its meeting held on October 21, 2019, and November 12, 2019, approved Fast track method for merging Jana Holdings Limited (JHL), being the wholly-owned Non-Operating Financial Holding Company (NOFHC), with its Holding as well as Core Investment Company, Jana Capital Limited. The Company has submitted necessary documents on January 9, 2020, sought by the RBI vide their letter dated October 2019 and received the in principle approval from the RBI on 10th August 2020. As per the existing guidelines, the requirement of having a NOFHC has been dispensed with by the RBI for setting up Small Finance Banks and Universal Banks.

Further, such a merger of the wholly owned subsidiary with the Holding Company will simplify the compliances to be reported to various Regulatory Authorities, besides resulting in lower operating costs. The Company is eligible to adopt Fast track method for the merger as envisaged under Section 233 of the Companies Act, 2013 as it is the merger of the wholly-owned subsidiary with the Holding Company. Subsequent to the receipt of the In-principle approval from the RBI the Board of Directors of the transferor and the Transferee Company met on 24th August 2020, approved the Scheme of Amalgamation of Jana Holdings Limited (Wholly Owned subsidiary) with Jana Capital Limited (Holding Company).

The Company also served notices (CAA-9) along with the proposed Scheme on the Registrar of Companies, Karnataka and Official Liquidator, Ministry of Corporate Affairs by letter dated 25th August 2020 seeking their objections / suggestions to the said scheme as required under section 233(1)(a) of the Act and rules made thereunder. However, the company did not receive any objections and suggestions to the proposed scheme from the said authorities within the stipulated timeline. As the debentures of the company are listed on the Bombay Stock Exchange (BSE), the company initiated steps for obtaining the approval from the Stock Exchange.

The Company held the Extra-Ordinary General Meeting of the Shareholders on 30th October 2020 for the approval of the Scheme. Jana Capital Limited, being the Holding Company and the Transferee Company, submitted necessary application with the Regional Director, South-East Region, Ministry of Corporate Affairs, Hyderabad on 6th November 2020 for obtaining approval of Amalgamation under Section 233 of the Companies Act, 2013.

Regional Director, Ministry of Company Affairs, Hyderabad vide letter dated 26th March 2021 has rejected the application filed on 6th November 2020 for the merger of JHL with JCL, since JHL had obtained consent from the creditors only to the extent of 82.78% in value as against the minimum threshold of consent from 90% of the creditors in value as required under Section 233 of the Companies Act, 2013 and, thus, the provisions of Section 233(1)(d) could not be fully complied with. The Board of Directors considered the aforesaid rejection order and have resolved to file the fresh merger application subject to the approval of the Scheme by the Board of Directors, Shareholders, Creditors and such other authorities as may be required. The Company submits that it is on the verge of raising funds and paying the creditor. Thus, It is expected to obtain NOC from the said creditor very soon and approach the Regional Director, Ministry of Corporate Affairs, Hyderabad, for approval of the merger. The Company is confident of getting the merger done within the second quarter of this Financial Year. Post the merger, the resultant entity, which is a CIC, is not required to maintain Net Owned Funds.

##### 1.2 Statement of compliance

These financial statements are separate financial statements prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Act") (as amended). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules, 2016.

Jana Capital Limited ('the Parent Company' or 'the Holding Company') is a company incorporated in India, which holds 100% of Jana Holdings Limited ('the Company'). The Company holds 42.08% of Equity shares of Jana Small Finance Bank ('Associate'). The Holding Company will be consolidating the Company and its Associate to prepare consolidated financials for the year ended 31 March 2021.

##### 1.3 Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. (As Amended from time to time)

The financial statements up to year ended 31 March 2018 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The financial statements for the year ended 31 March 2019 were the first set of financial statements prepared in accordance with Ind AS.

The Company is regulated by the Reserve Bank of India ('RBI'). RBI periodically issues/amends directions, regulations and/or guidance (collectively "Regulatory Framework") covering various aspects of the operation of the Company, including those relating to accounting for certain types of transactions. The Regulatory Framework contains specific instructions that need to be followed by the Company in preparing its financial statements. The financial statements for the current and previous year may need to undergo changes in measurement and / or presentation upon receipt of clarifications on the Regulatory Framework or changes thereto. The financial statements for the year ended 31 March 2021 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended from time to time, in this regard.

## JANA HOLDINGS LIMITED

### Notes to the financial statements for the year ended 31 March 2021

#### 1.4 Functional and Presentation currency

These Ind AS Financial Statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts are rounded off to the nearest thousands, unless otherwise indicated.

#### 1.5 Basis of measurement

The financial statements have been prepared on a historical cost basis.

#### 1.6 Significant areas of estimation, critical judgments and assumptions in applying accounting policies

The preparation of financial statements in accordance with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. The Company's management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of the changes in circumstances surrounding the estimates. Any changes in the accounting estimates are reflected in the period in which such change in circumstances are made and, if material their effect are disclosed in the notes to the financial statements.

The key estimates and assumptions used in preparation of financial statements are;

##### i. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items.

##### ii. Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized.

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. Use of assumptions is also made by the Company for assessing whether an asset may be capitalized and which components of the cost of the asset may be capitalized.

#### 2 Significant accounting policies

The Company has applied the following accounting policies to all periods presented in these financial statements.

##### i. Revenue recognition

Interest on fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate. Dividend is recognised when the right to receive the dividend is established.

##### ii. Finance Cost

Interest expense on financial liabilities is recognized on an accrual basis using effective interest rate (EIR) method.

The EIR is the rate that discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial liability adjusted for upfront expenses. The interest expense is recognized on EIR method on a time proportion basis applied on the carrying amount for financial liability.

Arranger fees, stamp duty charges and other fees that are integral to the effective interest rate on a liability are included in the effective interest rate.

Other fees and expenses such are recognized as and when they are incurred.

##### iii. Financial assets and liabilities

###### a. Financial assets

###### Initial recognition and measurement

Except for items at fair value through profit or loss (FVTPL), all financial assets are recognized initially at fair value plus or minus transaction costs that are directly attributable and incremental to the origination/acquisition of the financial asset.

###### Financial assets at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest outstanding on the principal amount outstanding (SPPI).

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR and reported as part of interest income in the Statement of Profit or Loss. The losses if any, arising from impairment are recognized in the Statement of Profit or Loss.

###### Financial assets at fair value through other comprehensive income

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

The loss allowance is recognized in other comprehensive income and does not reduce the carrying value of the financial asset. When the financial asset is derecognized the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

**JANA HOLDINGS LIMITED**

**Notes to the financial statements for the year ended 31 March 2021**

**Financial assets at fair value through profit or loss (FVPL)**

Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified to be measured at FVTPL.

In addition, the Company may also elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is done only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in profit or loss.

**Classification and subsequent measurement**

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

**b. Financial Liabilities**

**Initial recognition and measurement**

Except for items at fair value through profit or loss (FVTPL), all financial liabilities are recognized initially at fair value plus or minus transaction costs that are directly attributable and incremental to the issue of the financial liabilities.

**Subsequent measurement**

All financial liabilities are subsequently measured at amortized cost except for financial liabilities at FVTPL. Such liabilities including derivatives that are liabilities are subsequently measured at fair value.

**c. De-recognition of financial assets and financial liabilities**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in Statement of Profit or Loss.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

**d. Modifications of financial assets and financial liabilities**

**Financial assets**

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value adjusted for any eligible transaction costs.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in Statement of profit or loss.

**Financial liabilities**

The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in statement of profit or loss.

**e. Offsetting financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and intends to settle on net basis or to realize the asset and settle the liability simultaneously.

**f. Fair value measurement**

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

**iv. Employee Benefits**

**i. Short term employee benefits**

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**JANA HOLDINGS LIMITED****Notes to the financial statements for the year ended 31 March 2021****v. Property, plant and equipment****Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment loss if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within the statement of profit or loss.

**Subsequent costs**

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

**Depreciation**

Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values (at 0.01% except for leasehold improvements which are fully depreciated) using the straight-line method over their estimated useful lives, and is recognized in Statement of profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

Particulars	Useful Life
Computers and Printers	3 Years

The depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / up to the date on which asset is ready for use / disposed of.

**vi. Other intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets, comprising of software are amortized on the basis of written down value method over the estimated useful life of the asset.

Particulars	Useful Life
Computer Software	3 Years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**vii. Impairment (non-financial asset)**

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment exists when the carrying value of an asset or cash generating unit ('CGU') exceeds the recoverable amount, which is the higher of the fair value less costs to sell and value in use. The fair value less costs to sell is arrived based on available data from binding sales transactions at arm's length, for similar assets. The value in use is based on a discounted cash flow (DCF) model, whereby the future expected cash flows discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Impairment losses are recognized in statement of profit or loss, when the carrying value of an asset or cash generating unit ('CGU') exceeds the estimated recoverable amount. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**JANA HOLDINGS LIMITED**

**Notes to the financial statements for the year ended 31 March 2021**

**viii. Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currency of the Company at exchange rates at the dates of the transactions or at the average rate if such rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognized in Statement of profit or loss.

**ix. Provisions and contingencies related to claims, litigation, etc.**

A provision is recognised if, as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

**a. Onerous contracts**

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

**b. Contingencies related to claims, litigation, etc.**

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

**x. Income taxes**

Income tax expense comprises current and deferred tax. It is recognized in statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

**a. Current tax:**

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the expected tax payable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the balance sheet date.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognized amounts; and
- b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**b. Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and its tax base.

Deferred tax assets are reviewed at each reporting date and based on management's judgment, are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

The effect of changes in the tax rates on deferred tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date.

Deferred tax assets and liabilities are offset only if:

- a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

**xi. Earnings per share**

The Company presents basic and diluted earning per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the period.

Diluted earnings per share is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, except where the results are anti-dilutive.

**JANA HOLDINGS LIMITED**

**Notes to the financial statements for the year ended 31 March 2021**

**xii. Cash and cash equivalents**

Cash and cash equivalents include balance with banks and fixed deposits with an original maturity of three months or less. Cash and cash equivalents are carried at amortized cost in the balance sheet.

**xiii. Statement of cash flows**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash transactions, any deferrals or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. For the purpose of presentation in the statement of cash flows, Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**xiv. Impairment of financial assets**

The Company recognises impairment allowances for Expected Credit Loss (ECL) on all the financial assets that are not measured at FVTPL:

ECL are probability weighted estimate of future credit losses based on the staging of the financial asset to reflect its credit risk. They are measured as follows:

- Financial assets that are not credit impaired - as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
  - Financial assets with significant increase in credit risk but not credit impaired - as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.
  - Financial assets that are credit impaired - as the difference between the gross carrying amount and the present value of estimated cash flows
- Financial assets are fully provided for or written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

The Company accounts for investments in associates at cost and tests for impairment at each reporting date. At each reporting date, the Company assesses whether financial assets carried at amortised cost are impaired. The financial assets are tested for impairment and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated.

**xv. Segment Reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses whose results are regularly reviewed by the Company's chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Company's CEO (being the CODM) include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis.

**xvi. Recent Indian Accounting Standards (Ind AS)**

**Ind AS 116 Amendment**

Ind AS 116, Leases: Practical expedient which permits lessees not to account for COVID-19 related rent concessions as a lease modification. However, with respect to Ind AS 116, in case a lessee has not yet approved the financial statements for issue before the issuance of the amendments, then the same may be applied for annual reporting periods beginning on or after 1 April 2019. This amendment had no impact on financial statement.

**Standards (including amendments) issued but not yet effective**

There are no new standards including amendments issued but not yet effective.

## JANA HOLDINGS LIMITED

Notes forming part of the Financial Statements for the year ended 31 March, 2021

(Amounts are in INR thousands)

		31-Mar-21	31-Mar-20
<b>1</b>	<b><u>Cash and Cash Equivalents</u></b>		
	Cash on hand		
	Balances with banks (of the nature of cash and cash equivalents)	1,364.34	10,193.76
	Others (Fixed Deposits with Banks) - *(Refer Note-1 below)	8,228.01	20,300.98
	<b>Total</b>	<b>9,592.35</b>	<b>30,494.75</b>
	(I)		
	<b><u>Bank Balance other than cash and cash equivalent</u></b>		
	Earmarked balances with banks	-	-
	<b>Total other bank balances</b>	<b>-</b>	<b>-</b>
	(II)		
	<b>Total Cash and bank balances</b>	<b>9,592.35</b>	<b>30,494.75</b>
	(I+II)		

**\* Note-1**

Fixed Deposits with banks represents the deposits including the interest accrued on deposits placed with its associate company Jana Small Finance Bank Limited being 3 deposits each of INR 25 Lakhs amounting to INR 75 Lakhs maturing on 02 June 2021.

2 Investments

Particulars	As at 31 March 2021			As at 31 March 2020		
	Amortised cost	At Fair Value		Amortised cost	At Fair Value	
		Through Other Comprehensive Income	Through Profit or Loss		Through Other Comprehensive Income	Through Profit or Loss
	1	2	3	1	2	3
Equity instruments	-	-	-	-	-	-
Jana small finance bank (Associate)* Unquoted (fully paid-up of Rs. 10/- each)	2,32,41,678.05	-	-	2,32,41,678.05	-	-
<b>Total - Gross (A)</b>	<b>2,32,41,678.05</b>	<b>-</b>	<b>-</b>	<b>2,32,41,678.05</b>	<b>-</b>	<b>-</b>
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	2,32,41,678.05	-	-	2,32,41,678.05	-	-
<b>Total (B)</b>	<b>2,32,41,678.05</b>	<b>-</b>	<b>-</b>	<b>2,32,41,678.05</b>	<b>-</b>	<b>-</b>
<b>Less: Allowance for Impairment loss (C )</b>	<b>29,41,257.38</b>	<b>-</b>	<b>-</b>	<b>29,41,257.38</b>	<b>-</b>	<b>-</b>
<b>Total - Net D= (A)-(C)</b>	<b>2,03,00,420.67</b>	<b>-</b>	<b>-</b>	<b>2,03,00,420.67</b>	<b>-</b>	<b>-</b>

\* Other basis of measurement such as cost may be explained as a footnote

**\*Basis of Measurement**

The Company has subscribed to rights shares being 1,545,596 equity shares during the previous year amounting to INR 1,470,000.89 thousands at INR 951.09 per share of Jana Small Finance Bank (formerly known as Janalakshmi Financial Services Limited).  
The Debentures of the Company are secured through first ranking exclusive pledge created over the Pledged Shares of the Associate by the Issuer under the Small Finance Bank Pledge Agreement.

\* Management of the company has elected the to avail the exemption as per Ind AS 101 and measures the investment at Deemed cost i.e. previous IGAAP carrying amount as on the Ind AS transition date i.e. April 01, 2017.

#Based on the para 41A and 41C of Ind AS 28, there is an objective evidence of Impairment based on the observable data with respect to investment made by the company in Jana Small Finance Bank Limited (JSFB) based on the below mentioned factors:

- (i) the Bank reported profit 84.13 crores, Net worth of bank increased as compared to March 31, 2020 and significant increase in interest income from last year
- (ii) the fair value of the Bank shares for the year ended March 31, 2021 had been determined at Rs. 960.59 per share.

In light of the above indicators, the company has estimated the recoverable amount of the investment in the bank as INR 960.59 per share which is more than its carrying amount i.e. INR 951.09 per share.

The fair value of the shares has been determined by the management based on the third party valuation report issued by M/s Kunal L Kalantri dated 29-April-2020. Based on the above indicators and further assessment of the performance no further impairment loss has been recognised during the financial year 2020-2021. Further the management has decided that the increase from Rs. 951.09 to Rs. 960.59 in FY 2019-2020 is not in the nature of a permanent increase and hence the impairment loss recognised has not been reversed to the extent of its increase in per value share in accordance with IND AS 28 - Investment in Associates and Joint Ventures.

**Foot Notes**

**i. Details of investments**

(Face Value per share - Rs.10)

*In INR*

Details of investments	As at March 31, 2021	As at March 31, 2020
Carrying value of Investment (A)	23,24,16,78,053.64	23,24,16,78,053.64
No. of Shares (B)	2,13,44,374.00	2,13,44,374.00
Book Value per share (C=A/B)	1,088.89	1,088.89
Fair Market Value per share (D)	960.59	960.59
Fair Market Value per share considered for impairment (E)	951.09	951.09
Carrying value of Investment (F)	20,30,04,20,667.66	20,30,04,20,667.66

Particulars	Number of shares		Fair Value per share		Amount (in thousands)	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Investments in Equity Instruments Jana small finance bank (Associate)* Unquoted (fully paid-up of Rs. 10/- each)	2,13,44,374	2,13,44,374	960.59	960.59	2,03,00,420.67	2,03,00,420.67

**JANA HOLDINGS LIMITED**
**Notes forming part of the Financial Statements for the year ended 31 March, 2021**

(Amounts are in INR thousands)

		31-Mar-21	31-Mar-20
<b>3 Other financial assets</b>			
(I) Security Deposits	(I)	1,609.00	1.00
(II) Others Receivables			
Considered good -Unsecured from related parties *(Refer Note below)		-	139.17
Considered good -Unsecured other than related parties		1.69	1.70
		<b>1.69</b>	<b>140.87</b>
Less: Impairment loss allowance		-	-
<b>Total Other receivables</b>	(II)	<b>1.69</b>	<b>140.87</b>
<b>Total</b>		<b>1,610.69</b>	<b>141.87</b>

**Note:**

The entity has entered into transactions with its parent company Jana Capital Limited (JCL) for the FY 2019-2020. These are in the nature of payments made by JCL on behalf of Jana Holdings Limited (JHL) and vice versa. The list of transactions entered into between the two entities are provided in detail in Note 23.

		31-Mar-21	31-Mar-20
<b>4 Current tax assets (net)</b>			
TDS receivable		136.30	33.44
<b>Total</b>		<b>136.30</b>	<b>33.44</b>

## JANA HOLDINGS LIMITED

Notes forming part of the Financial Statements for the year ended 31 March, 2021

(Amounts are in INR thousands)

5 Property, Plant and Equipment-Tangible assets

	Gross block				Depreciation				Net block	
	As at 01-Apr-20	Additions/ Adjustments	Deductions/ Adjustments	Up to 31-Mar-21	As at 01-Apr-20	For the year	On Deductions/ Adjustments	Up to 31-Mar-21	As at 31-Mar-21	As at 31-Mar-20
<b>Owened assets</b>										
Computers and Printers	452.22	-	-	452.22	119.55	148.33	-	267.88	184.33	332.66
<b>Total</b>	<b>452.22</b>	<b>-</b>	<b>-</b>	<b>452.22</b>	<b>119.55</b>	<b>148.33</b>	<b>-</b>	<b>267.88</b>	<b>184.33</b>	<b>332.66</b>

6 Other - Intangible assets

	Gross block				Amortization				(Rs. In thousands) Net block	
	As at 01-Apr-20	Additions/ Adjustments	Deductions/ Adjustments	Up to 31-Mar-21	As at 01-Apr-20	For the year	On Deductions/ Adjustments	Up to 31-Mar-21	As at 31-Mar-21	As at 31-Mar-20
Computer Software	63.72	-	-	63.72	19.61	21.24	-	40.85	22.87	44.11
<b>Total</b>	<b>63.72</b>	<b>-</b>	<b>-</b>	<b>63.72</b>	<b>19.61</b>	<b>21.24</b>	<b>-</b>	<b>40.85</b>	<b>22.87</b>	<b>44.11</b>

**JANA HOLDINGS LIMITED****Notes forming part of the Financial Statements for the year ended 31 March, 2021**

(Amounts are in INR thousands)

**7 Other Non-financial assets**

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Prepaid Expenses	136.65	149.51
Advance to suppliers	-	2.50
Other advances	32.40	-
<b>Total</b>	<b>169.05</b>	<b>152.01</b>

(Amounts are in INR thousands)

8	<u>Payables</u>	<u>As at 31 March 2021</u>	<u>As at 31 March 2020</u>
	(I) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	-	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	<b>Total Trade payables</b>	<b>-</b>	<b>-</b>
	(II) Other payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	-	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	32.40	857.11
	<b>Total Other payables</b>	<b>32.40</b>	<b>857.11</b>

Based on the information available with the NBFC, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

**JANA HOLDINGS LIMITED**

Notes forming part of the Financial Statements for the year ended 31 March, 2021

(Amounts are in INR thousands)

**9 Debt Securities**

Particulars	As at March 31, 2021				As at March 31, 2020			
	At Amortised Cost	At Fair Value Through profit or Loss	Designated at Fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit or Loss	Designated at Fair value through profit or loss	Total
	1	2	3	4=1+2+3	5	6	7	8=5+6+7
Others - Non Convertible Debentures	1,55,16,034.36	-	-	1,55,16,034.36	1,32,08,569.37	-	-	1,32,08,569.37
<b>Total (A)</b>	<b>1,55,16,034.36</b>	<b>-</b>	<b>-</b>	<b>1,55,16,034.36</b>	<b>1,32,08,569.37</b>	<b>-</b>	<b>-</b>	<b>1,32,08,569.37</b>
Debt securities in India	69,41,291.81	-	-	69,41,291.81	58,50,092.88	-	-	58,50,092.88
Debt securities outside India	85,74,742.55	-	-	85,74,742.55	73,58,476.49	-	-	73,58,476.49
<b>Total (B)</b>	<b>1,55,16,034.36</b>	<b>-</b>	<b>-</b>	<b>1,55,16,034.36</b>	<b>1,32,08,569.37</b>	<b>-</b>	<b>-</b>	<b>1,32,08,569.37</b>

Particulars	31-Mar-21	31-Mar-20
Debt securities in India (Secured)	48,75,089.39	40,78,062.82
Debt securities in India (Unsecured)	20,66,202.42	17,72,030.06
Debt securities outside India (Secured)	-	-
Debt securities outside India (Unsecured)	85,74,742.55	73,58,476.49
<b>Total</b>	<b>1,55,16,034.36</b>	<b>1,32,08,569.37</b>

**a) Schedule of privately placed redeemable non-convertible debentures (at amortised cost)**

(Amounts are in INR thousands)

Name of the Subscriber	No. of Debentures*	Series Name	Face Value	Balance as at 31 March 2021	Balance as at 31 March 2020	Issue Date	Maturity Date	XIRR
Manipal Health Systems Private Limited	1,450	Series I	1,000.00	20,66,202.42	17,72,030.06	30-Nov-18	30-Nov-23	16.60%
TPG ASIA VI India Markets Pte. Ltd (400 NCD) & Government of Singapore (100 NCD)	500	Series A	1,000.00	8,53,284.11	7,32,206.76	28-Sep-17	27-May-23	16.54%
TPG ASIA VI India Markets Pte. Ltd	600	Series B	1,000.00	10,23,940.93	8,78,648.11	28-Sep-17	27-May-23	16.54%
Government of Singapore	600	Series C	1,000.00	10,23,940.93	8,78,648.20	28-Sep-17	27-May-23	16.54%
TPG ASIA VI India Markets Pte. Ltd (800 NCD) & Government of Singapore (200 NCD)	1,000	Series D	1,000.00	17,06,568.22	14,64,413.52	28-Sep-17	27-May-23	16.54%
TPG ASIA VI India Markets Pte. Ltd (400 NCD) & Government of Singapore (100 NCD)	500	Series E	1,000.00	8,53,284.11	7,32,206.76	28-Sep-17	27-May-23	16.54%
TPG ASIA VI India Markets Pte. Ltd	1,000	Series F	1,000.00	17,01,488.67	14,60,302.26	06-Oct-17	27-May-23	16.52%
TPG ASIA VI India Markets Pte. Ltd	830	Series G	1,000.00	14,12,235.60	12,12,050.88	06-Oct-17	27-May-23	16.52%
ECL Finance Limited	1,550	Series H	1,000.00	27,11,331.92	22,51,339.95	27-Mar-18	27-May-23	20.43%
Centrum Financial Services Limited (280 NCD) & Centrum Retail Services Limited (220 NCD)	500	Series J1	1,000.00	7,01,104.84	5,91,587.69	21-Dec-18	21-Dec-21	18.51%
Centrum Retail Services Limited	400	Series J2	1,000.00	5,59,610.17	4,72,525.31	27-Dec-18	21-Dec-21	18.43%
Centrum Retail Services Limited	400	Series J3	1,000.00	5,57,546.49	4,70,790.68	04-Jan-19	04-Jan-22	18.43%

**JANA HOLDINGS LIMITED**
**Notes forming part of the Financial Statements for the year ended 31 March, 2021**

(Amounts are in INR thousands)

Centrum Financial Services Limited (100 NCD) & Centrum Retail Services Limited (50 NCD)	150	Series J4	1,000.00	2,07,906.25	1,75,642.06	17-Jan-19	04-Jan-22	18.37%
Centrum Retail Services Limited	100	Series J5	1,000.00	1,37,589.72	1,16,177.13	01-Feb-19	01-Feb-22	18.43%
				<b>1,55,16,034.36</b>	<b>1,32,08,569.37</b>			

\* The Company has issued rated, redeemable, non-convertible debentures on private placement basis which are listed on the wholesale debt market of Bombay Stock Exchange (BSE). Series H and Series J1 to J5 Debentures are secured through first ranking exclusive pledge created over (a) the Pledged Shares of the Jana Small Finance Bank ("Target Company") by the Issuer under the Small Finance Bank Pledge Agreement, (b) the Parent Company Pledged Shares of Jana Capital Limited ("Parent Company") by Jana Urban Foundation under the Parent Pledge Agreement, and (c) Parent Company Shareholders' Undertaking, each in favour of the Debenture Trustee (acting for the benefit of the Debenture Holders) under or pursuant to the relevant Pledge Agreement.

In case of certain Non convertible debentures, redemption premium payable is linked to share price of the JSFB shares subject to a cap of 50% and floor of 16.5%. This constitutes an embedded derivative under Ind AS 109. To record this derivative in the books of account of the Company, the fair value of JSFB equity shares at INR 951.09 per share has been determined by Management based on external valuation report issued during the year 2018-2019. However for the FY 2019-2020 and FY 2020-2021 the fair value per share has been estimated at INR 960.59 per share. The entity understands that increase in per value share could not be reversed since this cannot be constituted as a permanent increase and hence the investments are valued at INR 951.09 per share.

**10 Other Financial Liabilities**

Provision for Professional fees  
Audit Fee Payable  
**Total**

31-Mar-21	31-Mar-20
70.00	100.00
340.00	230.00
<b>410.00</b>	<b>330.00</b>

**11 Other Non - Financial Liabilities**

Statutory dues  
**Total**

31-Mar-21	31-Mar-20
374.98	152.45
<b>374.98</b>	<b>152.45</b>

**12 Other Non - Financial Liabilities**

Provision for Leave Encashment (Refer note-18 for details)  
**Total**

31-Mar-21	31-Mar-20
518.76	139.60
<b>518.76</b>	<b>139.60</b>

**JANA HOLDINGS LIMITED**
**Notes forming part of the Financial Statements for the year ended 31 March, 2021**

(Amounts are in INR thousands)

**13 Equity Share capital**
**Authorized**

Equity Share Capital (As at 31 March 2021-Rs.350,000,000 (35,000,000 Equity shares at par value of Rs.10 each), As at 31 March 2020 : Rs. 2,00,00,000 (2,000,000 Equity Shares of Rs. 10/- each)

31-Mar-21      31-Mar-20

3,50,000.00      3,50,000.00

Preference Share Capital (As at 31 March 2021-Rs.150,000,000 (15,000,000 Preference shares at par value of Rs.10 each), As at 31 March 2020 : NIL

1,50,000.00      1,50,000.00

**Total**
**5,00,000.00      5,00,000.00**
**Issued, subscribed and paid up**

Equity Share Capital (As at 31 March 2021: Rs. 23,809,440 (2,380,944 Equity shares of Rs.10 each fully paid up) ; As at 31 March 2020: 2,380,944) Equity Shares of Rs. 10/- each, fully paid-up

23,809.44      23,809.44

**Total**
**23,809.44      23,809.44**

(Rs. In thousands)

**(a) Reconciliation of shares outstanding at the beginning and at the end of the year**

31-Mar-21

31-Mar-20

	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	23,80,944	23,809.44	23,80,944	23,809.44
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	23,80,944	23,809.44	23,80,944	23,809.44

**(b) Rights, preferences and restrictions attached to shares**

The Company has only one class of equity shares being issued, subscribed and fully paid up having a par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share.

The Company declares and pays dividend on equity shares in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the assets of the Company. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

(Amounts are in INR thousands)

**(c) Shares held by holding company/ultimate holding company**

31-Mar-21

31-Mar-20

Jana Capital Limited and its nominees ('the Parent Company' or 'the Holding Company' or 'the Ultimate Holding Company')

Equity Share Capital (As at 31 March 2021: Rs. 23,809,440 (2,380,944 Equity shares of Rs.10 each fully paid up) ; As at 31 March 2020: 2,380,944) Equity Shares of Rs. 10/- each, fully paid-up

23,809.44      23,809.44

**Total**
**23,809.44      23,809.44**
**(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of the shareholder

31-Mar-21

31-Mar-20

	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Jana Capital Limited and its nominees ('the Parent Company' or 'the holding company')	23,80,944	100	23,80,944	100

As per records of the NBFC, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

The Company has not issued bonus shares or shares for consideration other than cash during the five year period immediately preceding the reporting date.

(Amounts are in INR thousands)

14 <u>Other Equity</u>	31-Mar-21	31-Mar-20
<b>(a) Securities Premium Account</b>		
Opening balance	1,37,47,177.92	1,22,66,639.66
Add : Securities premium credited on share issue	-	14,86,108.26
Less : Premium utilized for various reasons	-	-
Premium on redemption of debentures	-	-
For share issue expenses	-	5,570.00
<b>Closing balance</b>	<b>1,37,47,177.92</b>	<b>1,37,47,177.92</b>
<b>(b) Statutory Reserve</b>		
Opening balance	30,339.16	30,339.16
Add: Transferred during the year	-	-
Less: Utilization on account of / Transfer to	-	-
<b>Closing balance</b>	<b>30,339.16</b>	<b>30,339.16</b>
<b>(c) Retained Earning and Surplus/(deficit) in the Statement of Profit and Loss</b>		
Opening balance	(66,79,755.54)	(46,83,966.32)
Add: Net Profit/(Net Loss) for the current year	(23,26,805.22)	(19,95,789.22)
Transfer from reserves	-	-
Less: Proposed dividends	-	-
Interim dividends	-	-
<b>Closing balance</b>	<b>(90,06,560.76)</b>	<b>(66,79,755.54)</b>
<b>Total Reserves and surplus</b>	<b>47,70,956.32</b>	<b>70,97,761.54</b>

**Nature and purpose of reserves**

- (a) Securities Premium reserve**  
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.
- (b) Statutory Reserve**  
In terms of Section 45-IC of the RBI Act, NBFCs are required to create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year. The above requirement is to give intrinsic strength to the balance sheets of the NFBCs. This reserve could be used for purposes as stipulated by the Reserve Bank of India from time to time. However, no transfer has been made to reserves for the financial year ended 31 March 2021 as the Company has incurred losses.
- (c) Retained Earnings**  
Retained earnings are the profits/ (losses) that the Company has earned to date, less any dividends or other distributions paid to shareholders.
- (d) Debenture Redemption Reserve**  
The Entity being an NBFC is exempted from creation of Debenture Redemption Reserve for Debentures issued through Private Placement Avenue. Further the entity shall on or before the 30th day of April in each year, in respect of debentures issued, invest or deposit, as the case may be, a sum which shall not be less than fifteen per cent., of the amount of its debentures maturing during the year, ending on the 31st day of March of the next year in any one or more methods of investments or deposit. The applicable dates for such investment for each of its series of debentures is provided as under:

Debenture Series Reference	Applicable date for investment (on or before)
Series J1 to J5	30-Apr-21
Series A to I	30-Apr-23

<b>(e) <u>Contingent Liabilities and commitments</u></b>		
<b>a Contingent Liabilities</b>	31-Mar-21	31-Mar-20
Claims against the NBFC not acknowledged as debt	-	-
Guarantees excluding financial guarantees	-	-
Other money for which the NBFC is contingently Liable	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>b <u>Commitments</u></b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for;	-	-
Uncalled liability on shares and other investments partly paid;	-	-
Other commitments (specify nature).	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

(Amounts are in INR thousands)

**15 Other Income**

Particulars	For the year ended 31-March-2021	For the year ended 31-March-2020
Interest on deposit with Banks	1,380.57	334.42
Interest on Income tax refund	-	2.93
<b>Total</b>	<b>1,380.57</b>	<b>337.35</b>

**16 Finance Cost**

Particulars	For the year ended 31-March-2021	For the year ended 31-March-2020
Interest on debt securities	23,07,465.00	19,67,478.24
Other Finance cost charges*	-	12,980.00
<b>Total</b>	<b>23,07,465.00</b>	<b>19,80,458.24</b>

\* The amount pertains to Compensation Charges plus applicable taxes paid for delay in the fulfilment of conditions precedent and conditions subsequent contained in the transaction documents relating to an NCD series. These payments have been approved at the meeting of the Board of Directors held on September 23, 2019 and October 21, 2019.

**17 Employee Benefit Expenses**

Particulars	For the year ended 31-March-2021	For the year ended 31-March-2020
Salaries and wages	10,101.12	8,549.06
Provision for Leave Encashment (Refer Note-1 below)	379.16	139.60
<b>Total</b>	<b>10,480.28</b>	<b>8,688.66</b>

**Note:1**

The company has a Leave policy defined as per which employees are entitled to 21 workings days of privilege/earned leave during a financial year. The leave shall be credited at the beginning of the financial year for existing employees as at 01st April and for employees joined during the year the leave shall be credited on a proportionate basis.

As per the company policy only 10 days of privilege leave from the current financial year can be carried forward to the next financial year: unused privilege leaves will be lapsed. Encashment of privilege leave will be possible at the time of separation on a pro rata basis.

18 Depreciation and amortization expense	For the year ended 31-March-2021	For the year ended 31-March-2020
on tangible assets (Refer note 5)	148.33	105.82
on intangible assets (Refer note 6)	21.24	17.86
<b>Total Depreciation and amortization expense</b>	<b>169.57</b>	<b>123.68</b>

(Amounts are in INR thousands)

**19 Other Expenses**

	For the year ended 31- March-2021	For the year ended 31- March-2020
a) Rent, taxes and energy costs	274.64	443.64
Repairs and maintenance	15.53	10.79
Communication Costs	40.37	28.87
Printing and stationery	36.73	23.72
Advertisement and publicity	67.68	39.43
Director's fees, allowances and expenses	531.00	708.00
Auditor's fees and expenses	504.00	300.00
Legal and Professional charges	5,815.54	4,102.70
Insurance	211.23	49.21
Bank Charges	2.61	0.63
Stamps and Franking Charges	16.00	1.56
Surveillance Fee	2,386.55	970.55
Travelling expenses	63.00	67.91
Internal Audit	101.60	80.00
Other expenditure	4.46	28.96
<b>Total</b>	<b>10,070.94</b>	<b>6,855.98</b>

Note : The following is the break-up of Auditors remuneration (inclusive/exclusive of service tax)

	For the year ended 31- March-2021	For the year ended 31- March-2020
b) As auditor:		
Audit Fees	468.00	125.00
Other services	36.00	175.00
<b>Total</b>	<b>504.00</b>	<b>300.00</b>

## 20 Earnings/ Loss per share

Basic earnings / (loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings / (loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31-Mar-21	31-Mar-20
Net Loss as per the statement of Profit and Loss	(23,26,805.22)	(19,95,789.22)
Less: preference dividend after-tax (Refer Note 14(f))	-	-
Loss attributable to equity holders after preference dividend	(23,26,805.22)	(19,95,789.22)
Add: Interest on convertible preference shares	-	-
Loss attributable to equity holders adjusted for the effect of dilution	(23,26,805.22)	(19,95,789.22)
Weighted average number of equity shares for basic EPS*	23,80,944.00	19,92,114.00
Effect of dilution:	-	-
Rights Shares Issued	-	3,88,830.00
Weighted average number of equity shares adjusted for the effect of dilution	23,80,944.00	23,80,944.00
Basic loss per share (INR)	(977.26)	(838.23)
Diluted loss per share (INR)	(977.26)	(838.23)

\* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year.

## 21 Leases

The Entity has considered and evaluated the applicability of the standard Ind AS 116 Leases which has been made effective from 01 April 2019 by the Government of India, through Ministry of Corporate Affairs Notification.

- As per Para 5 of Ind AS 116, A lessee may elect not to apply the requirements in paragraphs 22-49 (Recognition and measurement criteria for lessees) to

(a) short-term leases; and

(b) leases for which the underlying asset is of low value (as described in paragraphs B3-B8) .

- Further as per Para 6 of the said standard If a lessee elects not to apply the requirements in paragraphs 22-49 to either short-term leases or leases for which the underlying asset is of low value, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

Considering the effect of the aforesaid paragraphs the entity determines the lease rental payments made to Janadhar India Private Limited as low value in nature since the monthly rental payments amounts to Rs.5,703 per month only, thereby the said payments has been recognised as an expense in the statement of profit and loss for the financial year 2020-2021. This is in line with the treatment adopted by the entity for the previous financial year 2019-2020.

**JANA HOLDINGS LIMITED**

Notes forming part of the Financial Statements for the year ended 31 March, 2021

(Amounts are in INR thousands)

**22 Related Party Disclosures: 31 March 2021**

**A) Name of Related Parties and Relationship with related parties**

The Entity has identified and entered into transactions with the related parties. The details of the same is disclosed as under in accordance with IND AS 24 - Related Party Disclosures

A) Names of the related party	Nature of Relationship
i. Jana Capital Limited	Holding Company
ii. Jana Small Finance Bank (formerly known as Janalakshmi Financial Services Limited)	Associate Company
iii. Janaadhar (India) Private Limited	Group Company
iv. Jana Urban Foundation	Group Company
v. Mr. Ramesh Ramanathan	Non-Executive Chairman and Director
vi. Mr. Abraham Chacko	Independent Director
vii. Mrs. Saraswathy Athmanathan	Independent Director
viii Mr. Rajamani Muthuchamy	Managing Director and CEO
ix. Mr. Krishnan Iyer	KMP - Chief Financial Officer (w.e.f 9th December 2019 and up to 30th March 2020)
x. Mr. Gopalakrishnan S	KMP - Chief Financial Officer (w.e.f 30th March 2020)
xi. Ms. Jyoti Rao	KMP - Company Secretary (Upto 31st October 2019)
xii. Ms. Vidya Sridharan	KMP - Company Secretary (w.e.f 01st October 2019)

B) Related Parties - with whom transactions have taken place during the year	Nature of Relationship
i. Jana Capital Limited	Holding Company
ii. Jana Small finance Bank (formerly known as Janalakshmi Financial Services Limited)	Associate Company
iii. Janaadhar (India) Private Limited	Private company in which director or his relative is member or director
iv. Mr. Abraham Chacko	Independent Director
v. Mrs. Saraswathy Athmanathan	Independent Director
vi. Mr. Rajamani Muthuchamy	Managing Director and CEO
vii. Mr. Gopalakrishnan S	KMP - Chief Financial Officer (w.e.f 30th March 2020)
viii. Ms. Vidya Sridharan	KMP - Company Secretary (w.e.f 01st October 2019)

**B) Nature of Transactions entered with related parties**

Name of Related Party	Nature of Transaction	Transaction Value for the FY 2020-2021	Amount Outstanding as at 31 March 2021	Transaction Value for the FY 2019-2020	Amount Outstanding as at 31 March 2020
<b>A) Related Entities</b>					
i) Jana Capital Limited (JCL)	Receipt for issue of shares at premium. Note: The amount outstanding represents the Equity share capital component and premium amount.	-	-	14,89,996.56	1,37,70,987.36
	Insurance Expenses paid by JCL on behalf of JHL	-	-	-	(161.83)
	Salary expenses paid by JCL on behalf of JHL and repaid back during the year	-	-	(57.45)	-
	Amount payable to JCL	-	32.40	-	-
	Expenses paid by JHL on behalf of JCL	(958.38)	-	-	136.00
	Receipt by JHL from JCL on account of Expenses paid on behalf	802.59	-	-	-
	CSR expenses paid to Vidyaniketan by JHL on behalf of JCL	-	-	-	165.00

**JANA HOLDINGS LIMITED**

Notes forming part of the Financial Statements for the year ended 31 March, 2021

(Amounts are in INR thousands)

ii) Jana Small Finance Bank	Investment in equity shares (net of impairment loss)	-	2,03,00,420.67	(14,70,000.90)	2,03,00,420.67
	Amount paid towards creation of 8 Fixed Deposit	-	-	(20,000.00)	-
	Fixed Deposits balances	-	7,500.00	20,000.00	20,000.00
	Withdrawal of Fixed Deposit with interest	13,341.65	-	-	-
	Bank Current Account Balance	-	-	-	0.19
	Interest accrued on fixed deposit placed	-	728.01	300.98	300.98
	Amount paid towards professional services	(149.04)	-	(118.80)	(21.60)
	Reimbursement of expense	-	-	(2,755.61)	-
iii. Janaadhar (India) Private Limited	Liability booked towards TDS, GST & stamp paper expenses payable	-	-	(1,095.77)	(600.00)
	Rent and Maintenance charges paid	(81.01)	-	(56.95)	(5.18)
B) Key Management Personnel					
i) Mr. Gopalakrishnan S	Parental and Group Employee Insurance Reimbursement	(192.34)	-	-	-
	Salary paid on behalf of JCL	-	-	(99.80)	-
	Salary	(967.20)	-	-	-
ii) Mr. Krishnan Iyer	Reimbursement of expense	(2.74)	-	-	-
	Salary	-	-	(396.82)	-
iii) Ms. Vidya Sridharan	Salary	(840.12)	-	(333.90)	-
	Salary paid on behalf of JCL	-	-	(24.80)	-
	Salary paid to JCL on account of salary payments made for the month of Oct-2019	-	-	(57.45)	-
	Reimbursement of expense	(86.01)	-	(3.04)	-
iv) Ms. Jyoti Rao	Salary	(231.93)	-	-	-
	Reimbursement of expense	(20.53)	-	-	-
C) Directors					
i. Mr. Abraham Chacko	Sitting fees	(231.25)	-	(270.00)	(45.00)
	Reimbursement of expense	(6.40)	-	(14.99)	-
ii. Mrs. Saraswathy Athmanathan	Sitting fees	(185.00)	-	(225.00)	-
	Reimbursement of expense	-	-	(1.90)	-
iii Mr. Rajamani Muthuchamy	Salary	(5,402.35)	-	(4,549.84)	-
	Salary paid on behalf of JCL	-	-	(0.00)	-
	Car EMI Expenses paid to JSFB on behalf of Mr. Rajamani Muthuchamy	-	-	(852.52)	-
	Reimbursement of expense	(10.64)	-	(42.41)	-

**23 Fair values of financial assets and financial liabilities**

The fair value of other current financial assets, cash and cash equivalents, trade receivables, investments, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

**24 Fair value hierarchy**

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

**JANA HOLDINGS LIMITED**

Notes forming part of the Financial Statements for the year ended 31 March, 2021

(Amounts are in INR thousands)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

**Fair value measurement hierarchy of assets as at March 31, 2021**

Particulars	Level 1	Level 2	Level 3	Total Fair Value	Total Carrying Amount
<b>Financial Assets</b>					
Cash and cash equivalents	9,592.35	-	-	9,592.35	9,592.35
Bank balance other than cash and cash equivalents	-	-	-	-	-
Investment in associates	-	-	2,03,00,420.67	2,03,00,420.67	2,03,00,420.67
Other Financial Assets	-	-	1,610.69	1,610.69	1,610.69
<b>Financial Liabilities</b>					
Payables	-	-	32.40	32.40	32.40
Debt securities	-	-	1,55,16,034.36	1,55,16,034.36	1,55,16,034.36
Other financial liabilities	-	-	410.00	410.00	410.00

**Fair value measurement hierarchy of assets as at March 31, 2020**

Particulars	Level 1	Level 2	Level 3	Total Fair Value	Total Carrying Amount
<b>Financial Assets</b>					
Cash and cash equivalents	30,494.75	-	-	30,494.75	30,494.75
Bank balance other than cash and cash equivalents	-	-	-	-	-
Investment in associates	-	-	2,03,00,420.67	2,03,00,420.67	2,03,00,420.67
Other Financial Assets	-	-	141.87	141.87	141.87
<b>Financial Liabilities</b>					
Payables	-	-	857.11	857.11	857.11
Debt securities	-	-	1,32,08,569.37	1,32,08,569.37	1,32,08,569.37
Other financial liabilities	-	-	330.00	330.00	330.00

The carrying amount of cash and cash equivalents, trade receivables, fixed deposits, trade payables, other payables and short-term borrowings are considered to be the same as their fair values. The fair values of borrowings were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

**25 Financial risk management objectives and policies**

The Company's principal financial liabilities comprise debt securities, Trade and other payables. The main purpose of these financial liabilities is to invest in its operating entity. The Company's principal financial assets include investment in associate company, cash and cash equivalents, balances in banks other than cash and cash equivalents, refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**I Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rate and interest rate.

**(a) Interest rate risk**

Interest rate risk is the probability of unexpected fluctuations in interest rates. The Company has no exposure to interest rate risk as the debt securities of the Company are at fixed interest rates and not at variable rates.

**(b) Foreign currency risk**

Currency risk is the risk that the value of a receivable/ payable will fluctuate due to changes in foreign exchange rates. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The Company does not have any foreign currency transactions that would impact the profitability of the Company.

**II Credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from Cash and cash equivalent, company's investment in associates & other financial assets. The carrying amounts of financial assets represent the maximum credit risk exposure.

i) Credit risk management approach

The Company's senior management oversees the management of these risks. The senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks. It is their responsibility to review and manage credit risk. It periodically reviews performance of investments in associates.

The below table shows the carrying amount of investments along with corresponding impairment losses and the net carrying amount:

31-Mar-21

Particulars	Asset Group	Carrying Amount	Allowance for Impairment Loss	Carrying Amount and net of provision
Investments in Associate	Investments at amortized cost	2,03,00,420.67	-	2,03,00,420.67

31-Mar-20

Particulars	Asset Group	Carrying Amount	Allowance for Impairment Loss	Carrying Amount and net of provision
Investments in Associate	Investments at amortized cost	2,03,00,420.67	-	2,03,00,420.67

The below table shows the maximum exposure to credit risk by class of financial assets.

31-Mar-21

Particulars	Maximum Exposure to Credit risk	Fair Value of Collateral	Net Exposure
<b>Financial Asset</b>			
Cash and cash equivalents	9,592.35	-	9,592.35
Bank balance other than cash and cash equivalents	-	-	-
Investment in associates	2,03,00,420.67	-	2,03,00,420.67
Other Financial Assets	1,610.69	-	1,610.69
<b>Total</b>	<b>2,03,11,623.71</b>	<b>-</b>	<b>2,03,11,623.71</b>

31-Mar-20

Particulars	Maximum Exposure to Credit risk	Fair Value of Collateral	Net Exposure
<b>Financial Asset</b>			
Cash and cash equivalents	30,494.75	-	30,494.75
Bank balance other than cash and cash equivalents	-	-	-
Investment in associates	2,03,00,420.67	-	2,03,00,420.67
Other Financial Assets	141.87	-	141.87
<b>Total</b>	<b>2,03,31,057.29</b>	<b>-</b>	<b>2,03,31,057.29</b>

Expected credit loss on other financial assets

Other financial assets represents security deposits. Security deposits are measured at amortised cost. Based on the past trends, the Company has not written off any amount of receivable from the party.

Cash and cash equivalents and Bank balance

The Company holds cash and cash equivalents and bank balance of INR 9,592.35 thousands as at 31 March 2021 (31 March 2020: INR 30,494.75 thousands). The cash and cash equivalents are held with banks and financial institution counterparties with acceptable credit ratings.

(Amounts are in INR thousands)

### III Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises from mismatches in the timing of amounts of cash flows, which is inherent to the nature of Company's operations. Liquidity risk could lead to situations where the Company needs to raise funds and/or assets need to be liquidated under unfavourable market conditions. Measuring and managing liquidity needs are vital for effective operation of the Company by assuring the ability to meet its liabilities as they become due. The liquidity risk can be either (i) institution specific or (ii) market specific.

#### i. Liquidity risk management

Liquidity has to be tracked through maturity or cash flow mismatches. For measuring and managing net funding requirements, the use of a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates is adopted as a standard tool commonly referred to as Structural Liquidity. The Maturity Profile, are used for measuring the future cash flows of the Company in different time buckets. The time buckets distributed considered are as per RBI guidelines and monitored by the Board.

#### ii. Maturity of financial liabilities

The following are the remaining contractual cashflows of financial assets and liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest receipts and payments.

31-Mar-21 Amount in INR thousands

Particulars	Note no.	Contractual cash flows									
		Carrying Amount	Gross Nominal Outflow/Inflow	Upto 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years
<b>Financial liabilities</b>											
Payables	8	32.40	32.40	32.40	-	-	-	-	-	-	-
Debt securities	9	1,55,16,034.36	1,55,16,034.36	-	-	-	-	21,63,757.47	1,33,52,276.89	-	-
Other financial liabilities	10	410.00	410.00	-	70.00	340.00	-	-	-	-	-
<b>Total</b>		<b>1,55,16,476.76</b>	<b>1,55,16,476.76</b>	<b>32.40</b>	<b>70.00</b>	<b>340.00</b>	<b>-</b>	<b>21,63,757.47</b>	<b>1,33,52,276.89</b>	<b>-</b>	<b>-</b>
<b>Financial assets</b>											
Cash and cash equivalents	1	9,592.35	9,592.35	1,364.34	-	-	8,228.01	-	-	-	-
Bank balance other than cash and cash equivalents		-	-	-	-	-	-	-	-	-	-
Investments	2	2,03,00,420.67	2,03,00,420.67	-	-	-	-	21,63,757.47	1,33,52,276.89	-	47,84,386.31
Other financial assets	3	1,610.69	1,610.69	-	-	-	-	156.69	1,453.00	1.00	-
<b>Total</b>		<b>2,03,11,623.71</b>	<b>2,03,11,623.71</b>	<b>1,364.34</b>	<b>-</b>	<b>-</b>	<b>8,228.01</b>	<b>21,63,914.17</b>	<b>1,33,53,729.89</b>	<b>1.00</b>	<b>47,84,386.31</b>

JANA HOLDINGS LIMITED  
Notes forming part of the Financial Statements for the year ended 31 March, 2021

31-Mar-20

Amount in INR thousands

Particulars	Note no.	Contractual cash flows									
		Carrying Amount	Gross Nominal Outflow/Inflow	Upto 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years
<b>Financial liabilities</b>											
Payables	8	857.11	857.11	-	58.77	798.34	-	-	-	-	-
Debt securities	9	1,32,08,569.37	1,32,08,569.37	-	-	-	-	-	18,26,722.86	1,13,81,846.50	-
Other financial liabilities	10	330.00	330.00	100.00	-	230.00	-	-	-	-	-
<b>Total</b>		<b>1,32,09,756.48</b>	<b>1,32,09,756.48</b>	<b>100.00</b>	<b>58.77</b>	<b>1,028.34</b>	<b>-</b>	<b>-</b>	<b>18,26,722.86</b>	<b>1,13,81,846.50</b>	<b>-</b>
<b>Financial assets</b>											
Cash and cash equivalents	1	30,494.75	30,494.75	10,193.76	-	-	-	-	20,300.98	-	-
Bank balance other than cash and cash equivalents		-	-	-	-	-	-	-	-	-	-
Investments	2	2,03,00,420.67	2,03,00,420.67	-	-	-	-	-	18,26,722.86	1,13,81,846.50	70,91,851.30
Other financial assets	3	141.87	141.87	-	140.87	-	-	-	-	1.00	-
<b>Total</b>		<b>2,03,31,057.29</b>	<b>2,03,31,057.29</b>	<b>10,193.76</b>	<b>140.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,47,023.85</b>	<b>1,13,81,847.50</b>	<b>70,91,851.30</b>

iii. Public Disclosure on Liquidity Risk

(i) Funding concentration based on significant counterparty (both Deposits and Borrowings)

S.No	Number of significant counterparties	Amount (Rs.crore)	% of Total deposits	% of Total Liabilities
1	6	1,551.60	NA	76.39%

(ii) Top 20 large deposits (amount in Rs. crore and % of total deposits) - Not Applicable

(iii) Top 10 borrowings (amount in Rs. crore and % of total borrowings)

S.No	Name of the Party	Amount (in crores)	% of Total borrowings
1	TPG ASIA VI India Markets Pte. Ltd	686.82	44.27%
2	Government of Singapore	170.66	11.00%
3	Edelweiss Finance Limited	271.13	17.47%
4	Manipal Health Systems Private Limited	206.62	13.32%
5	Centrum Retail Services Limited	163.25	10.52%
6	Centrum Financial Services Limited	53.12	3.42%
<b>Total</b>		<b>1,551.60</b>	<b>100.00%</b>

(iv) Funding Concentration based on significant instrument/product

S.No	Name of the instrument/product	Amount (Rs.crore)	% of Total Liabilities
1	Non Convertible Debentures	1,551.60	76.39%

**JANA HOLDINGS LIMITED****Notes forming part of the Financial Statements for the year ended 31 March, 2021****(v) Stock Ratios**

S.No	Particulars	Ratio
1	Commercial paper as a % of total	NIL
2	Commercial paper as a % of total assets	NIL
3	Non-convertible debentures (original maturity of less than 1 year) as a % of total liabilities	11%
4	Non-convertible debentures (original maturity of less than 1 year) as a % of total assets	11%
5	Other short term liabilities, if any as a % of total liabilities	0.00%
6	Other short term liabilities, if any as a % of total assets	0.00%

**(vi) Institutional Set-up for liquidity risk management**

- The company's Board of Directors has the overall responsibility of management of liquidity risk. The board decides the strategic policies and procedures of the company to manage liquidity risk in accordance with the risk tolerance/limits decided by it
- The company also has a Risk Management Committee, which reports to the Board and is responsible for evaluating the overall risks faced by the company including liquidity risk.
- The company also has a Asset Liability Committee of the company which is responsible for ensuring adherence to the risk tolerance/limits for the company.

**JANA HOLDINGS LIMITED**
**Notes forming part of the Financial Statements for the year ended 31 March, 2021**

(Amounts are in INR thousands)

**26 Capital management**

The Company maintains an actively managed capital base to cover risks inherent in the business and meets the capital adequacy requirements (CRAR) of the Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI. The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. The funding requirements are met through equity and non convertible debentures. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The Company is a NOFHC of Jana Small Finance Bank Limited ('JSFB' or 'the Bank') and has no operation of its own. As per RBI guidelines, the Company shall maintain minimum capital adequacy ratio ('CAR') at a consolidated level based on the prudential guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF) issued under Basel II framework and Guidelines on Implementation of Basel III Capital Regulations of India, when implemented.

For the year ended 31 March 2021, the Company CAR computed on consolidated basis is at -5.20% which is below the regulatory minimum of 15%. This is due to the fact that Non-Convertible Debentures ('NCD') that have been issued by JHL and invested as equity in JSFB, which are not considered as capital on a consolidated basis.

**(i) Gearing Ratio**

Particulars		31-Mar-21	31-Mar-20
Equity Share Capital		23,809.44	23,809.44
Other Equity		47,70,956.32	70,97,761.54
Total equity	(i)	<b>47,94,765.76</b>	<b>71,21,570.98</b>
Borrowings other than convertible preference shares		1,55,16,034.36	1,32,08,569.37
Less: cash and cash equivalents		-9,592.35	-30,494.75
Total debt	(ii)	<b>1,55,06,442.01</b>	<b>1,31,78,074.62</b>
Overall financing	(iii) = (i) + (ii)	<b>2,03,01,207.77</b>	<b>2,02,99,645.60</b>
Gearing ratio	(ii) / (iii)	<b>0.76</b>	<b>0.65</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021, 31 March 2020.

**(ii) Consolidated CAR**

Particulars	31-Mar-21	31-Mar-20
Common Equity Tier1 (CET1) capital	(47,58,749.53)	(31,16,634.28)
Other Tier 2 capital instruments	-	-
<b>Total Capital</b>	<b>(47,58,749.53)</b>	<b>(31,16,634.28)</b>
Risk weighted assets	9,15,07,741.99	7,67,12,741.81
CET1 capital ratio	-5.20%	-4.06%
<b>Total capital ratio</b>	<b>-5.20%</b>	<b>-4.06%</b>

**JANA HOLDINGS LIMITED**

Notes forming part of the Financial Statements for the year ended 31 March, 2021

(Amounts are in INR thousands)

**27 Change in liabilities arising from financing activities**

Particulars	01-Apr-20	Cash flows	Others*	Changes in fair values	Exchange difference	31-Mar-21
Debt securities	1,32,08,569.37	-	23,07,465.00	-	-	1,55,16,034.37
Total liabilities from financing activities	1,32,08,569.37	-	23,07,465.00	-	-	1,55,16,034.37

Particulars	01-Apr-19	Cash flows	Others*	Changes in fair values	Exchange difference	31-Mar-20
Debt securities	1,12,41,091.12	-	19,67,478.25	-	-	1,32,08,569.37
Total liabilities from financing activities	1,12,41,091.12	-	19,67,478.25	-	-	1,32,08,569.37

\*Others includes the effect of accrued but not paid interest on debt securities, amortisation of processing fees etc.

**28 Segment Reporting**

The Company is NOFHC and has classified this as its business segment and accordingly there are no separate reportable segments in accordance with Ind AS 108 "Operating Segment".

**29 Foreign Exchange Transaction**

The Company does not have any foreign currency transactions entered during the year and hence there are no foreign currency earnings, outflows and forex gain or loss during the year.

Particulars	Amount
Foreign Currency Earnings	-
Foreign Currency Outflow	-
Forex Gain / Loss	-

**30 Disclosure on COVID-19**

Consequent to the outbreak of COVID-19 pandemic, the Indian government has announced a lockdown in March 2020. Subsequently, the lockdown has been lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases.

The company being a NOFHC does not perform any operations and its primarily into the business of an Investment Company to invest, buy, sell, transfer, deal in and dispose of any shares, stocks, debentures, whether perpetual or redeemable debenture, debentures, stocks, securities of any Government, Local Authority, Bonds and Certificates. The Company is a wholly owned subsidiary of Jana Capital Limited. The company has issued NCD which is the primary debt incurred and the funds realizable from its Investment in associate company (Jana Small Finance Bank) shall be utilized to repay off the debts. 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 in time. This shall invariably affect the Investment valuation of the company JHL.

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The slowdown during the year led to a decrease in loan originations and in collection efficiency of the Bank. This may lead to a rise in the number of customer defaults and consequently an increase in provisions thereagainst.

The extent to which the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the Bank's operations and financial results will depend on ongoing and future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Bank.

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 purpose of asset classification under the Income Recognition, Asset classification and Provisioning norms).

## JANA HOLDINGS LIMITED

Notes forming part of the Financial Statements for the year ended 31 March, 2021

(Amounts are in INR thousands)

### 31 Disclosure on Merger with Parent Company

The Board in its meeting held on October 21, 2019, and November 12, 2019, approved Fast track method for merging Jana Holdings Limited (JHL), being the wholly-owned Non-Operating Financial Holding Company (NOFHC), with its Holding as well as Core Investment Company, Jana Capital Limited. The Company has submitted necessary documents on January 9, 2020, sought by the RBI vide their letter dated October 2019 and received the in principle approval from the RBI on 10th August 2020. As per the existing guidelines, the requirement of having a NOFHC has been dispensed with by the RBI for setting up Small Finance Banks and Universal Banks.

Further, such a merger of the wholly owned subsidiary with the Holding Company will simplify the compliances to be reported to various Regulatory Authorities, besides resulting in lower operating costs. The Company is eligible to adopt Fast track method for the merger as envisaged under Section 233 of the Companies Act, 2013 as it is the merger of the wholly-owned subsidiary with the Holding Company. Subsequent to the receipt of the In-principle approval from the RBI the Board of Directors of the transferor and the Transferee Company met on 24th August 2020, approved the Scheme of Amalgamation of Jana Holdings Limited (Wholly Owned subsidiary) with Jana Capital Limited (Holding Company).

The Company has also served notices (CAA-9) along with the proposed Scheme on the Registrar of Companies, Karnataka and Official Liquidator, Ministry of Corporate Affairs by letter dated 25th August 2020 seeking their objections / suggestions to the said scheme as required under section 233(1)(a) of the Act and rules made thereunder. However, the company did not receive any objections and suggestions to the proposed scheme from the said authorities within the stipulated timeline. As the debentures of the company are listed on the Bombay Stock Exchange (BSE), the company initiated steps for obtaining the approval from the Stock Exchange.

The Company held the Extra-Ordinary General Meeting of the Shareholders on 30th October 2020 for the approval of the Scheme. Jana Capital Limited, being the Holding Company and the Transferee Company, submitted necessary application with the Regional Director, South-East Region, Ministry of Corporate Affairs, Hyderabad on 6th November 2020 for obtaining approval of Amalgamation under Section 233 of the Companies Act, 2013.

Regional Director, Ministry of Company Affairs, Hyderabad vide their letter dated 26th March 2021 has rejected the application filed on 6th November 2020 for the merger of JHL with JCL, since JHL had obtained consent from the creditors only to the extent of 82.78% in value as against the minimum threshold of consent from 90% of the creditors in value as required under Section 233 of the Companies Act, 2013 and, thus, the provisions of Section 233(1)(d) could not be fully complied with. The Board of Directors considered the aforesaid rejection order and have resolved to file the fresh merger application subject to the approval of the Scheme by the Board of Directors, Shareholders, Creditors and such other authorities as may be required. The Company submits that it is on the verge of raising funds and paying the creditor. Thus, It is expected to obtain NOC from the said creditor very soon and approach the Regional Director, Ministry of Corporate Affairs, Hyderabad, for approval of the merger. The Company is confident of getting the merger done within the second quarter of this Financial Year. Post the merger, the resultant entity, which is a CIC, is not required to maintain Net Owned Funds.

### 32 Capital to Risk Assets Ratio

The Company is a Non operating Financial Holding Company ('NOFHC') of Jana Small Finance Bank Limited ('JSFB' or 'the Bank') and has no operation of its own. As per RBI guidelines, the Company shall maintain minimum capital adequacy ratio ('CAR') at a consolidated level based on the prudential guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF) issued under Basel II framework and Guidelines on Implementation of Basel III Capital Regulations of India, when implemented.

For the year ended 31 March 2021, the Company CAR computed on consolidated basis is below the regulatory minimum of 15%. This is due to fact that Non-Convertible Debentures ('NCD') that have been issued by the Company and invested as equity in bank, which are not considered as capital on a consolidated basis. In order to resolve the issue, the Company has evaluated merger option with Jana Capital Limited (the holding Company and a Core Investment Company) and filed an application with Reserve Bank of India ("RBI") on January 9 2020, for its in-principle approval which was granted by the RBI vide their letter dated 10th August 2020. The company intends to initiate the merger process again in the current year.

### 33 Net Owned Fund

The Company is a NOFHC of Jana Small Finance Bank Limited ('JSFB' or 'the Bank') and has no operation of its own. In accordance with Section 45-IA of the RBI Act 1934, and Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016, the Company is required to adhere the prescribed net owned funds requirement of INR 200 Lakhs to carry on the business of a non-banking financial institution.

The Company has shortfall of the prescribed minimum net owned fund as of March 31, 2021. The main reason for shortfall is on account of accumulated losses which consists of cost of borrowings.

In order to resolve the issue, the Company has evaluated merger option with Jana Capital Limited (the holding Company and a Core Investment Company) and filed an application with the Reserve Bank of India ("RBI") on January 9 2020, for its in-principle approval which was granted by the RBI vide letter dated 10th August 2020. The company intends to initiate the merger process again in the current year.

## JANA HOLDINGS LIMITED

Notes forming part of the Financial Statements for the year ended 31 March, 2021

(Amounts are in INR thousands)

### 34 Breach of Leverage Ratio on a Standalone basis

The Company is a Non-Operating Financial Holding Company ('NOFHC') of Jana Small Finance Bank Limited ('JSFB' or 'the Bank') and has no operation of its own. As per RBI guidelines, the Company had a leverage ratio of 3.24 which is above the regulatory threshold of 1.25 on a standalone basis.

For the year ended 31 March 2021, the Company had a leverage ratio of 3.24 vis-à-vis the regulatory threshold of 1.25 on a standalone basis. This is due to fact that Non-Convertible Debentures ('NCD') that have been issued by the Company has resulted in accumulated interest costs and the investments in equity of the bank has been impaired, which has resulted in breach of leverage ratio on a standalone basis. In order to resolve the issue, the Company had evaluated merger option with Jana Capital Limited (the holding Company and a Core Investment Company) and had filed an application with Reserve Bank of India ("RBI") on January 9 2020, for its in-principle approval which was granted by the RBI vide letter dated 10th August 2020. The company intends to initiate the merger process again in the current year.

### 35 Going Concern Basis of Accounting

The Company incurred a net loss of INR 232 crores during the year ended March 31, 2021 and has accumulated losses amounting to INR 900 crores, as of March 31, 2021 which has substantially eroded the net worth and further the Company has fixed term borrowings to the extent of INR 216 crores maturing within next 12 months for which management currently evaluating options to raise funds required for repayment. Further, the entity is in breach of regulatory requirements such as consolidated capital adequacy ratio, net owned fund and leverage ratios. (Refer note 32, 33, and 34 for detailed explanations regarding regulatory breaches). Above events, indicate that a material uncertainty exists that may cast significant doubt on Company's ability to continue as a going concern. However, the Company had undertaken actions to raise further debt and equity as necessary to maintain sufficient liquidity, as a going concern. Accordingly, the financial statements have been prepared under going concern assumption.

### 36 Listing requirement for equity shares of Associate Company

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

## 37 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

	Assets	31 March 2021			31 March 2020		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	<b>Financial assets</b>						
(a)	Cash and cash equivalents	9,592.35	-	9,592.35	30,494.75	-	30,494.75
(b)	Bank balance other than cash and cash equivalents	-	-	-	-	-	-
(c)	Investments	-	2,03,00,420.67	2,03,00,420.67	-	2,03,00,420.67	2,03,00,420.67
(d)	Other financial assets	156.69	1,454.00	1,610.69	140.87	1.00	141.87
	<b>Total financial assets</b>	<b>9,749.04</b>	<b>2,03,01,874.67</b>	<b>2,03,11,623.71</b>	<b>30,635.62</b>	<b>2,03,00,421.67</b>	<b>2,03,31,057.29</b>
	<b>Non-financial assets</b>						
(a)	Current tax assets (net)	136.30	-	136.30	33.44	-	33.44
(b)	Property, plant and equipment	38.07	146.26	184.33	-	332.66	332.66
(c)	Other intangible assets	5.33	17.54	22.87	-	44.11	44.11
(d)	<b>Other non-financial assets</b>	-	-	-	-	-	-
	Prepaid Expenses	136.65	-	136.65	149.51	-	149.51
	Advance to suppliers	-	-	-	2.50	-	2.50
	Other advances	32.40	-	32.40	-	-	-
	<b>Total non-financial assets</b>	<b>348.75</b>	<b>163.80</b>	<b>512.55</b>	<b>185.46</b>	<b>376.77</b>	<b>562.23</b>
	<b>Total Assets</b>	<b>10,097.80</b>	<b>2,03,02,038.47</b>	<b>2,03,12,136.26</b>	<b>30,821.07</b>	<b>2,03,00,798.44</b>	<b>2,03,31,619.51</b>
	<b>Liabilities and Equity</b>						
	<b>Liabilities</b>						
	<b>Financial liabilities</b>						
(a)	<b>Payables</b>						
	Trade payables						
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	32.40	-	32.40	857.11	-	857.11
(b)	Debt securities	21,63,757.47	1,33,52,276.89	1,55,16,034.36	-	1,32,08,569.37	1,32,08,569.37
(c)	Other financial liabilities	410.00	-	410.00	330.00	-	330.00
	<b>Total financial liabilities</b>	<b>21,64,199.87</b>	<b>1,33,52,276.89</b>	<b>1,55,16,476.76</b>	<b>1,187.11</b>	<b>1,32,08,569.37</b>	<b>1,32,09,756.48</b>
	<b>Non-financial liabilities</b>						
(a)	Other non-financial liabilities	374.98	-	374.98	152.45	-	152.45
(b)	Provisions	-	518.76	518.76	-	139.60	139.60
	<b>Total non-financial liabilities</b>	<b>374.98</b>	<b>518.76</b>	<b>893.74</b>	<b>152.45</b>	<b>139.60</b>	<b>292.05</b>
	<b>Equity</b>						
(a)	Equity share capital	-	23,809.44	23,809.44	-	23,809.44	23,809.44
(b)	Other equity	-	47,70,956.32	47,70,956.32	-	70,97,761.54	70,97,761.54
	<b>Total Equity</b>	<b>-</b>	<b>47,94,765.76</b>	<b>47,94,765.76</b>	<b>-</b>	<b>71,21,570.98</b>	<b>71,21,570.98</b>
	<b>Total Liabilities and Equity</b>	<b>21,64,574.85</b>	<b>1,81,47,561.41</b>	<b>2,03,12,136.26</b>	<b>1,339.56</b>	<b>2,03,30,279.95</b>	<b>2,03,31,619.51</b>

**JANA HOLDINGS LIMITED**
**Notes forming part of the Financial Statements for the year ended 31 March, 2021**

(Amounts are in INR thousands)

**38 Asset Liability Management (ALM)**
**Maturity pattern of assets and liabilities as on 31 March 2021**

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
<b>Financial assets</b>									
Cash and Cash Equivalent	1,364.34	-	-	8,228.01	-	-	-	-	9,592.35
Bank Balance other than above	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	21,63,757.47	1,33,52,276.89	-	47,84,386.31	2,03,00,420.67
Other Financial Assets	-	-	-	-	156.69	1,453.00	1.00	-	1,610.69
<b>Total</b>	<b>1,364.34</b>	<b>-</b>	<b>-</b>	<b>8,228.01</b>	<b>21,63,914.17</b>	<b>1,33,53,729.89</b>	<b>1.00</b>	<b>47,84,386.31</b>	<b>2,03,11,623.71</b>
<b>Financial liabilities</b>									
Payables	32.40	-	-	-	-	-	-	-	32.40
Debt Securities	-	-	-	-	21,63,757.47	1,33,52,276.89	-	-	1,55,16,034.36
Other financial liabilities	-	70.00	340.00	-	-	-	-	-	410.00
<b>Total</b>	<b>32.40</b>	<b>70.00</b>	<b>340.00</b>	<b>-</b>	<b>21,63,757.47</b>	<b>1,33,52,276.89</b>	<b>-</b>	<b>-</b>	<b>1,55,16,476.76</b>

**Maturity pattern of assets and liabilities as on 31 March 2020**

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
<b>Financial assets</b>									
Cash and Cash Equivalent	10,193.76	-	-	-	-	20,300.98	-	-	30,494.75
Bank Balance other than above	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	18,26,722.86	1,13,81,846.50	70,91,851.31	2,03,00,420.67
Other Financial Assets	-	140.87	-	-	-	-	1.00	-	141.87
<b>Total</b>	<b>10,193.76</b>	<b>140.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,47,023.84</b>	<b>1,13,81,847.50</b>	<b>70,91,851.31</b>	<b>2,03,31,057.29</b>
<b>Financial liabilities</b>									
Payables	-	58.77	798.34	-	-	-	-	-	857.11
Debt Securities	-	-	-	-	-	18,26,722.86	1,13,81,846.50	-	1,32,08,569.37
Other financial liabilities	100.00	-	230.00	-	-	-	-	-	330.00
<b>Total</b>	<b>100.00</b>	<b>58.77</b>	<b>1,028.34</b>	<b>-</b>	<b>-</b>	<b>18,26,722.86</b>	<b>1,13,81,846.50</b>	<b>-</b>	<b>1,32,09,756.48</b>

**JANA HOLDINGS LIMITED**
**Notes forming part of the Financial Statements for the year ended 31 March, 2021**

(Amounts are in INR thousands)

**39 Disclosure required in terms of the Revised Regulatory Framework for NBFC issued by RBI on 10 November 2014 (continued)**

(Amounts included herein are based on current and previous year financials as per Ind AS)

**a) Capital to Risk Assets Ratio**

Particulars	31-Mar-21	31-Mar-20
CRAR %	-5.20%	-4.06%
CRAR - Tier I Capital	-47,58,749.53	-31,16,634.28
CRAR - Tier II Capital	-	-
Risk Weighted Assets	9,15,07,741.99	7,67,12,741.81
Amount of subordinated debt raised as Tier-II Capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

**b) Investments**

Particulars	31-Mar-21	31-Mar-20
<b>(1) Value of Investments</b>		
i) Gross value of investments		
- In India	2,03,00,420.67	2,03,00,420.67
- Outside India	-	-
(ii) Provisions for depreciation on investments		
- in India	-	-
- Outside India	-	-
(iii) Net value of investments		
- In India	2,03,00,420.67	2,03,00,420.67
- Outside India	-	-
<b>2) Movement of provisions held towards depreciation on investments</b>		
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	-	-

Particulars	31-Mar-21	31-Mar-20
Unsecured Advances	32.40	2.50

**JANA HOLDINGS LIMITED**
**Notes forming part of the Financial Statements for the year ended 31 March, 2021**

(Amounts are in INR thousands)

**40 Disclosure required in terms of the Revised Regulatory Framework for NBFC issued by RBI on 10 November 2014 (continued)**

(Amounts included herein are based on current and previous year financials as per Ind AS)

**c) Derivatives**

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

**a) Cross Currency Interest Rate Swap**

Particulars	31-Mar-21	31-Mar-20
i) The notional principal of swap agreements	-	-
ii) Losses which would be incurred if counter parties failed to fulfil their obligation under the agreements	-	-
iii) collateral required by the Bank upon entering into swaps	-	-
iv) concentration of credit risk arising from the swaps	-	-
v) fair value of the swap book	-	-

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

The Company's treasury function is responsible for company's access to financial markets. Further, treasury function monitors and manages various risks relating to treasury operations of the company including currency risk, market risk and liquidity risk. In course of managing these risks, the company may use various market instruments as permissible for the company based on RBI guidelines and internal approvals. Further, compliance with various policies and exposure limits is reviewed by the management. The Company does not enter into any trade in financial instruments including derivative financial instruments for speculative purposes. The existing exposure is hedged exposure which is towards external commercial borrowings borrowed.

**Quantitative Disclosure**

Sr. No.	Particulars	31-Mar-21		31-Mar-20	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	a) For hedging*	-	-	-	-
	b) For trading	-	-	-	-
(ii)	Marked to Market Positions				
	a) Asset (+)	-	-	-	-
	b) Liability (-)	-	-	-	-
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposure	-	-	-	-

\* Pertains to cross currency interest rate swap

41 Disclosure required in terms of the Revised Regulatory Framework for NBFC issued by RBI on 10 November 2014 (continued)  
(Amounts included herein are based on current and previous year financials as per Ind AS)

## d) Exposures

## (i) Exposure to Real Estate Sector

(Amounts are in INR thousands)

Category	31-Mar-21	31-Mar-20
<u>Direct Exposure</u>		
(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	-	-
(iii) Investments in Mortgage Backed Securities(MBS) and other securitised exposures -	-	-
a. Residential	-	-
b. Commercial Real Estate	-	-
<b>Total Exposure to Real Estate Sector</b>	-	-

## (ii) Exposure to Capital Market

Particulars	31-Mar-21	31-Mar-20
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows / issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
<b>Total Exposure to Capital Market</b>	-	-

**JANA HOLDINGS LIMITED**
**Notes forming part of the Financial Statements for the year ended 31 March, 2021**

(Amounts are in INR thousands)

**42 Disclosure required in terms of the Revised Regulatory Framework for NBFC issued by RBI on 10 November 2014 (continued)**

(Amounts included herein are based on current and previous year financials as per Ind AS)

**Schedule to the Balance sheet of the non-deposit taking Non-Banking Financial Company**

(as required in terms of Paragraph 18 of Master Direction -Non-Banking Financial Company- Systemically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016)

Particulars		31-Mar-21		31-Mar-20	
Liabilities side		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(1)	<b>Loans and advances availed by the non-banking financial company</b>				
(a)	Non Convertible Debentures :		-		-
	Secured	48,75,089.39	-	40,78,062.82	-
	Unsecured	1,06,40,944.97	-	91,30,506.55	-
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	-	-	-	-
(d)	Inter-corporate loans and borrowing	-	-	-	-
(e)	Commercial Paper	-	-	-	-
(f)	Public Deposits	-	-	-	-
(g)	Other Loans (specify nature)	-	-	-	-
(2)	<b>Break-up of (1)(f) above (Outstanding public deposits inclusive of</b>				
(a)	In the form of Unsecured debentures	-	-		
(b)	In the form of partly secured debentures i.e. debentures where	-	-		
(c)	Other public deposits	-	-		

Assets side		31-Mar-21	31-Mar-20
(3)	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below]</b>		
(a)	Secured	-	-
(b)	Unsecured	1,643.09	144.37
(4)	<b>Break up of Leased Assets and stock on hire and other assets counting</b>		
(i)	Lease assets including lease rentals under sundry debtors :		
(a)	Financial lease	-	-
(b)	Operating lease	-	-
(ii)	Stock on hire including hire charges under sundry debtors :		
(a)	Assets on hire	-	-
(b)	Repossessed Assets	-	-
(iii)	Other loans counting towards asset financing activities		
(a)	Loans where assets have been repossessed	-	-
(b)	Loans other than (a) above	-	-
(5)	<b>Break-up of Investments</b>		
	<b>Current Investments</b>		
1	<b>Quoted</b>		
(i)	Shares		
(a)	Equity	-	-
(b)	Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government Securities	-	-
(v)	Others (please specify)	-	-
2	<b>Unquoted</b>		
(i)	Shares		
(a)	Equity	-	-
(b)	Preference	-	-
(ii)	Debentures and Bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government Securities	-	-
(v)	Others (Bank Fixed Deposits)	8,228.01	-

(Amounts are in INR thousands)

Long Term investments					
1	Quoted				
	(i)	Share			
		(a) Equity	-	-	
		(b) Preference	-	-	
	(ii)	Debentures and Bonds	-	-	
	(iii)	Units of mutual funds	-	-	
	(iv)	Government Securities	-	-	
2	Unquoted				
	(i)	Shares			
		(a) Equity	2,03,00,420.67	2,03,00,420.67	
		(b) Preference	-	-	
	(ii)	Debentures and Bonds	-	-	
	(iii)	Units of mutual funds	-	-	
	(iv)	Government Securities	-	-	
	(v)	Others (please specify)	-	-	
(6) Borrower group-wise classification of assets financed as in (3) and (4) above :					
Category			Amount net of provisions		
			Secured	Unsecured	Total
1	Related Parties **				
	(a)	Subsidiaries	-	-	-
	(b)	Companies in the same group	-	-	-
	(c)	Other related parties	-	1,643.09	1,643.09
2	Other than related parties		-	-	-
Total					
(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both					
Category			Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	
1	Related Parties **				
	(a)	Subsidiaries	2,03,00,420.67	2,03,00,420.67	
	(b)	Companies in the same group	-	-	
	(c)	Other related parties	-	-	
2	Other than related parties		-	-	
Total					
(8) Other information					
Particulars			31-Mar-21	31-Mar-20	
(i)	Gross Non-Performing Assets				
	(a)	Related parties	-	-	
	(b)	Other than related parties	-	-	
(ii)	Net Non-Performing Assets				
	(a)	Related parties	-	-	
	(b)	Other than related parties	-	-	
(iii)	Assets acquired in satisfaction of debt		-	-	

**43 Disclosure required in terms of the Revised Regulatory Framework for NBFC issued by RBI on 10 November 2014 (continued)**

(Amounts included herein are based on current and previous year financials as per Ind AS)

**e) Miscellaneous****i) Registration obtained from other financial sector regulators**

The Company has not obtained registration from other financial sector regulators.

**ii) Disclosure of Penalties imposed by RBI and other regulators**

Penalties imposed by RBI and other regulators on the Company is Nil (Previous Year: Nil)

**iii) Ratings assigned by credit rating agencies and migration of ratings during the year**

Instrument	Name of Rating Agency	Date of Rating	Rating	Previous Rating
Redeemable Non-Convertible Debentures (Series A - H)	ICRA Limited	10-Mar-21	PP-MLD [ICRA]B+ (Negative)	PP-MLD [ICRA]B+ (Negative)
Redeemable Non-Convertible Debentures (Series I - J)	India Ratings and Research	14-Oct-20	IND B+/ Stable	IND B+/ Stable

**iv) Revenue Recognition**

There is no postponement of revenue recognition during the year which is subjected to resolution of significant uncertainties.

**v) Draw Down from Reserves**

There has been no draw down from reserves during the year

**vi) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)**

There are no overseas asset owned by the Company

**vii) Off-balance Sheet SPVs sponsored**

There are no off balance sheet SPVs sponsored.

**viii) Net Profit or Loss for the period, prior period items and changes in accounting policies**

There are no prior period items included in the current year's statement of profit and loss.

**f) Customer complaints**

Particulars	31-Mar-21	31-Mar-20
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	-	-
(c) No. of complaints redressed during the year	-	-
(d) No. of complaints pending at the end of the year	-	-

**g) Disclosure of frauds as per Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016. circular no. RBI/DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17 dated 29 September 2016**

There were no instances of reportable fraud for the year ended 31 March 2021 and 31 March 2020.

**44 Prior year comparatives**

Previous years figures have been re-grouped/re-classified wherever necessary to correspond with the current year classification/disclosures.

As per our report of even date

**For MSKC & Associates**

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

Chartered Accountants

ICAI Firm Registration No.:0015955



Tushar Kurani


Partner

Membership No: 118580

Place: Mumbai

Date: 24 June 2021

For and on behalf of the Board of Directors of Jana Holdings Limited  
CIN:U74900KA2016PLC086838
  
**Rajamani Muthuchamy**  
 Managing Director and CEO  
 DIN:08080999
Place: Bangalore  
Date: 24 June 2021
  
**Gopalakrishnan S**  
 Chief Financial officer  
 ICAI Membership No: 021783  
 Place: Bangalore  
 Date: 24 June 2021

  
**Ramesh Ramanathan**  
 Chairman  
 DIN:00163276
Place: Bangalore  
Date: 24 June 2021
  
**Vidya Sridharan**  
 Company Secretary  
 ICSI Membership No: A44354  
 Place: Bangalore  
 Date: 24 June 2021


## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Jana Holdings Limited**

**Report on the Audit of the Consolidated Financial Statements**

### **Qualified Opinion**

We have audited the accompanying consolidated financial statements of Jana Holdings Limited (the "Company"), its associate, which comprise the Consolidated Balance Sheet as at 31 March 2021, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies. (hereinafter referred to as "the consolidated financial statements")

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Company and its associate, as at 31 March 2021, consolidated loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

### **Basis for Qualified Opinion**

- i. The Company is a Non operating Financial Holding Company ('NOFHC') of Jana Small Finance Bank Limited ('JSFB' or 'the Bank'). As per RBI guidelines, the Company shall maintain minimum capital adequacy ratio ('CAR') at a consolidated level based on the prudential guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF) issued under Basel II framework and Guidelines on Implementation of Basel III Capital Regulations of India, when implemented. For the year ended 31 March 2021, the Company is not meeting with the regulatory minimum CAR on a consolidated basis. Capital adequacy computed on a consolidated basis as on 31 March 2021, is -5.20 %, which is below the regulatory minimum of 15%. The consequential impact of such non-compliances on the consolidated financial statements is presently unascertainable. (Refer Note 31 to the consolidated financial statements).
- ii. The terms and conditions of the Certificate of registration issued to the Company by the RBI vide letter no. N-02.00275 dated 27 January 2017, requires Company to comply with prescribed net owned fund requirement in accordance with Section 45-IA of the Reserve Bank of India Act, 1934 and RBI's Master Direction DNBR.PD.008/03.10.119/2016-17 dated 1 September 2016. The net owned funds of the Company as on 31 March 2021, is in a deficit of Rs. 1,50,26,204 thousand, which is below the regulatory minimum of Rs. 20,000 thousand. The consequential impact of such non-compliance on the consolidated financial statements is presently unascertainable. (Refer note 32 to the audited consolidated financial statements).
- iii. As per RBI guidelines, the NOFHC may have a leverage of up to 1.25 times of its paid up equity capital and free reserves. For the year ended 31 March 2021, the Company had a leverage ratio of 3.24 which is above the regulatory threshold of 1.25 on a standalone basis. The consequential impact of such non-compliances on the consolidated financial statements is presently unascertainable. (Refer Note 33 to the audited consolidated financial statements)

These matters were also qualified in our report on the consolidated financial statements for the year ended 31 March 2020.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountant of India ("ICAI") and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Material Uncertainty Related to Going Concern**

We draw attention to Note 34 in the consolidated financial statements, which indicates that the Company incurred a net loss of INR 27,36,175.86 thousands during the year ended 31 March 2021 and has accumulated losses amounting to INR 2,78,06,255.96 thousands, as of that date, which has fully eroded its net worth and further the Company has fixed term borrowings approaching maturity with prospects of repayment currently being evaluated by the management. Further, the Company is in breach of certain regulatory financial parameters as of 31 March 2021 as stated in the Basis of Qualified Opinion section above. These conditions indicate that a material uncertainty exists that may cast significant doubt on Company's ability to continue as a going concern. However, as stated in the note, the Company is in the process of raising additional funds as necessary to operate as a going concern. Further, the Company has considered appropriateness of going concern based on key changes in the Associate, such as return to profitability and maintenance of adequate liquidity surplus on an ongoing basis. Accordingly, the financial statements have been prepared under going concern assumption.

Our opinion is not modified in respect of this matter.

#### **Emphasis of Matter**

We draw attention to Note 29 to the consolidated financial statements which describes the extent to which the COVID-19 Pandemic will impact the associate's financial statements. Consequentially, the impact on the carrying value of investment in associate in the books of the Company will depend on the future developments.

Our opinion is not qualified in respect of this matter.

#### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report but does not include the consolidated financial statements and our auditor's report thereon

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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. The other information included in the Director's Report have not been adjusted for the impacts as described in the Basis for Qualified section above Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

#### **Impairment Assessment of Investment in Associate:**

Refer Note 2 to the Consolidated Financial Statement with respect to the disclosures of Investment in Associate.

The investment in the associate is accounted under equity method and is tested for impairment annually. On March 31, 2021, carrying value of Investment in associate amounted to INR 13,25,395.62 thousands (Previous year March 31, 2020: 18,92,078.39 thousands).

The annual impairment testing of carrying value of investment in the associate is considered to be a key audit matter due to the materiality of investment for the company and the fact that process and methodology for assessing and determining the recoverable amount of investment are based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to identification of impairment indicators.

Our key audit procedures included:

- i. Verified the design, implementation and operating effectiveness of key internal controls over approval, recording and monitoring of Impairment in Investments.
- ii. Reviewed the management's impairment assessment and assessed the reasonableness of judgements and assumptions used in such impairment assessment.
- iii. Assessed the accuracy of the impairment loss and evaluated the adequacy of the financial statement disclosures.

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

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company and its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The Board of Directors of the company and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Company and of its associates are responsible for assessing the ability of the Company and of its associate and 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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company and of its associates are responsible for overseeing the financial reporting process of the Company and of its associate.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 company 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 ability of the Company and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

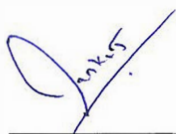
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and, except for the possible effect of the matter described in the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. Except for the effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. Except for the effects of the matter described in Basis for Qualified Opinion section above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 Companies (Accounts) Rules, 2014.
  - e. The matter described in Basis of Qualified Opinion and Material Uncertainty Related to Going Concern section of our report, in our opinion, may have an adverse effect on the functioning of the Company.
  - f. On the basis of the written representations received from the directors of the Company as on 31 March, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate company, none of the directors of the Company, its associate company is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

- h. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its associate. Refer Note 14(e) to the consolidated financial statements.
  - ii. The Company and its associate did not have any material foreseeable losses 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 Company and its associate company incorporated in India.
- 2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company and its associate to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

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



Pankaj S Bhauwala  
Partner  
Membership No: 233552  
UDIN: 21233552AAAAAD4151

Place: Bengaluru  
Date: September 23, 2021



**& Associates**

Chartered Accountants

602, Floor 6, Raheja Titanium  
Western Express Highway, Geetanjali Railway Colony  
Ram Nagar, Goregaon (E) Mumbai 400063, INDIA  
Tel: +91 22 6831 1600

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JANA HOLDINGS LIMITED**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Jana Holdings Limited on the consolidated Financial Statements for the year ended 31 March 2021]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Jana Holdings Limited (hereinafter referred to as "the Company") and its associate company, which are companies incorporated in India, as of that date.

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

The Board of Directors of the Company, its associate company are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies 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 ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Company and its associate company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing 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 consolidated 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 internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Company and its associate company.

#### **Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements**

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated 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 company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

#### **Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated 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, and to the best of our information and according to the explanations given to us, the Company and its associate company, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**MSKC & Associates (Formerly known as R K Kumar & Co)**  
Chartered Accountants  
ICAI Firm Registration Number: 0015955



Pankaj S Bhauwala  
Partner  
Membership No: 233552  
UDIN: 21233552AAAAAD4151

Place: Bengaluru  
Date: September 23, 2021

JANA HOLDINGS LIMITED  
Consolidated Balance Sheet as at 31 March 2021

(Amounts are in INR thousands)

Particulars	Note	As at 31-Mar-21	As at 31-Mar-20
<b>ASSETS</b>			
(1) Financial Assets			
(a) Cash and Cash Equivalent	1(i)	9,592.35	30,494.75
(b) Bank Balance other than (a) above	1(ii)	-	-
(c) Investments	2	13,25,395.62	18,92,078.39
(d) Other Financial Assets	3	1,610.69	141.87
(2) Non- Financial Assets			
(a) Current tax assets (Net)	4	136.30	33.44
(b) Property, Plant and Equipment	5	184.33	332.66
(c) Other Intangible assets	6	22.87	44.11
(d) Other Non financial assets	7	169.05	152.01
<b>Total Assets</b>		<b>13,37,111.21</b>	<b>19,23,277.22</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
(1) Financial Liabilities			
(a) Payables			
(i) Trade Payables			
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(ii) Other Payables			
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	8	32.40	857.11
(b) Debt Securities	9	1,55,16,034.36	1,32,08,569.37
(c) Other financial liabilities	10	410.00	330.00
(2) Non-Financial Liabilities			
(a) Other non-financial liabilities	11	374.98	152.45
(b) Provisions	12	518.76	139.60
(3) Non-current liability and disposal group held for sale		-	-
(4) EQUITY			
(a) Equity Share capital	13	23,809.44	23,809.44
(b) Other Equity	14	-1,42,04,068.73	-1,13,10,580.76
<b>Total Liabilities and Equity</b>		<b>13,37,111.21</b>	<b>19,23,277.22</b>

Summary of significant accounting policies

The accompanying notes are an integral part of the consolidated financial statements

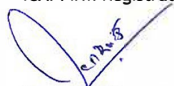
As per our report of even date

For **MSKC & Associates**

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

Chartered Accountants

ICAI Firm Registration No.:0015955



Pankaj S Bhauwala

Partner

Membership No: 233552

Place: Bangalore

Date: 23 Sept 2021

For and on behalf of the Board of Directors of Jana Holdings Limited

CIN:U74900KA2016PLC086838



Rajamani Muthuchamy

Managing Director and CEO

DIN:08080999

Place: Bangalore

Date: 23 Sept 2021



Gopalakrishnan S

Chief Financial officer

ICAI Membership No: 021783

Place: Bangalore

Date: 23 Sept 2021



Ramesh Ramanathan

Chairman

DIN:00163276

Place: Bangalore

Date: 23 Sept 2021



Vidya Sridharan

Company Secretary

ICSI Membership No: A44354

Place: Bangalore

Date: 23 Sept 2021

## JANA HOLDINGS LIMITED

## Statement of Consolidated Profit and Loss for the year ended 31 March 2021

Particulars	Note	(Amounts are in INR thousands)	
		For the year ended 31-March-2021	For the year ended 31-March-2020
Revenue from Operations			
(i) Dividend Income		-	-
(I) Total Revenue from Operations		-	-
(II) Other Income	15	1,380.57	337.35
(III) Total Income (I+II)		1,380.57	337.35
Expenses			
(i) Finance Costs	16	23,07,465.00	19,80,458.24
(ii) Employee Benefits Expenses	17	10,480.28	8,688.67
(iii) Depreciation and amortization	18	169.57	123.68
(iv) Others expenses	19	10,070.94	6,855.98
(IV) Total Expenses (IV)		23,28,185.79	19,96,126.57
Loss before exceptional items, tax and share of loss of Associate (III - IV)		(23,26,805.22)	(19,95,789.22)
(VI) Exceptional items		-	-
(VII) Loss before tax and share of loss of Associate (V-VI)		(23,26,805.22)	(19,95,789.22)
(VIII) Share of Profit/(loss) of the associate accounted for using equity method		(4,09,370.64)	(16,96,615.53)
(VI) Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
(VII) Loss for the year (V-VI)		(27,36,175.86)	(36,92,404.74)
(VIII) Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Subtotal (A)		-	-
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other Comprehensive Income (A + B)		-	-
(IX) Total Comprehensive Income / (Loss) for the period (VII+VIII)		(27,36,175.86)	(36,92,404.74)
(X) Earnings per equity share (for continuing operations)	20		
Basic (Rs.)		(1,149.20)	(1,550.82)
Diluted (Rs.)		(1,149.20)	(1,550.82)

The accompanying notes are an integral part of the consolidated 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

Pankaj S Bhauwala  
Partner  
Membership No: 233552

Place: Bangalore  
Date: 23 Sept 2021

For and on behalf of the Board of Directors of Jana Holdings Limited  
CIN:U74900KA2016PLC086838

Rajamani Muthuchamy  
Managing Director and CEO  
DIN:08080999

Place: Bangalore  
Date: 23 Sept 2021

Gopalakrishnan S  
Chief Financial officer  
ICAI Membership No: 021783

Place: Bangalore  
Date: 23 Sept 2021

Ramesh Ramanathan  
Chairman  
DIN:00163276

Place: Bangalore  
Date: 23 Sept 2021

Vidya Sridharan  
Company Secretary  
ICSI Membership No: A44354

Place: Bangalore  
Date: 23 Sept 2021

## JANA HOLDINGS LIMITED

## Statement of Standalone cash flows for the year ended 31 March 2021

	(Amounts are in INR thousands)	
	Year ended 31-Mar-21	Year ended 31-Mar-20
<b>Cash flow from operating activities</b>		
Profit / Loss before tax	(27,36,175.86)	(36,92,404.74)
Adjustments for:		
Depreciation and amortization expenses	169.57	123.68
Share of loss of the associate accounted for using equity method	4,09,370.64	16,96,615.53
Impairment on financial instruments	-	-
Provisions	379.16	139.60
Finance cost (Interest on debt securities)	23,07,465.00	19,67,478.25
<b>Operating Loss before working capital changes and adjustments</b>	<b>(18,791.51)</b>	<b>(28,047.68)</b>
<b>Changes in working capital</b>		
(Decrease) / Increase in payables	(824.71)	(532.34)
Decrease/ (Increase) in other financial assets	(1,468.83)	(140.87)
(Decrease) / Increase in other financial liabilities	80.00	230.00
(Decrease) / Increase in other non-financial liabilities	222.54	(777.65)
Decrease/ (Increase) in other non financial assets	(17.04)	(152.01)
<b>Cash used in operations before adjustments</b>	<b>(20,799.54)</b>	<b>(1,372.87)</b>
Income tax paid / Current tax assets (net)	(102.86)	39.75
<b>Net cash flows from (used in) operating activities (A)</b>	<b>(20,902.40)</b>	<b>(29,380.80)</b>
<b>Cash flow from Investing activities</b>		
Payment for property, plant and equipment and intangible assets	-	(360.73)
Investment in associate	-	(14,70,000.91)
<b>Net cash flow from / (Used in) investing activities (B)</b>	<b>-</b>	<b>(14,70,361.64)</b>
<b>Cash flow from Financing activities</b>		
Proceeds from issuance of equity share capital	-	14,89,996.56
Proceeds from Debt securities issued	-	-
Others	-	327.36
Share Issue Expenses	-	(5,570.00)
<b>Net cash flow from financing activities (C)</b>	<b>-</b>	<b>14,84,753.92</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(20,902.40)</b>	<b>(14,988.52)</b>
Cash and cash equivalents at the beginning of the year	30,494.75	45,483.27
<b>Cash and cash equivalents at the end of the year</b>	<b>9,592.34</b>	<b>30,494.75</b>
<b>Cash and cash equivalents comprise (Refer note 1)</b>		
Balances with banks		
On current accounts	1,364.34	10,193.77
On Deposits with Banks	8,228.01	20,300.98
<b>Total cash and bank balances at end of the year</b>	<b>9,592.34</b>	<b>30,494.75</b>

See accompanying notes to the financial statements

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For MSKC &amp; Associates

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

Chartered Accountants

ICAI Firm Registration No.:0015955



Pankaj S Bhauwala

Partner

Membership No: 233552

Place: Bangalore

Date: 23 Sept 2021

For and on behalf of the Board of Directors of Jana Holdings Limited

CIN:U74900KA2016PLC086838



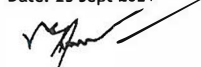
Rajamani Muthuchamy

Managing Director and CEO

DIN:08080999

Place: Bangalore

Date: 23 Sept 2021



Gopalakrishnan S

Chief Financial officer

ICAI Membership No: 021783

Place: Bangalore

Date: 23 Sept 2021



Ramesh Ramanathan

Chairman

DIN:00163276

Place: Bangalore

Date: 23 Sept 2021



Vidya Sridharan

Company Secretary

ICSI Membership No: A44354

Place: Bangalore

Date: 23 Sept 2021



## JANA HOLDINGS LIMITED

## Consolidated Statement of changes in equity for the year ended 31 March 2021

(Amounts are in INR thousands)

## (A) Equity share capital

Equity shares of Rs.10 each issued, subscribed and fully paid

Opening

Add: Issued during the year

Closing

As at 31-Mar-21		As at 31-Mar-20	
No. of shares	Amount	No. of shares	Amount
23,80,944	23,809.44	19,92,114	19,921.14
-	-	3,88,830	3,888.30
23,80,944	23,809.44	23,80,944	23,809.44

## (B) Other equity

01 April 2020 to 31 March 2021

Particulars					Total
	Securities Premium	Statutory Reserve	Retained Earnings	Other comprehensive income	
Balance at the beginning of the reporting period	1,37,47,177.92	30,339.16	(2,50,70,080.10)	(18,017.72)	(1,13,10,580.76)
Total Comprehensive Income for the year	-	-	(27,36,175.86)	(1,57,312.11)	(28,93,487.97)
Premium on issue of equity shares	-	-	-	-	-
Less: Share Issue Expenses	-	-	-	-	-
Balance at the end of the reporting period	1,37,47,177.92	30,339.16	(2,78,06,255.96)	(1,75,329.83)	(1,42,04,068.73)

01 April 2019 to 31 March 2020

Particulars					Total
	Securities Premium	Statutory Reserve	Retained Earnings	Other comprehensive income	
Balance at the beginning of the reporting period	1,22,66,639.66	30,339.16	(2,13,77,675.36)	-	(90,80,696.55)
Total Comprehensive Income for the year	-	-	(36,92,404.74)	(18,017.72)	(37,10,422.47)
Premium on issue of equity shares	14,86,108.26	-	-	-	14,86,108.26
Less: Share Issue Expenses	5,570.00	-	-	-	5,570.00
Balance at the end of the reporting period	1,37,47,177.92	30,339.16	(2,50,70,080.10)	(18,017.72)	(1,13,10,580.76)

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For MSKC &amp; Associates

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

Chartered Accountants

ICAI Firm Registration No.:0015955

Pankaj S Bhauwala

Partner

Membership No: 233552

Place: Bangalore

Date: 23 Sept 2021

For and on behalf of the Board of Directors of Jana Holdings Limited

CIN:U74900KA2016PLC086838

  
Rajamani Muthuchamy  
Managing Director and CEO  
DIN:08080999

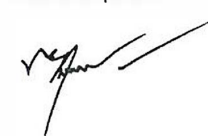
Place: Bangalore

Date: 23 Sept 2021

  
Ramesh Ramanathan  
Chairman  
DIN:00163276

Place: Bangalore

Date: 23 Sept 2021

  
Gopalakrishnan S  
Chief Financial officer  
ICAI Membership No: 021783

Place: Bangalore

Date: 23 Sept 2021

  
Vidya Sridharan  
Company Secretary  
ICSI Membership No: A44354

Place: Bangalore

Date: 23 Sept 2021

## JANA HOLDINGS LIMITED

### Notes to the Consolidated Financial Statements for the year ended 31 March 2021

#### 1 Company Overview

##### 1.1 Reporting Entity

The Company was incorporated on 10 March 2016 to carry on the business of an Investment Company and to invest, buy, sell, transfer, deal in and dispose of any shares, stocks, debentures, whether perpetual or redeemable debenture, debentures, stocks, securities of any Government, Local Authority, Bonds and Certificates. The Company is a wholly owned subsidiary of Jana Capital Limited. The Company has received certificate of registration for Non-Banking Financial Company (NBFC) Non Operating Financial Holding Company (NOFHC) from Reserve Bank of India, on 27 January 2017. As per the guidelines for licensing of new banks in the private sector issued by Reserve Bank of India, the company, a Non-Operating Financial Holding Company Limited holds the investment in Jana Small Finance Bank (formerly known as 'Janalakshmi Financial Services Limited').

The Board in its meeting held on October 21, 2019, and November 12, 2019, approved Fast track method for merging Jana Holdings Limited (JHL), being the wholly-owned Non-Operating Financial Holding Company (NOFHC), with its Holding as well as Core Investment Company, Jana Capital Limited. The Company has submitted necessary documents on January 9, 2020, sought by the RBI vide their letter dated October 2019 and received the in principle approval from the RBI on 10th August 2020. As per the existing guidelines, the requirement of having a NOFHC has been dispensed with by the RBI for setting up Small Finance Banks and Universal Banks.

Further, such a merger of the wholly owned subsidiary with the Holding Company will simplify the compliances to be reported to various Regulatory Authorities, besides resulting in lower operating costs. The Company is eligible to adopt Fast track method for the merger as envisaged under Section 233 of the Companies Act, 2013 as it is the merger of the wholly-owned subsidiary with the Holding Company. Subsequent to the receipt of the In-principle approval from the RBI the Board of Directors of the transferor and the Transferee Company met on 24th August 2020, approved the Scheme of Amalgamation of Jana Holdings Limited (Wholly Owned subsidiary) with Jana Capital Limited (Holding Company).

The Company has also served notices (CAA-9) along with the proposed Scheme on the Registrar of Companies, Karnataka and Official Liquidator, Ministry of Corporate Affairs by letter dated 25th August 2020 seeking their objections / suggestions to the said scheme as required under section 233(1)(a) of the Act and rules made thereunder. However, the company did not receive any objections and suggestions to the proposed scheme from the said authorities within the stipulated timeline. As the debentures of the company are listed on the Bombay Stock Exchange (BSE), the company initiated steps for obtaining the approval from the Stock Exchange.

The Company held the Extra-Ordinary General Meeting of the Shareholders on 30th October 2020 for the approval of the Scheme. Jana Capital Limited, being the Holding Company and the Transferee Company, submitted necessary application with the Regional Director, South-East Region, Ministry of Corporate Affairs, Hyderabad on 6th November 2020 for obtaining approval of Amalgamation under Section 233 of the Companies Act, 2013.

Regional Director, Ministry of Company Affairs, Hyderabad vide their letter dated 26th March 2021 has rejected the application filed on 6th November 2020 for the merger of JHL with JCL, since JHL had obtained consent from the creditors only to the extent of 82.78% in value as against the minimum threshold of consent from 90% of the creditors in value as required under Section 233 of the Companies Act, 2013 and, thus, the provisions of Section 233(1)(d) could not be fully complied with. The Board of Directors considered the aforesaid rejection order and have resolved to file the fresh merger application subject to the approval of the Scheme by the Board of Directors, Shareholders, Creditors and such other authorities as may be required. The Company submits that it is on the verge of raising funds and paying the creditor. Thus, It is expected to obtain NOC from the said creditor very soon and approach the Regional Director, Ministry of Corporate Affairs, Hyderabad, for approval of the merger. The Company is confident of getting the merger done in this Financial Year. Post the merger, the resultant entity, which is a CIC, is not required to maintain Net Owned Funds.

##### 1.2 Statement of compliance

These financial statements are consolidated financial statements prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Act") (as amended). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules, 2016.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

Amounts in the financial statements are presented in Indian Rupees in thousands rounded off as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimal places.

##### 1.3 Basis of preparation

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. (As Amended from time to time)

The consolidated financial statements up to year ended 31 March 2018 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The consolidated financial statements for the year ended 31 March 2019 were the first set of financial statements prepared in accordance with Ind AS. The Company is regulated by the Reserve Bank of India ('RBI'). RBI periodically issues/amends directions, regulations and/or guidance (collectively "Regulatory Framework") covering various aspects of the operation of the Company, including those relating to accounting for certain types of transactions. The Regulatory Framework contains specific instructions that need to be followed by the Company in preparing its financial statements. The financial statements for the current and previous year may need to undergo changes in measurement and / or presentation upon receipt of clarifications on the Regulatory Framework or changes thereto. The financial statements for the year ended 31 March 2019 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as amended from time to time, in this regard.

## JANA HOLDINGS LIMITED

### Notes to the Consolidated Financial Statements for the year ended 31 March 2021

#### 1.4 Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and Associates as at and for the year ended 31 March 2021. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If an associate uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that associate's financial statements in preparing the consolidated financial statements to ensure conformity with the Company's accounting policies.

The financial statements of all entities used for the purpose of consolidation are same reporting date as that of the parent company, i.e., year ended on March 31, 2021.

#### 1.5 Consolidation procedure:

Assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, the investment in an associate is initially recognised at cost and adjusted thereafter to recognise the company's share of the profit or loss and other comprehensive income of the associates. Dividend received from associates is recognised as reduction in the carrying amount of the investments.

After application of the equity method, the company determines whether there is any objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit/loss of an associate in the Statement of Profit and Loss'.

When a company transacts with an associate, profit or losses resulting from the transactions with associate are recognised in the company's consolidated financial statements only to the extent of interests in the associate that are not related to the company.

#### 1.6 Functional and Presentation currency

These Ind AS Consolidated Financial Statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts are rounded off to the nearest thousands, unless otherwise indicated.

#### 1.7 Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis.

#### 1.8 Significant areas of estimation, critical judgments and assumptions in applying accounting policies

The preparation of consolidated financial statements in accordance with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. The Company's management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of the changes in circumstances surrounding the estimates. Any changes in the accounting estimates are reflected in the period in which such change in circumstances are made and, if material their effect are disclosed in the notes to the consolidated financial statements.

The key estimates and assumptions used in preparation of consolidated financial statements are;

##### i. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items.

##### ii. Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized.

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. Use of assumptions is also made by the Company for assessing whether an asset may be capitalized and which components of the cost of the asset may be capitalized.

## 2 Significant accounting policies

The Company has applied the following accounting policies to all periods presented in these consolidated financial statements.

##### i. Revenue recognition

Interest on fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate. Dividend is recognised when the right to receive the dividend is established.

##### ii. Finance Cost

Interest expense on financial liabilities is recognized on an accrual basis using effective interest rate (EIR) method.

The EIR is the rate that discounts the estimated future cash flows through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial liability adjusted for upfront expenses. The interest expense is recognized on EIR method on a time proportion basis applied on the carrying amount for financial liability.

Arranger fees, stamp duty charges and other fees that are integral to the effective interest rate on a liability are included in the effective interest rate. Other fees and expenses such as are recognized as and when they are incurred.

##### iii. Financial assets and liabilities

###### a. Financial assets

###### Initial recognition and measurement

Except for items at fair value through profit or loss (FVTPL), all financial assets are recognized initially at fair value plus or minus transaction costs that are directly attributable and incremental to the origination/acquisition of the financial asset.

## JANA HOLDINGS LIMITED

### Notes to the Consolidated Financial Statements for the year ended 31 March 2021

#### Financial assets at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest outstanding on the principal amount outstanding (SPPI).

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR and reported as part of interest income in the Statement of Profit or Loss. The losses if any, arising from impairment are recognized in the Statement of Profit or Loss.

#### Financial assets at fair value through other comprehensive income

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

The loss allowance is recognized in other comprehensive income and does not reduce the carrying value of the financial asset. When the financial asset is derecognized the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

#### Financial assets at fair value through profit or loss (FVTPL)

Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified to be measured at FVTPL.

In addition, the Company may also elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is done only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in profit or loss.

#### Classification and subsequent measurement

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

#### b. Financial Liabilities

##### Initial recognition and measurement

Except for items at fair value through profit or loss (FVTPL), all financial liabilities are recognized initially at fair value plus or minus transaction costs that are directly attributable and incremental to the issue of the financial liabilities.

##### Subsequent measurement

All financial liabilities are subsequently measured at amortized cost except for financial liabilities at FVTPL. Such liabilities including derivatives that are liabilities are subsequently measured at fair value.

#### c. De-recognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in Statement of Profit or Loss.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

#### d. Modifications of financial assets and financial liabilities

##### Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value adjusted for any eligible transaction costs.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in Statement of profit or loss.

##### Financial liabilities

The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in statement of profit or loss.

#### e. Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and intends to settle on net basis or to realize the asset and settle the liability simultaneously.

JANA HOLDINGS LIMITED

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

f. Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

iv. Employee Benefits

i. Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

v. Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment loss if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within the statement of profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values (at 0.01% except for leasehold improvements which are fully depreciated) using the straight-line method over their estimated useful lives, and is recognized in Statement of profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

Particulars	Useful Life
Computers and Printers	3 Years

The depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation on additions /disposals is provided on a pro-rata basis i.e. from / up to the date on which asset is ready for use /disposed of.

vi. Other Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets, comprising of software are amortized on the basis of written down value method over the estimated useful life of the asset.

Particulars	Useful Life
Computer Software	3 Years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

vii. Impairment (non-financial asset)

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment exists when the carrying value of an asset or cash generating unit ('CGU') exceeds the recoverable amount, which is the higher of the fair value less costs to sell and value in use. The fair value less costs to sell is arrived based on available data from binding sales transactions at arm's length, for similar assets. The value in use is based on a discounted cash flow (DCF) model, whereby the future expected cash flows discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Impairment losses are recognized in statement of profit or loss, when the carrying value of an asset or cash generating unit ('CGU') exceeds the estimated recoverable amount. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**JANA HOLDINGS LIMITED**

**Notes to the Consolidated Financial Statements for the year ended 31 March 2021**

**viii. Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currency of the Company at exchange rates at the dates of the transactions or at the average rate if such rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognized in Statement of profit or loss.

**ix. Provisions and contingencies related to claims, litigation, etc.**

A provision is recognised if, as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

**a. Onerous contracts**

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

**b. Contingencies related to claims, litigation, etc.**

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

**x. Income taxes**

Income tax expense comprises current and deferred tax. It is recognized in statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

**a. Current tax:**

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the expected tax payable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the balance sheet date.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognized amounts; and
- b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**b. Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and its tax base.

Deferred tax assets are reviewed at each reporting date and based on management's judgment, are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

The effect of changes in the tax rates on deferred tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date.

Deferred tax assets and liabilities are offset only if:

- a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

**xi. Earnings per share**

The Company presents basic and diluted earning per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the period.

Diluted earnings per share is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, except where the results are anti-dilutive.

**xii. Cash and cash equivalents**

Cash and cash equivalents include balance with banks and fixed deposits with an original maturity of three months or less. Cash and cash equivalents are carried at amortized cost in the balance sheet.

**JANA HOLDINGS LIMITED**

**Notes to the Consolidated Financial Statements for the year ended 31 March 2021**

**xiii. Statement of cash flows**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash transactions, any deferrals or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. For the purpose of presentation in the statement of cash flows, Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**xiv. Impairment of financial assets**

The Company recognises impairment allowances for Expected Credit Loss (ECL) on all the financial assets that are not measured at FVTPL:

ECL are probability weighted estimate of future credit losses based on the staging of the financial asset to reflect its credit risk. They are measured as follows:

- Financial assets that are not credit impaired - as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- Financial assets with significant increase in credit risk but not credit impaired - as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.
- Financial assets that are credit impaired - as the difference between the gross carrying amount and the present value of estimated cash flows

Financial assets are fully provided for or written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

The Company accounts for investments in associates at cost and tests for impairment at each reporting date. At each reporting date, the Company assesses whether financial assets carried at amortised cost are impaired. The financial assets are tested for impairment and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated.

**xv. Segment Reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses whose results are regularly reviewed by the Company's chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Company's CEO (being the CODM) include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis.

**xvi. Recent Indian Accounting Standards (IndAs)**

**Ind AS 116 Amendment**

Ind AS 116, Leases: Practical expedient which permits lessees not to account for COVID-19 related rent concessions as a lease modification. However, with respect to IndAs 116, in case a lessee has not yet approved the financial statements for issue before the issuance of the amendments, then the same may be applied for annual reporting periods beginning on or after 1 April 2019. This amendment had no impact on financial statement.

**Standards (including amendments) issued but not yet effective**

There are no new standards including amendments issued but not yet effective.

**JANA HOLDINGS LIMITED**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

(Amounts are in INR thousands)

**1 Cash and Cash Equivalents**

Cash on hand

Balances with banks (of the nature of cash and cash equivalents)

Others (Fixed Deposits with Banks) - \*(Refer Note-1 below)

Total

(I)

**31-Mar-21**

**31-Mar-20**

1,364.34

10,193.76

8,228.01

20,300.98

**9,592.35**

**30,494.75**

**Bank Balance other than cash and cash equivalent**

Earmarked balances with banks

Total other bank balances

(II)

-

-

-

-

Total Cash and bank balances

(I+II)

**9,592.35**

**30,494.75**

**\* Note-1**

Fixed Deposits with banks represents the deposits including the interest accrued on deposits placed with its associate company Jana Small Finance Bank Limited being 3 deposits each of INR 25 Lakhs amounting to INR 75 Lakhs maturing on 02 June 2021.

## JANA HOLDINGS LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

(Amounts are in INR thousands)

**2 Investments**

Particulars	As at 31 March 2021			As at 31 March 2020		
	Amortised cost	At Fair Value		Amortised cost	At Fair Value	
		Through Other Comprehensive Income	Through Profit or Loss		Through Other Comprehensive Income	Through Profit or Loss
	1	2	3	1	2	3
Equity instruments	-	-	-	-	-	-
Jana small finance bank (Associate)						
Unquoted (fully paid-up of Rs. 10/- each)	18,92,078.39	-	-	21,36,710.73	-	-
Investment made during the year	-			14,70,000.91		
Share in the Profit/(loss) of associates	-4,09,370.64			-16,96,615.53		
Share in Other comprehensive Income	-1,57,312.11			-18,017.72		
Dividend from Jana small finance bank				-		
<b>Total - Gross (A)</b>	<b>13,25,395.62</b>	-	-	<b>18,92,078.39</b>	-	-
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	13,25,395.62	-	-	18,92,078.39	-	-
<b>Total (B)</b>	<b>13,25,395.62</b>	-	-	<b>18,92,078.39</b>	-	-
Less: Allowance for Impairment loss (C )	-	-	-	-	-	-
<b>Total - Net D= (A)-(C)</b>	<b>13,25,395.62</b>	-	-	<b>18,92,078.39</b>	-	-

**JANA HOLDINGS LIMITED**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

(Amounts are in INR thousands)

		31-Mar-21	31-Mar-20
<b>3 Other financial assets</b>			
(I) Security Deposits	(I)	1,609.00	1.00
(II) Others Receivables			
Considered good -Unsecured from related parties *(Refer Note below)		-	139.17
Considered good -Unsecured other than related parties		1.69	1.69
		<b>1.69</b>	<b>140.87</b>
Less: Impairment loss allowance		-	-
<b>Total Other receivables</b>	(II)	<b>1.69</b>	<b>140.87</b>
<b>Total</b>		<b>1,610.69</b>	<b>141.87</b>

**Note:**

The entity has entered into transactions with its parent company Jana Capital Limited (JCL) for the FY 2019-2020. These are in the nature of payments made by JCL on behalf of Jana Holdings Limited (JHL) and vice versa. The list of transactions entered into between the two entities are provided in detail in Note 22.

		31-Mar-21	31-Mar-20
<b>4 Current tax assets (net)</b>			
TDS receivable		136.30	33.44
<b>Total</b>		<b>136.30</b>	<b>33.44</b>

5 Property, Plant and Equipment-Tangible assets

(Amounts are in INR thousands)

Particulars	Gross block				Depreciation				Net block	
	As at 01-Apr-20	Additions/ Adjustments	Deductions/ Adjustments	Up to 31-Mar-21	As at 01-Apr-20	For the year	On Deductions/ Adjustments	Up to 31-Mar-21	As at 31-Mar-21	As at 31-Mar-20
Owne d assets										
Computers and Printers	452.22	-	-	452.22	119.55	148.33	-	267.88	184.33	332.66
Total	452.22	-	-	452.22	119.55	148.33	-	267.88	184.33	332.66

6 Other - Intangible assets

(Amounts are in INR thousands)

Particulars	Gross block				Amortization				Net block	
	As at 01-Apr-20	Additions/ Adjustments	Deductions/ Adjustments	Up to 31-Mar-21	As at 01-Apr-20	For the year	On Deductions/ Adjustments	Up to 31-Mar-21	As at 31-Mar-21	As at 31-Mar-20
Computer Software	63.72	-	-	63.72	19.61	21.24	-	40.85	22.87	44.11
Total	63.72	-	-	63.72	19.61	21.24	-	40.85	22.87	44.11

**JANA HOLDINGS LIMITED**

**Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021**

(Amounts are in INR thousands)

**7 Other Non-financial assets**

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Prepaid Expenses	136.65	149.51
Advance to suppliers	-	2.50
Other advances	32.40	-
<b>Total</b>	<b>169.05</b>	<b>152.01</b>

## JANA HOLDINGS LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

(Amounts are in INR thousands)

8	<u>Payables</u>	<u>As at 31 March 2021</u>	<u>As at 31 March 2020</u>
	(I) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	-	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	<b>Total Trade payables</b>	<b>-</b>	<b>-</b>
	(II) Other payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	-	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	32.40	857.11
	<b>Total Other payables</b>	<b>32.40</b>	<b>857.11</b>

Based on the information available with the NBFC, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

**9 Debt Securities**

Particulars	As at March 31, 2021				As at March 31, 2020			
	At Amortised Cost	At Fair Value Through profit or Loss	Designated at Fair value through profit or loss	Total	At Amortised Cost	At Fair Value Through profit or Loss	Designated at Fair value through profit or loss	Total
	1	2	3	4=1+2+3	5	6	7	8=5+6+7
Others - Non Convertible Debentures	1,55,16,034.36	-	-	1,55,16,034.36	1,32,08,569.37	-	-	1,32,08,569.37
<b>Total (A)</b>	<b>1,55,16,034.36</b>	<b>-</b>	<b>-</b>	<b>1,55,16,034.36</b>	<b>1,32,08,569.37</b>	<b>-</b>	<b>-</b>	<b>1,32,08,569.37</b>
Debt securities in India	69,41,291.81	-	-	69,41,291.81	58,50,092.88	-	-	58,50,092.88
Debt securities outside India	85,74,742.55	-	-	85,74,742.55	73,58,476.49	-	-	73,58,476.49
<b>Total (B)</b>	<b>1,55,16,034.36</b>	<b>-</b>	<b>-</b>	<b>1,55,16,034.36</b>	<b>1,32,08,569.37</b>	<b>-</b>	<b>-</b>	<b>1,32,08,569.37</b>

Particulars	31-Mar-21	31-Mar-20
Debt securities in India (Secured)	48,75,089.39	40,78,062.82
Debt securities in India (Unsecured)	20,66,202.42	17,72,030.06
Debt securities outside India (Secured)	-	-
Debt securities outside India (Unsecured)	85,74,742.55	73,58,476.49
<b>Total</b>	<b>1,55,16,034.36</b>	<b>1,32,08,569.37</b>

**a) Schedule of privately placed redeemable non-convertible debentures (at amortised cost)**

(Amounts are in INR thousands)

Name of the Subscriber	No. of Debentures*	Series Name	Face Value	Balance as at 31 March 2021	Balance as at 31 March 2020	Issue Date	Maturity Date	XIRR
Manipal Health Systems Private Limited	1,450	Series I	1,000.00	20,66,202.42	17,72,030.06	30-Nov-18	30-Nov-23	16.60%
TPG ASIA VI India Markets Pte. Ltd (400 NCD) & Government of Singapore (100 NCD)	500	Series A	1,000.00	8,53,284.11	7,32,206.76	28-Sep-17	27-May-23	16.54%
TPG ASIA VI India Markets Pte. Ltd	600	Series B	1,000.00	10,23,940.93	8,78,648.11	28-Sep-17	27-May-23	16.54%
Government of Singapore	600	Series C	1,000.00	10,23,940.93	8,78,648.20	28-Sep-17	27-May-23	16.54%
TPG ASIA VI India Markets Pte. Ltd (800 NCD) & Government of Singapore (200 NCD)	1,000	Series D	1,000.00	17,06,568.22	14,64,413.52	28-Sep-17	27-May-23	16.54%
TPG ASIA VI India Markets Pte. Ltd (400 NCD) & Government of Singapore (100 NCD)	500	Series E	1,000.00	8,53,284.11	7,32,206.76	28-Sep-17	27-May-23	16.54%
TPG ASIA VI India Markets Pte. Ltd	1,000	Series F	1,000.00	17,01,488.67	14,60,302.26	06-Oct-17	27-May-23	16.52%
TPG ASIA VI India Markets Pte. Ltd	830	Series G	1,000.00	14,12,235.60	12,12,050.88	06-Oct-17	27-May-23	16.52%
ECL Finance Limited	1,550	Series H	1,000.00	27,11,331.92	22,51,339.95	27-Mar-18	26-May-23	20.43%

**JANA HOLDINGS LIMITED**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

(Amounts are in INR thousands)

Centrum Financial Services Limited (280 NCD) & Centrum Retail Services Limited (220 NCD)	500	Series J1	1,000.00	7,01,104.84	5,91,587.69	21-Dec-18	21-Dec-21	18.51%
Centrum Retail Services Limited	400	Series J2	1,000.00	5,59,610.17	4,72,525.31	27-Dec-18	27-Dec-21	18.43%
Centrum Retail Services Limited	400	Series J3	1,000.00	5,57,546.49	4,70,790.68	04-Jan-19	04-Jan-22	18.43%
Centrum Financial Services Limited (100 NCD) & Centrum Retail Services Limited (50 NCD)	150	Series J4	1,000.00	2,07,906.25	1,75,642.06	17-Jan-19	17-Jan-22	18.37%
Centrum Retail Services Limited	100	Series J5	1,000.00	1,37,589.72	1,16,177.13	01-Feb-19	01-Feb-22	18.43%
				<b>1,55,16,034.36</b>	<b>1,32,08,569.37</b>			

\* The Company has issued rated, redeemable, non-convertible debentures on private placement basis which are listed on the wholesale debt market of Bombay Stock Exchange (BSE).

Series H and Series J1 to J5 Debentures are secured through first ranking exclusive pledge created over (a) the Pledged Shares of the Jana Small Finance Bank ("Target Company") by the Issuer under the Small Finance Bank Pledge Agreement, (b) the Parent Company Pledged Shares of Jana Capital Limited ("Parent Company") by Jana Urban Foundation under the Parent Pledge Agreement, and (c) Parent Company Shareholders' Undertaking, each in favour of the Debenture Trustee (acting for the benefit of the Debenture Holders) under or pursuant to the relevant Pledge Agreement.

In case of certain Non convertible debentures, redemption premium payable is linked to share price of the JSFB shares subject to a cap of 50% and floor of 16.5%. This constitutes an embedded derivative under Ind AS 109. To record this derivative in the books of account of the Company, the fair value of JSFB equity shares at INR 951.09 per share has been determined by Management based on external valuation report issued during the year 2018-2019. However for the FY 2019-2020 and FY 2020-2021 the fair value per share has been estimated at INR 960.59 per share. The entity understands that increase in per value share could not be reversed since this cannot be constituted as a permanent increase and hence the investments are valued at INR 951.09 per share.

**10 Other Financial Liabilities**

Provision for Professional fees  
Audit Fee Payable  
Total

31-Mar-21	31-Mar-20
70.00	100.00
340.00	230.00
<b>410.00</b>	<b>330.00</b>

**11 Other Non - Financial Liabilities**

Statutory dues  
Total

31-Mar-21	31-Mar-20
374.98	152.45
<b>374.98</b>	<b>152.45</b>

**12 Other Non - Financial Liabilities**

Provision for Leave Encashment (Refer note-18 for details)  
Total

31-Mar-21	31-Mar-20
518.76	139.60
<b>518.76</b>	<b>139.60</b>

(Amounts are in INR thousands)

**13 Equity Share capital****Authorized**

Equity Share Capital (As at 31 March 2021-Rs.350,000,000 (35,000,000 Equity shares at par value of Rs.10 each), As at 31 March 2020 : Rs. 2,00,00,000 (2,000,000 Equity Shares of Rs. 10/- each)

**31-Mar-21****31-Mar-20**

3,50,000.00

3,50,000.00

Preference Share Capital (As at 31 March 2021-Rs.150,000,000 (15,000,000 Preference shares at par value of Rs.10 each), As at 31 March 2020 : NIL

1,50,000.00

1,50,000.00

Total

**5,00,000.00****5,00,000.00****Issued, subscribed and paid up**

Equity Share Capital (As at 31 March 2021: Rs. 23,809,440 (2,380,944 Equity shares of Rs.10 each fully paid up) ; As at 31 March 2020: 2,380,944) Equity Shares of Rs. 10/- each, fully paid-up

23,809.44

23,809.44

Total

**23,809.44****23,809.44**

(Rs. In thousands)

**(a) Reconciliation of shares outstanding at the beginning and at the end of the year****31-Mar-21****31-Mar-20**

	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	23,80,944	23,809.44	23,80,944	23,809.44
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>23,80,944</b>	<b>23,809.44</b>	<b>23,80,944</b>	<b>23,809.44</b>

**(b) Rights, preferences and restrictions attached to shares**

The Company has only one class of equity shares being issued, subscribed and fully paid up having a par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share.

The Company declares and pays dividend on equity shares in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the assets of the Company. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

(Amounts are in INR thousands)

**(c) Shares held by holding company/ultimate holding company****31-Mar-21****31-Mar-20**

Jana Capital Limited and its nominees ('the Parent Company' or 'the Holding Company' or 'the Ultimate Holding Company')

Equity Share Capital (As at 31 March 2021: Rs. 23,809,440 (2,380,944 Equity shares of Rs.10 each fully paid up) ; As at 31 March 2020: 2,380,944) Equity Shares of Rs. 10/- each, fully paid-up

23,809.44

23,809.44

Total

**23,809.44****23,809.44****(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of the shareholder

**31-Mar-21****31-Mar-20**

	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Jana Capital Limited and its nominees ('the Parent Company' or 'the holding company')	23,80,944	100	23,80,944	100

As per records of the NBFC, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

The Company has not issued bonus shares or shares for consideration other than cash during the five year period immediately preceding the reporting date.

JANA HOLDINGS LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

14 Other Equity	31-Mar-21	31-Mar-20
(a) Securities Premium Account		
Opening balance	1,37,47,177.92	1,22,66,639.66
Add : Securities premium credited on share issue	-	14,86,108.26
Less : Premium utilized for various reasons	-	-
Premium on redemption of debentures	-	-
For share issue expenses	-	5,570.00
Closing balance	<u>1,37,47,177.92</u>	<u>1,37,47,177.92</u>
(b) Statutory Reserve		
Opening balance	30,339.16	30,339.16
Add: Transferred during the year	-	-
Less: Utilization on account of / Transfer to	-	-
Closing balance	<u>30,339.16</u>	<u>30,339.16</u>
(c) Retained Earning and Surplus/(deficit) in the Statement of Profit and Loss		
Opening balance	(2,50,70,080.10)	(2,13,77,675.36)
Add: Net Profit/(Net Loss) for the current year	(27,36,175.86)	(36,92,404.74)
Transfer from reserves	-	-
Less: Proposed dividends	-	-
Interim dividends	-	-
Closing balance	<u>(2,78,06,255.96)</u>	<u>(2,50,70,080.10)</u>
(d) Other Comprehensive Income		
Opening balance	(18,017.72)	-
Add: Net Profit/(Net Loss) for the current year	(1,57,312.11)	(18,017.72)
Closing balance	<u>(1,75,329.83)</u>	<u>(18,017.72)</u>
<b>Total Reserves and surplus</b>	<u><b>-1,42,04,068.73</b></u>	<u><b>-1,13,10,580.76</b></u>

Nature and purpose of reserves

- (a) **Securities Premium reserve**  
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.
- (b) **Statutory Reserve**  
In terms of Section 45-IC of the RBI Act, NBFCs are required to create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year. The above requirement is to give intrinsic strength to the balance sheets of the NBFCs. This reserve could be used for purposes as stipulated by the Reserve Bank of India from time to time. However, no transfer has been made to reserves for the financial year ended 31 March 2021 as the Company has incurred losses.
- (c) **Retained Earnings**  
Retained earnings are the profits/ (losses) that the Company has earned to date, less any dividends or other distributions paid to shareholders.
- (d) **Debenture Redemption Reserve**  
The Entity being an NBFC is exempted from creation of Debenture Redemption Reserve for Debentures issued through Private Placement Avenue. Further the entity shall on or before the 30th day of April in each year, in respect of debentures issued, invest or deposit, as the case may be, a sum which shall not be less than fifteen per cent., of the amount of its debentures maturing during the year, ending on the 31st day of March of the next year in any one or more methods of investments or deposit. The applicable dates for such investment for each of its series of debentures is provided as under:

Debenture Series Reference	Applicable date for investment (on or before)
Series J1 to J5	30-Apr-21
Series A to I	30-Apr-23

(e) **Contingent Liabilities and commitments**

a Contingent Liabilities	31-Mar-21	31-Mar-20
Claims against the NBFC not acknowledged as debt	-	-
Guarantees excluding financial guarantees	-	-
Other money for which the NBFC is contingently Liable	-	-
Total	<u>-</u>	<u>-</u>
b <b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for;	-	-
Uncalled liability on shares and other investments partly paid;	-	-
Other commitments (specify nature).	-	-
Total	<u>-</u>	<u>-</u>

(Amounts are in INR thousands)

**15 Other Income**

Particulars	For the year ended 31-March-2021	For the year ended 31-March-2020
Interest on deposit with Banks	1,380.57	334.42
Interest on Income tax refund	-	2.93
<b>Total</b>	<b>1,380.57</b>	<b>337.35</b>

**16 Finance Cost**

Particulars	For the year ended 31-March-2021	For the year ended 31-March-2020
Interest on debt securities	23,07,465.00	19,67,478.24
Other Finance cost charges*	-	12,980.00
<b>Total</b>	<b>23,07,465.00</b>	<b>19,80,458.24</b>

\* The amount pertains to Compensation Charges plus applicable taxes paid for delay in the fulfilment of conditions precedent and conditions subsequent contained in the transaction documents relating to an NCD series. These payments have been approved at the meeting of the Board of Directors held on September 23, 2019 and October 21, 2019.

**17 Employee Benefit Expenses**

Particulars	For the year ended 31-March-2021	For the year ended 31-March-2020
Salaries and wages	10,101.12	8,549.06
Provision for Leave Encashment (Refer Note-1 below)	379.16	139.60
<b>Total</b>	<b>10,480.28</b>	<b>8,688.66</b>

**Note:1**

The company has a Leave policy defined as per which employees are entitled to 21 workings days of privilege/earned leave during a financial year. The leave shall be credited at the beginning of the financial year for existing employees as at 01st April and for employees joined during the year the leave shall be credited on a proportionate basis.

As per the company policy only 10 days of privilege leave from the current financial year can be carried forward to the next financial year: unused privilege leaves will be lapsed. Encashment of privilege leave will be possible at the time of separation on a pro rata basis.

**18**

<b>Depreciation and amortization expense</b>	For the year ended 31-March-2021	For the year ended 31-March-2020
on tangible assets (Refer note 5)	148.33	105.82
on intangible assets (Refer note 6)	21.24	17.86
<b>Total Depreciation and amortization expense</b>	<b>169.57</b>	<b>123.68</b>

JANA HOLDINGS LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

(Amounts are in INR thousands)

19 Other Expenses

	For the year ended 31- March-2021	For the year ended 31- March-2020
a) Rent, taxes and energy costs	274.64	443.64
Repairs and maintenance	15.53	10.79
Communication Costs	40.37	28.87
Printing and stationery	36.73	23.72
Advertisement and publicity	67.68	39.43
Director's fees, allowances and expenses	531.00	708.00
Auditor's fees and expenses	504.00	300.00
Legal and Professional charges	5,815.54	4,102.70
Insurance	211.23	49.21
Bank Charges	2.61	0.63
Stamps and Franking Charges	16.00	1.56
Surveillance Fee	2,386.55	970.55
Travelling expenses	63.00	67.91
Internal Audit	101.60	80.00
Other expenditure	4.46	28.96
<b>Total</b>	<b>10,070.94</b>	<b>6,855.98</b>

Note : The following is the break-up of Auditors remuneration (inclusive/exclusive of service tax)

	For the year ended 31- March-2021	For the year ended 31- March-2020
b) As auditor:		
Audit Fees	468.00	125.00
Other services	36.00	175.00
<b>Total</b>	<b>504.00</b>	<b>300.00</b>

## 20 Earnings/ Loss per share

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31-Mar-21	31-Mar-20
Net Loss as per the statement of Profit and Loss	(27,36,175.86)	(36,92,404.74)
Less: preference dividend after-tax (Refer Note 14(f))	-	-
Loss attributable to equity holders after preference dividend	(27,36,175.86)	(36,92,404.74)
Add: Interest on convertible preference shares	-	-
Loss attributable to equity holders adjusted for the effect of dilution	(27,36,175.86)	(36,92,404.74)
Weighted average number of equity shares for basic EPS*	23,80,944.00	19,92,114.00
Effect of dilution:	-	-
Rights Shares Issued	-	3,88,830.00
Weighted average number of equity shares adjusted for the effect of dilution	23,80,944.00	23,80,944.00
Basic loss per share (INR)	(1,149.20)	(1,550.82)
Diluted loss per share (INR)	(1,149.20)	(1,550.82)

\* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year.

## 21 Leases

The Entity has considered and evaluated the applicability of the standard Ind AS 116 Leases which has been made effective from 01 April 2019 by the Government of India, through Ministry of Corporate Affairs Notification.

- As per Para 5 of Ind AS 116, A lessee may elect not to apply the requirements in paragraphs 22-49 (Recognition and measurement criteria for lessees) to

(a) short-term leases; and

(b) leases for which the underlying asset is of low value (as described in paragraphs B3-B8) .

- Further as per Para 6 of the said standard If a lessee elects not to apply the requirements in paragraphs 22-49 to either short-term leases or leases for which the underlying asset is of low value, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

Considering the effect of the aforesaid paragraphs the entity determines the lease rental payments made to Janadhar India Private Limited as low value in nature since the monthly rental payments amounts to Rs.5,703 per month only, thereby the said payments has been recognised as an expense in the statement of profit and loss for the financial year 2020-2021. This is in line with the treatment adopted by the entity for the previous financial year 2019-2020.

## JANA HOLDINGS LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2021

(Amounts are in INR thousands)

## 22 Related Party Disclosures: 31 March 2021

## A) Name of Related Parties and Relationship with related parties

The Entity has identified and entered into transactions with the related parties. The details of the same is disclosed as under in accordance with IND AS 24 - Related Party Disclosures

A) Names of the related party	Nature of Relationship
i. Jana Capital Limited	Holding Company
ii. Jana Small Finance Bank (formerly known as Janalakshmi Financial Services Limited)	Associate Company
iii. Janaadhar (India) Private Limited	Group Company
iv. Jana Urban Foundation	Group Company
v. Mr. Ramesh Ramanathan	Non-Executive Chairman and Director
vi. Mr. Abraham Chacko	Independent Director
vii. Mrs. Saraswathy Athmanathan	Independent Director
viii Mr. Rajamani Muthuchamy	Managing Director and CEO
ix. Mr. Krishnan Iyer	KMP - Chief Financial Officer (w.e.f 9th December 2019 and up to 30th March 2020)
x. Mr. Gopalakrishnan S	KMP - Chief Financial Officer (w.e.f 30th March 2020)
xi. Ms. Jyoti Rao	KMP - Company Secretary (Upto 31st October 2019)
xii. Ms. Vidya Sridharan	KMP - Company Secretary (w.e.f 01st October 2019)

B) Related Parties - with whom transactions have taken place during the year	Nature of Relationship
i. Jana Capital Limited	Holding Company
ii. Jana Small finance Bank (formerly known as Janalakshmi Financial Services Limited)	Associate Company
iii. Janaadhar (India) Private Limited	Private company in which director or his relative is member or director
iv. Mr. Abraham Chacko	Independent Director
v. Mrs. Saraswathy Athmanathan	Independent Director
vi. Mr. Rajamani Muthuchamy	Managing Director and CEO
vii. Mr. Gopalakrishnan S	KMP - Chief Financial Officer (w.e.f 30th March 2020)
viii. Ms. Vidya Sridharan	KMP - Company Secretary (w.e.f 01st October 2019)

## B) Nature of Transactions entered with related parties

Name of Related Party	Nature of Transaction	Transaction Value for the FY 2020-2021	Amount Outstanding as at 31 March 2021	Transaction Value for the FY 2019-2020	Amount Outstanding as at 31 March 2020
A) Related Entities					
i) Jana Capital Limited (JCL)	Receipt for issue of shares at premium. Note: The amount outstanding represents the Equity share capital component and premium amount.	-	-	14,89,996.56	1,37,70,987.36
	Insurance Expenses paid by JCL on behalf of JHL	-	-	-	(161.83)
	Salary expenses paid by JCL on behalf of JHL and repaid back during the year	-	-	(57.45)	-
	Amount payable to JCL	-	32.40	-	-
	Expenses paid by JHL on behalf of JCL	(958.38)	-	-	136.00
	Receipt by JHL from JCL on account of Expenses paid on behalf	802.59	-	-	-
	CSR expenses paid to Vidyaniketan by JHL on behalf of JCL	-	-	-	165.00

ii) Jana Small Finance Bank	Investment in equity shares (net of impairment loss)	-	13,25,395.62	(14,70,000.90)	2,03,00,420.67
	Amount paid towards creation of 8 Fixed Deposit	-	-	(20,000.00)	-
	Fixed Deposits balances	-	7,500.00	20,000.00	20,000.00
	Withdrawal of Fixed Deposit with interest	13,341.65	-	-	-
	Bank Current Account Balance	-	-	-	0.19
	Interest accrued on fixed deposit placed	-	728.01	300.98	300.98
	Amount paid towards professional services	(149.04)	-	(118.80)	(21.60)
	Reimbursement of expense	-	-	(2,755.61)	-
iii. Janaadhar (India) Private Limited	Liability booked towards TDS, GST & stamp paper expenses payable	-	-	(1,095.77)	(600.00)
	Rent and Maintenance charges paid	(81.01)	-	(56.95)	(5.18)
Parental and Group Employee Insurance Reimbursement		(192.34)	-	-	-
<b>B) Key Management Personnel</b>					
i) Mr. Gopalakrishnan S	Salary paid on behalf of JCL	-	-	(99.80)	-
	Salary	(967.20)	-	-	-
ii) Mr. Krishnan Iyer	Reimbursement of expense	(2.74)	-	-	-
	Salary	-	-	(396.82)	-
iii) Ms. Vidya Sridharan	Salary	(840.12)	-	(333.90)	-
	Salary paid on behalf of JCL	-	-	(24.80)	-
	Salary paid to JCL on account of salary payments made for the month of Oct-2019	-	-	(57.45)	-
	Reimbursement of expense	(86.01)	-	(3.04)	-
iv) Ms. Jyoti Rao	Salary	(231.93)	-	-	-
	Reimbursement of expense	(20.53)	-	-	-
<b>C) Directors</b>					
i. Mr. Abraham Chacko	Sitting fees	(231.25)	-	(270.00)	(45.00)
	Reimbursement of expense	(6.40)	-	(14.99)	-
ii. Mrs. Saraswathy Athmanathan	Sitting fees	(185.00)	-	(225.00)	-
	Reimbursement of expense	-	-	(1.90)	-
iii Mr. Rajamani Muthuchamy	Salary	(5,402.35)	-	(4,549.84)	-
	Salary paid on behalf of JCL	-	-	(0.00)	-
	Car EMI Expenses paid to JSFB on behalf of Mr. Rajamani Muthuchamy	-	-	(852.52)	-
	Reimbursement of expense	(10.64)	-	(42.41)	-

**23 Fair values of financial assets and financial liabilities**

The fair value of other current financial assets, cash and cash equivalents, trade receivables, investments trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

## 24 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Fair value measurement hierarchy of assets as at March 31, 2021

Particulars	Level 1	Level 2	Level 3	Total Fair Value	Total Carrying Amount
<b>Financial Assets</b>					
Cash and cash equivalents	9,592.35	-	-	9,592.35	9,592.35
Bank balance other than cash and cash equivalents	-	-	-	-	-
Investment in associates	-	-	13,25,395.62	13,25,395.62	13,25,395.62
Other Financial Assets	-	-	1,610.69	1,610.69	1,610.69
<b>Financial Liabilities</b>					
Payables	-	-	32.40	32.40	32.40
Debt securities	-	-	1,55,16,034.36	1,55,16,034.36	1,55,16,034.36
Other financial liabilities	-	-	410.00	410.00	410.00

Fair value measurement hierarchy of assets as at March 31, 2020

Particulars	Level 1	Level 2	Level 3	Total Fair Value	Total Carrying Amount
<b>Financial Assets</b>					
Cash and cash equivalents	30,494.75	-	-	30,494.75	30,494.75
Bank balance other than cash and cash equivalents	-	-	-	-	-
Investment in associates	-	-	18,92,078.39	18,92,078.39	18,92,078.39
Other Financial Assets	-	-	141.87	141.87	141.87
<b>Financial Liabilities</b>					
Payables	-	-	857.11	857.11	857.11
Debt securities	-	-	1,32,08,569.37	1,32,08,569.37	1,32,08,569.37
Other financial liabilities	-	-	330.00	330.00	330.00

The carrying amount of cash and cash equivalents, trade receivables, fixed deposits, trade payables, other payables and short-term borrowings are considered to be the same as their fair values. The fair values of borrowings were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

**25 Capital management**

The Company maintains an actively managed capital base to cover risks inherent in the business and meets the capital adequacy requirements (CRAR) of the Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI. The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. The funding requirements are met through equity and non convertible debentures. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The Company is a NOFHC of Jana Small Finance Bank Limited ('JSFB' or 'the Bank') and has no operation of its own. As per RBI guidelines, the Company shall maintain minimum capital adequacy ratio ('CAR') at a consolidated level based on the prudential guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF) issued under Basel II framework and Guidelines on Implementation of Basel III Capital Regulations of India, when implemented.

For the year ended 31 March 2021, the Company CAR computed on consolidated basis is at -5.20% which is below the regulatory minimum of 15%. This is due to the fact that Non-Convertible Debentures ('NCD') that have been issued by JHL and invested as equity in JSFB, which are not considered as capital on a consolidated basis.

**(i) Gearing Ratio**

Particulars		31-Mar-21	31-Mar-20
Equity Share Capital		23,809.44	23,809.44
Other Equity		-1,42,04,068.73	-1,13,10,580.76
Total equity	(i)	-1,41,80,259.29	-1,12,86,771.32
Borrowings other than convertible preference shares		1,55,16,034.36	1,32,08,569.37
Less: cash and cash equivalents		-9,592.35	-30,494.75
Total debt	(ii)	1,55,06,442.01	1,31,78,074.62
Overall financing	(iii) = (i) + (ii)	13,26,182.72	18,91,303.30
Gearing ratio	(ii) / (iii)	11.69	6.97

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021, 31 March 2020.

**(ii) Consolidated CAR**

Particulars	31-Mar-21	31-Mar-20
Common Equity Tier1 (CET1) capital	(47,58,749.53)	(31,16,634.28)
Other Tier 2 capital instruments	-	-
Total Capital	(47,58,749.53)	(31,16,634.28)
Risk weighted assets	9,15,07,741.99	7,67,12,741.81
CET1 capital ratio	-5.20%	-4.06%
Total capital ratio	-5.20%	-4.06%

**26 Change in liabilities arising from financing activities**

Particulars	01-Apr-20	Cash flows	Others*	Changes in fair values	Exchange difference	31-Mar-21
Debt securities	1,32,08,569.37	-	23,07,465.00	-	-	1,55,16,034.37
Total liabilities from financing activities	1,32,08,569.37	-	23,07,465.00	-	-	1,55,16,034.37

Particulars	01-Apr-19	Cash flows	Others*	Changes in fair values	Exchange difference	31-Mar-20
Debt securities	1,12,41,091.12	-	19,67,478.25	-	-	1,32,08,569.37
Total liabilities from financing activities	1,12,41,091.12	-	19,67,478.25	-	-	1,32,08,569.37

\*Others includes the effect of accrued but not paid interest on debt securities, amortisation of processing fees etc.

**27 Segment Reporting**

The Company is NOFHC and has classified this as its business segment and accordingly there are no separate reportable segments in accordance with Ind AS 108 "Operating Segment".

**28 Foreign Exchange Transaction**

The Company does not have any foreign currency transactions entered during the year and hence there are no foreign currency earnings, outflows and forex gain or loss during the year.

Particulars	Amount
Foreign Currency Earnings	-
Foreign Currency Outflow	-
Forex Gain / Loss	-

**29 Disclosure on COVID-19**

Consequent to the outbreak of COVID-19 pandemic, the Indian government has announced a lockdown in March 2020. Subsequently, the lockdown has been lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. The company being a NOFHC does not have any operations other than holding investment in the Bank. 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 in time. This shall invariably affect the carrying value of investment in the Bank. Consequent to the outbreak of COVID-19 pandemic, the Indian government has announced a lockdown in March 2020. Subsequently, the lockdown has been lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The slowdown during the year led to a decrease in loan originations and in collection efficiency. This may lead to a rise in the number of customer defaults and consequently an increase in provisions thereagainst. The extent to which the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the Bank's operations and financial results will depend on ongoing and future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Bank.

**30 Disclosure on Merger with Parent Company**

The Board in its meeting held on October 21, 2019, and November 12, 2019, approved Fast track method for merging Jana Holdings Limited (JHL), being the wholly-owned Non-Operating Financial Holding Company (NOFHC), with its Holding as well as Core Investment Company, Jana Capital Limited. The Company has submitted necessary documents on January 9, 2020, sought by the RBI vide their letter dated October 2019 and received the in principle approval from the RBI on 10th August 2020. As per the existing guidelines, the requirement of having a NOFHC has been dispensed with by the RBI for setting up Small Finance Banks and Universal Banks.

Further, such a merger of the wholly owned subsidiary with the Holding Company will simplify the compliances to be reported to various Regulatory Authorities, besides resulting in lower operating costs. The Company is eligible to adopt Fast track method for the merger as envisaged under Section 233 of the Companies Act, 2013 as it is the merger of the wholly-owned subsidiary with the Holding Company. Subsequent to the receipt of the In-principle approval from the RBI the Board of Directors of the transferor and the Transferee Company met on 24th August 2020, approved the Scheme of Amalgamation of Jana Holdings Limited (Wholly Owned subsidiary) with Jana Capital Limited (Holding Company).

The Company has also served notices (CAA-9) along with the proposed Scheme on the Registrar of Companies, Karnataka and Official Liquidator, Ministry of Corporate Affairs by letter dated 25th August 2020 seeking their objections / suggestions to the said scheme as required under section 233(1)(a) of the Act and rules made thereunder. However, the company did not receive any objections and suggestions to the proposed scheme from the said authorities within the stipulated timeline. As the debentures of the company are listed on the Bombay Stock Exchange (BSE), the company initiated steps for obtaining the approval from the Stock Exchange.

The Company held the Extra-Ordinary General Meeting of the Shareholders on 30th October 2020 for the approval of the Scheme. Jana Capital Limited, being the Holding Company and the Transferee Company, submitted necessary application with the Regional Director, South-East Region, Ministry of Corporate Affairs, Hyderabad on 6th November 2020 for obtaining approval of Amalgamation under Section 233 of the Companies Act, 2013.

Regional Director, Ministry of Company Affairs, Hyderabad vide their letter dated 26th March 2021 has rejected the application filed on 6th November 2020 for the merger of JHL with JCL, since JHL had obtained consent from the creditors only to the extent of 82.78% in value as against the minimum threshold of consent from 90% of the creditors in value as required under Section 233 of the Companies Act, 2013 and, thus, the provisions of Section 233(1)(d) could not be fully complied with. The Board of Directors considered the aforesaid rejection order and have resolved to file the fresh merger application subject to the approval of the Scheme by the Board of Directors, Shareholders, Creditors and such other authorities as may be required. The Company submits that it is on the verge of raising funds and paying the creditor. Thus, It is expected to obtain NOC from the said creditor very soon and approach the Regional Director, Ministry of Corporate Affairs, Hyderabad, for approval of the merger. The Company is confident of getting the merger done in this Financial Year. Post the merger, the resultant entity, which is a CIC, is not required to maintain Net Owned Funds.

**31 Capital to Risk Assets Ratio**

The Company is a Non operating Financial Holding Company ('NOFHC') of Jana Small Finance Bank Limited ('JSFB' or 'the Bank') and has no operation of its own. As per RBI guidelines, the Company shall maintain minimum capital adequacy ratio ('CAR') at a consolidated level based on the prudential guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF) issued under Basel II framework and Guidelines on Implementation of Basel III Capital Regulations of India, when implemented. For the year ended 31 March 2021, the Company CAR computed on consolidated basis is below the regulatory minimum of 15%. This is due to fact that Non-Convertible Debentures ('NCD') that have been issued by the Company and invested as equity in bank, which are not considered as capital on a consolidated basis. In order to resolve the issue, the Company has evaluated merger option with Jana Capital Limited (the holding Company and a Core Investment Company) and filed an application with Reserve Bank of India ("RBI") on January 9 2020, for its in-principle approval which was granted by the RBI vide their letter dated 10th August 2020. The company intends to initiate the merger process again in the current year.

**32 Net Owned Fund**

The Company is a NOFHC of Jana Small Finance Bank Limited ('JSFB' or 'the Bank') and has no operation of its own. As per the licensing conditions and in accordance with Section 45-IA of the RBI Act 1934, and Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016, the Company is required to adhere the prescribed net owned funds requirement of INR 200 Lakhs to carry on the business of a non-banking financial institution. The Company has shortfall of the prescribed minimum net owned fund as of March 31, 2021. The main reason for shortfall is on account of accumulated losses which consists of cost of borrowings. In order to resolve the issue, the Company has evaluated merger option with Jana Capital Limited (the holding Company and a Core Investment Company) and filed an application with the Reserve Bank of India ("RBI") on January 9 2020, for its inprinciple approval which was granted by the RBI vide letter dated 10th August 2020. The company intends to initiate the merger process again in the current year.

**33 Breach of Leverage Ratio on a Standalone basis**

The Company is a Non operating Financial Holding Company ('NOFHC') of Jana Small Finance Bank Limited ('JSFB' or 'the Bank') and has no operation of its own. As per RBI guidelines, the Company had a leverage ratio of 3.24 which is above the regulatory threshold of 1.25 on a standalone basis.

For the year ended 31 March 2021, the Company had a leverage ratio of 3.24 vis-à-vis the regulatory threshold of 1.25 on a standalone basis. This is due to fact that Non-Convertible Debentures ('NCD') that have been issued by the Company has resulted in accumulated interest costs and the investments in equity of the bank has been impaired, which has resulted in breach of leverage ratio on a standalone basis. In order to resolve the issue, the Company had evaluated merger option with Jana Capital Limited (the holding Company and a Core Investment Company) and had filed an application with Reserve Bank of India ("RBI") on January 9 2020, for its inprinciple approval which was granted by the RBI vide letter dated 10th August 2020. The company intends to initiate the merger process again in the current year.

**34 Going Concern Basis of Accounting**

The Company incurred a net loss of INR 27,36,175.86 thousands during the year ended March 31, 2021 and has accumulated losses amounting to INR 2,78,06,255.96 thousands, as of March 31, 2021 which has fully eroded the net worth and further the Company has fixed term borrowings to the extent of INR 216 crores maturing within next 12 months for which management currently evaluating options to raise funds required for repayment. Further, the entity is in breach of regulatory requirements such as consolidated capital adequacy ratio, net owned fund and leverage ratios. (Refer note 31, 32 and 33 for detailed explanations regarding regulatory breaches). Above events, indicate that a material uncertainty exists that may cast significant doubt on Company's ability to continue as a going concern. However, the Company had undertaken actions to raise further debt and equity as necessary to maintain sufficient liquidity, as a going concern. Further, considered appropriateness of going concern based on key changes in the Associate, such as return to profitability and maintenance of adequate liquidity surplus on an ongoing basis. Accordingly, the financial statements have been prepared under going concern assumption.

**35 Listing requirement for equity shares of Associate Company**

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

**36 Prior year comparatives**

Previous years figures have been re-grouped/re-classified wherever necessary to correspond with the current year classification/disclosures.

As per our report of even date

For MSKC & Associates

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

Chartered Accountants

ICAI Firm Registration No.:0015955

Pankaj S Bhauwala  
Partner

Membership No: 233552

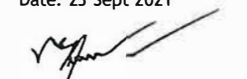
Place: Bangalore


Date: 23 Sept 2021

For and on behalf of the Board of Directors of Jana Holdings Limited  
CIN:U74900KA2016PLC086838

  
Rajamani Muthuchamy  
Managing Director and CEO  
DIN:08080999

Place: Bangalore  
Date: 23 Sept 2021

  
Gopalakrishnan S  
Chief Financial officer  
ICAI Membership No: 021783  
Place: Bangalore  
Date: 23 Sept 2021

  
Ramesh Ramanathan  
Chairman  
DIN:00163276

Place: Bangalore  
Date: 23 Sept 2021

  
Vidya Sridharan  
Company Secretary  
ICSI Membership No: A44354  
Place: Bangalore  
Date: 23 Sept 2021