

Dated: 24<sup>th</sup> June 2021

To  
Listing Operations  
BSE Limited,  
P J Towers, Dalal Street,  
Mumbai - 400001.

Dear Sir/Madam

**Sub: Submission of Audited Half-yearly Standalone Financial Results and Annual Audited Standalone Financial Results pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.**

This is to inform you that with reference to the above-mentioned subject, the Board of Directors based on recommendation of Audit Committee at their Meeting held on 24<sup>th</sup> June 2021 considered and approved the Audited Half-yearly Standalone Financial Results and Annual Audited Standalone Financial Results for the financial year 2020-21 pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The duly approved Financial Results along with the Statutory Auditor's Report are attached herewith.

It may be noted that the Independent Auditor's Report on Half yearly Standalone Financial Results and Annual Standalone Audited Financial Results pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, contain modified opinion. Accordingly, the Company hereby furnishes the Statement on Impact of Audit Qualifications along with the Annual Audited Financial Results and the same is attached as **Annexure-1** to the Audited Financial Results as required under SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27<sup>th</sup> May 2016.

Further, pursuant to provisions of Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and other applicable provisions, read with Circulars made thereunder, we are herewith submitting the information as per **Annexure A** and **B** for the Half year and Year ended 31<sup>st</sup> March 2021.

Kindly take the same on your records.

**For Jana Holdings Limited**

  
Vidya Sridharan

Company Secretary and  
Compliance Officer (Mem. No. 44354)  
Encl: As above

## Annexure - A


Sl. No	Particulars	For Half year ended 31.3.2021	For Year ended 31.3.2021
1.	Credit rating and change in credit rating (if any);	As per Annexure B (There is no change in rating made earlier)	As per Annexure B (There is no change in rating made earlier)
2.	Asset cover available, in case of Non-Convertible debt securities;	NA*	NA*
3.	Debt-Equity ratio; #	3.24	3.24
4.	Previous due date for the payment of interest/ dividend for non-convertible debt securities and whether the same has been paid or not; and	As per Annexure B	As per Annexure B
5.	Debt service coverage ratio;	NA*	NA*
6.	Interest service coverage ratio;	NA*	NA*
7.	Outstanding redeemable preference shares (quantity and value);	Not Applicable	Not Applicable
8.	Capital redemption reserve/debenture redemption reserve;	Nil	Nil
9.	Net worth;	Rs. 479.48 crores	Rs. 479.48 crores
10.	Net profit after tax;	Rs. (120.78) crores	Rs. (232.68) crores
11.	Earnings per share:	Rs. (507.29)	Rs. (977.26)

### Notes

#Debt Equity Ratio = Total Liabilities/Total Equity

\*Debt service coverage ratio, Asset Cover and Interest service coverage ratio, are not applicable to NBFC's registered with RBI as provided in proviso to Regulation 52(4) of SEBI (LODR) Regulations 2015.

### For Jana Holdings Limited



Vidya Sridharan  
Company Secretary and  
Compliance Officer (Mem No. 44354)

## Annexure B

Scrip Code  Series  ISIN	Latest Credit Rating	Previous Due Date (Interest / Principal)
957043  Series A  INE682V07010	PP-MLD ICRA B+ (Negative)	Interest: Interest accrued and to be paid on maturity as per the terms of DTD Principal: NA
957044  Series B  INE682V07028	PP-MLD ICRA B+ (Negative)	Interest: Interest accrued and to be paid on maturity as per the terms of DTD Principal: NA
957045  Series C  INE682V07036	PP-MLD ICRA B+ (Negative)	Interest: Interest accrued and to be paid on maturity as per the terms of DTD Principal: NA
957046  Series D  INE682V07044	PP-MLD ICRA B+ (Negative)	Interest: Interest accrued and to be paid on maturity as per the terms of DTD Principal: NA
957047  Series E  INE682V07051	PP-MLD ICRA B+ (Negative)	Interest: Interest accrued and to be paid on maturity as per the terms of DTD Principal: NA
957057  Series F  INE682V07069	PP-MLD ICRA B+ (Negative)	Interest: Interest accrued and to be paid on maturity as per the terms of DTD Principal: NA
957058  Series G  INE682V07077	PP-MLD ICRA B+ (Negative)	Interest: Interest accrued and to be paid on maturity as per the terms of DTD Principal: NA
957811  Series H  INE682V07085	PP-MLD ICRA B+ (Negative)	Interest: Interest accrued and to be paid on maturity as per the terms of DTD Principal: NA
958550  Series I  INE682V07093	IND B+ /Stable	Interest: Interest accrued and to be paid on maturity as per the terms of DTD Principal: NA
958547  Series (J1)   INE682V07119	IND B+ /Stable	Interest: Interest accrued and to be paid on maturity as per the terms of DTD Principal: NA
958534  Series (J2)   INE682V07101	IND B+ /Stable	Interest: Interest accrued and to be paid on maturity as per the terms of DTD Principal: NA
958529  Series (J3)  INE682V07127	IND B+ /Stable	Interest: Interest accrued and to be paid on maturity as per the terms of DTD Principal: NA

<b>Scrip Code  Series  ISIN</b>	<b>Latest Credit Rating</b>	<b>Previous Due Date (Interest / Principal)</b>
958548  Series (J4)   INE682V07135	IND B+ /Stable	Interest: Interest accrued and to be paid on maturity as per the terms of DTD Principal: NA
958550  Series (J5)   INE682V07143	IND B+ /Stable	Interest: Interest accrued and to be paid on maturity as per the terms of DTD Principal: NA

**Independent Auditor's Report on Half yearly Standalone Financial Results and Year to Date Standalone Financial Results pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015**

**To the Board of Directors of Jana Holdings Limited**

**Report on the Audit of Standalone Financial Results**

**Qualified Opinion**

We have audited the accompanying standalone annual financial results of Jana Holdings Limited (hereinafter referred to as 'the Company') for the half year and year ended 31 March 2021 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

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 paragraph below, the aforesaid Statement:

- (i) is presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- (ii) give a true and fair view in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Company for the year ended 31 March 2021.

**Basis for Qualified Opinion:**

- a) Our limited review report on the unaudited standalone financial results of the Company for the half year ended 30 September 2020 was qualified in respect of the matters stated below:
  - 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 results is presently unascertainable. (Refer note 6 to the audited standalone financial results)

- 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 results is presently unascertainable. (Refer note 7 to the audited standalone financial results).
- 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 results is presently unascertainable. (Refer Note 8 to the audited standalone financial results)

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 Results 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Statement.

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

We draw attention to Note 12 in the financial results, which indicates that the Company incurred a net loss of INR 233 crores during the year ended 31 March 2021 and has accumulated losses amounting to INR 901 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 results 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 11 to the standalone financial results 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.

### **Board of Directors' Responsibilities for the Standalone Financial Results**

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net loss and other comprehensive income in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. The Board of Directors of the Company are responsible for 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 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 Statement 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 Statement by the Directors of the Company, as aforesaid.

In preparing the Statement, the Board of Directors of the Company are responsible for assessing the ability of the Company 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 are responsible for overseeing the financial reporting process of the Company.

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

Our objectives are to obtain reasonable assurance about whether the Statement 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 Statement.



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 Statement, 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 adequate 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors 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 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 Statement 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company 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.



#### Other Matter

The Statement include the results for the half year ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the first half of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

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

**For MSKC & Associates (Formerly known as R K Kumar & Co)**

Chartered Accountants

ICAI Firm Registration Number: 0015955

Tushar

Ramniklal Kurani

Digitally signed by  
Tushar Ramniklal Kurani  
Date: 2021.06.24  
23:17:46 +05'30'

Tushar Kurani

Partner

Membership No. 118580

UDIN: 21118580AAAADW2762

Place: Mumbai

Date: 24 June 2021

**JANA HOLDINGS LIMITED**

Registered office: No.4/1 to 4/8, Meenee Avenue Road, Old Tank Road, Ulsoor, Bengaluru - 560 042

CIN: U74900KA2016PLC086838 , Web address: <http://janaholdings.co.in>

Tel: 080 - 42566100 , Email: [info@janaholdings.in](mailto:info@janaholdings.in)

**Statement of Assets and Liabilities of the Company as at March 31, 2021**

(Amounts are in INR thousands)

Sl. No.	Particulars	As at	As at
		31-March-2021	31-March-2020
		Audited	Audited
<b>A</b>	<b>Assets</b>		
<b>1</b>	<b>Financial assets</b>		
	i) Cash and cash equivalents	9,592.35	30,494.75
	ii) Bank balance (other than 'i)' above)	-	-
	iii) Receivables		
	(a) Trade Receivables	-	-
	(b) Other Receivables	-	-
	iv) Investments	2,03,00,420.67	2,03,00,420.67
	v) Other financial assets	1,610.69	141.87
<b>2</b>	<b>Non-financial assets</b>		
	i) Current tax assets (net)	136.30	33.44
	ii) Property plant & equipment	184.33	332.66
	iii) Other intangible assets	22.87	44.11
	iv) Other Non Financial Assets	169.05	152.01
	<b>Total Assets</b>	<b>2,03,12,136.26</b>	<b>2,03,31,619.51</b>
<b>B</b>	<b>Liabilities and Equity</b>		
<b>1</b>	<b>Financial liability</b>		
	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	32.40	857.11
	ii) Debt securities	1,55,16,034.36	1,32,08,569.37
	iii) Other financial liabilities	410.00	330.00
<b>2</b>	<b>Non-financial liabilities</b>		
	i) Other non-financial liabilities	374.98	152.45
	ii) Provisions	518.76	139.60
<b>3</b>	<b>Equity</b>		
	i) Equity share capital	23,809.44	23,809.44
	ii) Other equity	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>

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**Statement of Audited Financial Results for the year ended 31st March 2021**

(Amounts are in INR thousands)

Sl. No.	Particulars	For the period ended 31-March-2021 (6 months)	For the period ended 31-March-2020 (6 months)	For the year ended 31-March-2021	For the year ended 31-March-2020
		Unaudited	Unaudited	Audited	Audited
<b>1</b>	<b>Revenue</b>				
	a) Revenue from operation				
	(i) Interest income	-	-	-	-
	b) Other income	1,380.57	337.35	1,380.57	337.35
	<b>Total Revenue (a+b)</b>	<b>1,380.57</b>	<b>337.35</b>	<b>1,380.57</b>	<b>337.35</b>
<b>2</b>	<b>Expenses</b>				
	a) Finance costs	11,97,275.91	10,26,650.08	23,07,465.00	19,80,458.24
	b) Impairment on financial instruments	-	-	-	-
	c) Employee Benefit expenses	5,418.49	5,231.88	10,480.28	8,688.67
	d) Depreciation, amortisation and impairment	84.55	119.03	169.57	123.68
	e) Other expenses	6,435.22	1,554.10	10,070.94	6,855.98
	<b>Total Expenses (a+b+c+d+e)</b>	<b>12,09,214.17</b>	<b>10,30,446.89</b>	<b>23,28,185.79</b>	<b>19,96,126.57</b>
<b>3</b>	<b>Loss before tax (1-2)</b>	<b>(12,07,833.60)</b>	<b>(10,30,109.54)</b>	<b>(23,26,805.22)</b>	<b>(19,95,789.22)</b>
<b>4</b>	<b>Tax expense:</b>				
	(a) Current tax	-	-	-	-
	(b) Deferred tax charge/ (credit)	-	-	-	-
	<b>Total tax expense (a+b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5</b>	<b>Loss after tax (3-4)</b>	<b>(12,07,833.60)</b>	<b>(10,30,109.54)</b>	<b>(23,26,805.22)</b>	<b>(19,95,789.22)</b>
<b>6</b>	<b>Other comprehensive income (OCI)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>7</b>	<b>Total comprehensive loss for the year (5+6)</b>	<b>(12,07,833.60)</b>	<b>(10,30,109.54)</b>	<b>(23,26,805.22)</b>	<b>(19,95,789.22)</b>
<b>8</b>	<b>Earnings per share*</b>				
	(a) Basic EPS (in Rupees)	(507.29)	(432.65)	(977.26)	(838.23)
	(b) Diluted EPS (in Rupees)	(507.29)	(432.65)	(977.26)	(838.23)
	Face value per share (in Rupees)	10.00	10.00	10.00	10.00

**Notes:**

- 1 The Company is a Non-Banking Financial Company (NBFC) Non Operating Financial Holding Company (NOFHC) registered with the Reserve Bank of India effective January 27, 2017.
- 2 The audited financial results for the year ended March 31, 2021 have been reviewed by the Audit Committee and recommended for adoption to the Board of Directors. The Board of Directors of the Company have considered and approved the same in its meeting held on June 24, 2021.
- 3 The financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under Section 133 of the Companies Act 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- 4 The Statutory auditors have carried out audit of the annual financial results as required under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and have issued a modified opinion thereon.
- 5 Figures for the half year ended March 31, 2021 and March 31, 2020 are the balancing figures between audited figures in respect of full financial year and the published year to date unaudited figures for the half year ended September 30th of the respective financial years.

- 6 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 and for operational efficiencies the Company has 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").

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 has 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 the Transferor Company 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.

- 7 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), had filed an application with Reserve Bank of India ("RBI") as explained above.

- 8 The Company is a Non operating Financial Holding Company ('NOFHC') and has made investment in its associate company Jana Small Finance Bank Limited ('JSFB' or 'the Bank') thereby it has no operations on its own. 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. 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 has 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") as has been explained above.
- 9 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".
- 10 Reserves include Statutory Reserve as per Section 45-IC of Reserve Bank of India Act 1934, balance in securities premium and retained earnings.
- 11 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).
- 12 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 6, 7 and 8 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.
- 13 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.
- 14 Previous period/year figures have been regrouped / reclassified, wherever necessary to conform with the current period/year presentation.

For JANA HOLDINGS LIMITED



Rajamani Muthuchamy  
Managing Director and CEO  
DIN:08080999

Place : Bangalore  
Date: 24-06-2021




**ANNEXURE I****Statement on Impact of Audit Qualifications (for audit report with modified opinion)  
submitted along-with Annual Audited Financial Results**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] (Rupees in Thousands)				
I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	1,380.57	1,380.57
	2.	Total Expenditure	23,28,185.79	23,28,185.79
	3.	Net Profit/(Loss)	(23,26,805.22)	(23,26,805.22)
	4.	Earnings Per Share	(977.26)	(977.26)
	5.	Total Assets	2,03,12,136.26	2,03,12,136.26
	6.	Total Liabilities	1,55,17,370.49	1,55,17,370.49
	7.	Net Worth	47,94,765.76	47,94,765.76
	8.	Any other financial item(s) (as felt appropriate by the management)	NIL	NIL
II	<b>Audit Qualification (each audit qualification separately):</b>			
	<b>A. Details of Audit Qualification:</b> <ol style="list-style-type: none"> <li>Consolidated CAR is lower than the regulatory minimum of 15% for Non-Operating Financial Holding Company (NOFHC) as per the RBI guidelines.</li> <li>Shortfall of Net Owned Funds below the regulatory minimum of Rupees 200 lakhs as per Section 45-IA of the RBI Act 1934 and Master Direction DNBR. PD.008/03.10.119/2016-17 dated September 1, 2016.</li> <li>Leverage ratio of 3.24 on a standalone basis is higher than regulatory threshold stipulated in the RBI guidelines.</li> </ol>			
	<b>B. Type of Audit Qualification:</b> Qualified opinion.			
	<b>C. Frequency of qualification:</b> Repetitive.			
	<b>D. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> Does not arise.			
	<b>E. For Audit Qualification(s) where the impact is not quantified by the auditor:</b> <ol style="list-style-type: none"> <li>Management's estimation on the impact of audit qualification: Cannot be estimated.</li> <li>If management is unable to estimate the impact, reasons for the same: The management cannot estimate the impact for the following reasons. <ol style="list-style-type: none"> <li>The Company is a non-operating financial holding company and does not carry out any business activity except making investments in the associate company.</li> <li>Main purpose of creating this intermediate structure is to act as a conduit for investment in the target company.</li> <li>The performance of this company is entirely dependent on the target company in which it holds the investments.</li> <li>In the recent years, the performance of the target company was impacted by unforeseen events that were external to it and the target company had no control over them.</li> <li>In order to ensure that the target company meets its regulatory requirements, the company was required to raise debt by way of issuing non-convertible debentures and invest in the target company to keep it afloat.</li> </ol> </li> <li>Raising of debt at the company level to meet the capital requirement of the target company and losses incurred in the recent past by the target company for the reasons beyond its control have impacted CAR and Net owned Funds at consolidated level and the leverage ratio on a stand-alone basis.</li> </ol>			



## ANNEXURE I

### Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results

	<p>(iv) Auditors' Comments on (i) or (ii) above:</p> <p>The qualification matters stated in the audit report were pertaining to non-compliances with the certain conditions specified in the RBI guidelines and notifications (regulations) mentioned in our audit report. The monetary implications of such non compliances are not mentioned in the relevant regulations. Accordingly, consequential impact of such non-compliance on the financial results is presently unascertainable.</p>		
II	<p><b>For Jana Holdings Limited</b></p>  <p>Rajamani Muthuchamy CEO and Managing Director DIN:08080999</p> <p>Place: Bangalore Date: 24.06.2021</p> <p><b>For MSKC &amp; Associates</b> (Formerly known as R.K. Kumar &amp; Co.) Chartered Accountants ICAI Firm Registration No.:001595S</p> <p>Tushar Ramniklal Kurani</p> <p><small>Digitally signed by Tushar Ramniklal Kurani Date: 2021.06.24 23:19:06 +05'30'</small></p> <p>Tushar Kurani Partner Membership No: 118580</p> <p>Place: Mumbai Date: 24.06.2021</p>	<p><b>For Jana Holdings Limited</b></p>  <p>Gopalakrishnan S Chief Financial Officer ICAI Membership No: 021783</p> <p>Place: Bangalore Date: 24.06.2021</p>	<p><b>For Jana Holdings Limited</b></p>  <p>Abraham Chacko Audit Committee Chairman DIN:06676990</p> <p>Place: Cochin Date: 24.06.2021</p>