



**JANA CAPITAL LIMITED**  
**FIFTH ANNUAL REPORT**  
**FY 2019-20**

CIN: U67100KA2015PLC079488

Registered office:

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To

The Members of

Jana Capital 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, 2020.

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

Amount in lakhs

Particulars	Standalone		Consolidated	
	Year ended 31.3.2020	Year ended 31.3.2019	Year ended 31.3.2020	Year ended 31.3.2019
Revenue from Operations	-	-	3.37	7.31
Other Income	-	-	-	-
Total Revenue	-	-	3.37	7.31
Total Expenditure	21,059.70	46,680.42	21,007.46	13,590.52
Profit/(Loss) before Taxation	(21,059.70)	(46,680.42)	(21,004.09)	(13,583.20)
Tax expenses	-	-	-	-
Profit/(Loss) after Taxation	(21,059.70)	(46,680.42)	(37,970.25)	(42,380.20)
Surplus/(deficit) carried to the Balance Sheet	(21,059.70)	(46,680.42)	(37,970.25)	(42,380.20)

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

The Company is a Core Investment Company (CIC) and wholly owned holding Company of Jana Holdings Limited (JHL). The Company does not have any other operations except holding the Investments in JHL. The Company is a registered with the RBI as NBFC-CIC-ND-SI .

During the year under review, the total expenditure was Rs. 21,007.46 lakhs as against 13,590.52 lakhs for the financial year ended 31<sup>st</sup> March 2019. The increase in the total expenses is on account of impairment loss on account of shares invested in wholly owned subsidiary, JHL, which is due to the increase in the interest accruals on the NCD borrowing. The finance cost was Rs. 993.56 lakhs during the FY 2019-20 as against Nil financial cost during the FY 2018-19, which was due to the interest accrued on NCD issued to the tune of Rs. 150 crores on 30.10.2020.

**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 2020 was Rs. 3,00,00,000/- (Rupees three crores) divided into 30,00,000 (thirty lakhs) Equity shares of Rs. 10/- each.

The Issued, subscribed and paid up share capital of the Company as on 31<sup>st</sup> March 2020 Rs. 2,70,41,810 (Rupees two crores seventy lakhs forty one thousand eight hundred and ten) divided into 27,04,181 Equity shares of Rs. 10 each.

During the year under review, there was no change in the Authorised, Issued, Subscribed and Paid up capital of the Company.

### **b. Debentures**

During the year under review the Company issued 1500 Non-Convertible debentures of face value of Rs. 10,00,000 each aggregating to Rs. 150 crores on 30<sup>th</sup> October 2019. The said debentures are listed on the Bombay Stock Exchange (BSE) on 13<sup>th</sup> November 2019.

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

The composition of the Board is 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.

Due to the listing of the debentures with the recognised stock exchange for the first time, the Company was required to appoint the Independent Directors and Key Managerial persons to fulfil the requirement under the Companies Act, 2013. Accordingly, during the year under review, the following Directors were appointed:

1. Mrs. Saraswathy Athmanathan was appointed as the Independent Director with effect from 14<sup>th</sup> February 2020 for a period of 5 years, subject to the approval of the members at the ensuing Annual General Meeting.
2. Mr. Abraham Chacko was appointed as the Independent Director with effect from 14<sup>th</sup> February 2020 for a period of 5 years, subject to the approval of the members at the ensuing Annual General Meeting.
3. Mr. Rajamani Muthuchamy was appointed as the MD and CEO was appointed with effect from 14<sup>th</sup> February 2020 for a period of 5 years, subject to the approval of the members at the ensuing Annual General Meeting.
4. Mr. S. V Ranganath, was appointed as an Independent Director (Additional Director) by the Board of Directors at its meeting held on 22<sup>nd</sup> May 2018 and was appointed as an Independent Director at the 3<sup>rd</sup> Annual General Meeting of the Company held on 10<sup>th</sup> August 2018. The Board hereby notes the tenure of the appointment from 22<sup>nd</sup> May 2018 which shall be valid for a period of 5 years upto 21<sup>st</sup> May 2023.

In the opinion of the Board, the Independent Directors appointed during the year possess integrity, expertise, experience required for the said appointment. All the independent Directors have enrolled in the Independent Director's databank and are yet to take the online proficiency self-assessment notified under sub-section (1) of section 150.

### **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 (<https://www.janacapital.co.in>) of the Company.

### **Board of Directors**

The constitution of the Board of Directors of the Company as on 31<sup>st</sup> March 2020 was as follows:

<b>Sl. No.</b>	<b>Name of the Director</b>	<b>Category</b>
1.	Mr. Ramesh Ramanathan	Chairman and Non-Executive Director
2.	Mr. Rajamani Muthuchamy	MD and CEO
3.	Mr. Sakalespur Visweswaraiya Ranganath	Independent Director
4.	Mr. Abraham Chacko	Independent Director
5.	Mrs. Saraswathy Athmanathan	Independent Director
6.	Mr. Nirav Vinod Mehta	Director nominated by North Haven Private Equity Asia Platinum Pte Ltd
7.	Mr. Anil Rai Gupta	Director nominated by QRG Enterprises Limited
8.	Mr. Puneet Bhatia	Director nominated by TPG Asia VI SF Pte Ltd
9.	Mr. Gaurav Trehan	Director nominated by Caladium Investment Pte. Ltd

Mr. Gaurav Trehan resigned from the Board on 20<sup>th</sup> May 2020, due to the withdrawal of nomination by Caladium Investment Pte. Ltd, pursuant to his resignation.

### **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, the following Directors retire by rotation and being eligible offer themselves for re-appointment:

1. Mr. Ramesh Ramanathan, Non-Executive Chairman and Director
2. Mr. Anil Rai Gupta, Director nominated by QRG Enterprises Limited

### **Key Managerial Personnel**

Mrs. Vidya Sridharan, Company Secretary was appointed as the Company Secretary of the Company with effect from 1<sup>st</sup> October 2019.



The Company appointed Mr. Krishnan Iyer as the Chief Financial Officer (CFO) with effect from 10<sup>th</sup> December 2019 who resigned with effect from 28<sup>th</sup> February 2020. The Company further appointed Mr. Gopalakrishnan. S as the CFO with effect from 1<sup>st</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 Holdings Limited continues to be the Wholly owned subsidiary Company in accordance with the provisions of the Act. Statement containing salient features of the financial statement of Subsidiary Company in form AOC-1 is attached as **Annexure-1**.

Brief contribution and performance of Jana Holdings Limited (JHL) is as follows:

The total expenditure was Rs. 19,961.26 lakhs as against 42,983.18 lakhs for the financial year ended 31<sup>st</sup> March 2019. The reduction in the total expenditure was on account of no impairment of shares held in its Associate Company viz. Jana Small Finance Bank Limited. The finance cost increased from ₹ 13,504.51 lakhs (FY 2018-19) to ₹ 19,804.58 lakhs (FY 2019-20), which was mainly due to the interest accruals for the non-convertible debentures issued by the Company. The Capital to Risk Asset Ratio (CRAR) improved to (4.06%) as on March 31, 2020 against (8.52%) on March 31, 2019. JHL has further invested in the shares of Jana Small Finance Bank, Associate Company.

**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 have approved to adopt the Fast track method of amalgamation of the Jana Holdings Limited (JHL) wholly owned subsidiary Company with the Company. JHL had submitted necessary documents on January 9, 2020 for sought by the RBI vide their letter dated October 2019 and had applied for the in-principle approval. The Companies 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. Further, such a merger of the wholly owned subsidiary with the 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 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 has also served notices (CAA-9) along with the proposed Scheme with Registrar of Companies, Karnataka and Official Liquidator, Ministry Of Corporate Affairs by letter dated 25<sup>th</sup> 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 has not received 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 has initiated steps for obtaining the approval from the Stock Exchange.

The Company held the Extra-Ordinary General Meeting of the Shareholders on 30<sup>th</sup> October 2020 for the approval of the Scheme. Further the Company has obtained the consent from all the creditors to 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.

On and from the effective date of Amalgamation, Jana Holdings Limited, Wholly owned subsidiary Company will be dissolved without the process of winding up and all the Assets and Liabilities of the JHL with effect from 1<sup>st</sup> April 2019 (Appointed date) will be transferred to Jana Capital Limited (Holding Company) as stipulated in the Scheme of Amalgamation.

## **i. Credit Rating:**

During the year under review, the Company obtained the credit rating from India Ratings for the NCDs issued by the Company to the tune of Rs. 150 Crores. IND B+/ Stable was the credit rating assigned by India Rating on 1<sup>st</sup> November 2019.

## **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 (<https://www.janacapital.co.in>) of the Company.

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

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, the Company made investment to the extent of around Rs. 149 Crores towards the rights issue in Jana Holdings Limited for which JHL had allotted 3,88,830 Equity shares of Rs. 10 each to the Company on 30<sup>th</sup> October 2020. 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 2019-20. 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 being Core Investment Company does not have any operation except for holding investment in Jana Holdings Limited (JHL). 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 operating entity. The Company's principal financial assets include investment in subsidiary 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 (<https://www.janacapital.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)**

In accordance with the provisions of Section 135 of the Act, the Company has constituted CSR committee consisting of the following members:

1. Mr. Ramesh Ramanathan (Chairperson)
2. Mr. S. V. Ranganathan (Member)
3. Mr. Rajamani Muthuchamy (Member)

The Company has formulated CSR policy pursuant to Section 135 of the Companies Act, 2013 and the said policy is attached as **Annexure 4**. The Policy adopted by the Company on Corporate Social Responsibility (CSR) is placed on the website (<https://www.janacapital.co.in>) of the Company. During the year under review, the Company has spent Rs. 2,85,000 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 (<https://www.janacapital.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 meets at periodical intervals and the gap between two Board meetings does not exceed 120 days as required under the Companies Act, 2013. During the financial year 2019-20, the Company held the following meetings of the Board of Directors as per Section 173 of Companies Act, 2013 as mentioned below:

Date of Board meeting	No. of Directors eligible to attend the meeting	No. of Directors attended the meeting
10th June 2019	6	2
26th July 2019	6	4
3rd September 2019	6	5
23rd September 2019	6	2
21st October 2019	6	2
9 <sup>th</sup> December 2019	6	4
14th February 2020	6	4

The Company also held CSR committee meeting during the year under review, whose details are provided below:

Date of CSR Committee	No. of Members eligible to attend the meeting	No. of Members attended the meeting
14 <sup>th</sup> February 2020	3	3

The Company has constituted the following mandatory committees as required under the Companies Act, 2013 and as per the RBI Master Directions of the Reserve Bank of India at its Board meeting held on 14<sup>th</sup> February 2020:

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) CSR committee
- d) Risk Management Committee
- e) Asset and Liability Management Committee
- f) IT Strategy Committee

## 21. Meeting of Independent Directors:

The requisite Independent Directors on account of fresh listing of debentures, were appointed on 14<sup>th</sup> February 2020. Due to COVID-19 pandemic MCA had relaxed the provision of holding separate meeting of Independent Directors for the financial year 2019-20 and hence there were no Independent Directors meeting held during the period.

## 22. Statutory Auditors

In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, R.K Kumar & Co., Chartered Accountants, Chennai (Firm Registration number 001565S) were appointed as Statutory Auditors of the Company to hold office until the conclusion of 5<sup>th</sup> Annual General Meeting. The Audit Committee and the Board have recommended the re-appointment of MSKC & Associates (formerly R.K Kumar & Co.) as the Statutory Auditors of the Company to hold office from the conclusion of the 5<sup>th</sup> Annual General Meeting until the 10<sup>th</sup> Annual General Meeting for the purpose of conducting the Statutory

Audit upto the FY 2024-25. M/s MSKC & Associates, Chartered Accountants have given their consent and confirmed their eligibility to act as the statutory auditors of the Company.

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 Report in standalone financial statement.**

There were no qualification or adverse remark made by the Statutory Auditors in the standalone financial statement.

### **24. Qualification made by the Statutory Auditor's Report in Consolidated financial statement.**

The qualification made by the Statutory Auditors in the consolidated financial statement is on account of Jana Holdings Limited and the same has been addressed by the subsidiary Company in its Board's report.

### **25. 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 2019-20. The Internal Audit reports were reviewed by the Audit Committee.

### **26. 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 JKS and Co., Company Secretaries, Bangalore to conduct the secretarial audit for the financial year ended March 31, 2020. 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 provisions of Sec 152 of the Companies Act, 2013 relating to the retirement of directors by rotation is not duly complied. Further, the articles of association of the Company in this regard is not in consonance with the provisions of the Act.

As per the articles of association, the nominee Directors shall not retire by rotation. However, this will violate the provisions of section 152 of the Companies Act, 2013, which provides that at least 2/3<sup>rd</sup> of the total directors excluding the Independent Director shall be liable to retirement by rotation. Accordingly, the Board is proposing an amendment to the articles of Association to include all the Directors to retire by rotation excluding the Independent Directors and the same is subject to the approval by the members at the ensuing AGM.

(b) In respect of allotment of NCDs in October 2019, the transfer of money to the Company's Bank account is done one-day prior to filing of the Return of Allotment, which is not in compliance of Sec 42(4) of the Act.

This happened due to the urgency to transfer the funds to the operating entity on the same day of the fund flow. However, the form was filed immediately the next day. Such inconsistency will be taken care of in future.

(c) The Investor Grievance Report under Reg 13(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was filed with two days' delay.

The Company had listed its debentures for the first time on 13<sup>th</sup> November 2020. The Company did not have the login credentials for reporting the investor grievances and hence, the said compliance was reported through email dated 15<sup>th</sup> January 2020 (due date being 21<sup>st</sup> January 2020) and request to the BSE was made for issuing the login credentials in the email. The Company received the login credentials on 23<sup>rd</sup> January 2020 and the said compliance was also uploaded in the BSE portal on the same day.

(d) There were delays in compliance of adoption of certain policies as notified by the Reserve Bank of India ("RBI") vide Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016, the impact of which is minimal as the Company had listed the NCDs in October 2019 and the Company does not carry on any operations except investment.

The Non-Convertible debentures were issued by the Company on 30<sup>th</sup> October 2019. Till such time there were no activity in the Company and hence the policies were not adopted. However, subsequent to the issue of NCD, the Board of Directors adopted various policies required under applicable laws.

(e) Form ALM-STD L for the quarter ended June, 2019 and Branch Info Return for the quarters ended June, 2019 and December, 2019, required to be filed with RBI were not filed and Form NBFCs-ND-SI was belatedly filed for quarters ended June, 2019, September, 2019 and March, 2020.

ALM-STD L for June 2019 was inadvertently missed. The Company has no branches and hence the said form was not filed. However, the Company has filed the same subsequently on 14<sup>th</sup> July 2020. The Company did not have full time KMPs to supervise and undertake the compliance work meticulously and hence these were inadvertently missed out owing to the said reason. However, after the appointment of KMPs these inaccuracies have been addressed and the subsequent returns have been filed with the RBI.

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

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

## **28. 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.

## **29. 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.



### 30. 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 Capital Limited**



Rajamani Muthuchamy  
MD & CEO (DIN: 08080999)



Ramesh Ramanathan  
Chairman (DIN: 00163276)

Place: Chennai  
Date: 10.11.2020

Place: USA  
Date: 10.11.2020

## Form AOC-1

**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


Sl. No	Particulars	Name of Subsidiary (Amount in Rupees thousand)
1	Name of the Subsidiary Company	Jana Holdings Limited
2	Reporting period for the Subsidiary concerned, if different from the holding company's reporting period	NA
3	Reporting currency and Exchange rate as on the last date of the relevant FY in case of foreign subsidiaries	NA
4	Share Capital	23,809.44
5	Reserves & Surplus	70,97,761.54
6	Total Assets	2,03,31,619.51
7	Total Liabilities	2,03,31,619.51
8	Investments	2,03,00,420.67
9	Turnover	-
10	Profit/(Loss) before taxation	(19,95,789.22)
11	Provision for taxation	-
12	Profit/(Loss) after taxation	(19,95,789.22)
13	Proposed Dividend	-
14	% of shareholding	100%

**Notes:**

- 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 Capital Limited**

  
Rajamani Muthuchamy  
MD & CEO (DIN: 08080999)

  
Ramesh Ramanathan  
Chairman (DIN: 00163276)

Place: Chennai  
Date: 10.11.2020

Place: USA  
Date: 10.11.2020

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

*Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures*

	<b>Name of <del>Joint Ventures</del>/Associates</b>	
<b>1</b>	<b>Latest audited Balance Sheet Date</b>	NOT APPLICABLE
<b>2</b>	<b>Shares of Associate held by the company on the year end</b>	
	Amount of Investment in Associates/ <del>Joint Venture</del>	
	Extent of Holding %	
<b>3</b>	<b>Description of how there is significant influence</b>	
<b>4</b>	<b>Reason why the associate is not consolidated</b>	
<b>5</b>	<b>Net worth attributable to Shareholding as per latest audited Balance Sheet</b>	
<b>6</b>	<b>Profit / Loss for the year</b>	
i	Considered in Consolidation	
ii	Not Considered in Consolidation	

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

For and on behalf of board of directors of

**Jana Capital Limited**



Rajamani Muthuchamy  
MD & CEO (DIN: 08080999)



Ramesh Ramanathan  
Chairman (DIN: 00163276)

Place: Chennai  
Date: 10.11.2020

Place: USA  
Date: 10.11.2020

**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. 5000 per month	As per the Sub lease agreement Rs. 4388 per month
5	Date of approval by the Board	20 <sup>th</sup> March 2018	17 <sup>th</sup> Sept 2018
6	Amount paid as advances, if any	Nil	Nil

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



Rajamani Muthuchamy  
MD & CEO (DIN: 08080999)

Place: Chennai  
Date: 10.11.2020



Ramesh Ramanathan  
Chairman (DIN: 00163276)

Place:USA  
Date: 10.11.2020

**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;	There were no salary payable to Directors during the year under review. Hence this details are not applicable.
(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 during the year under review.
(iii) the percentage increase in the median remuneration of employees in the financial year;	There were no increase in the remuneration of employees in the financial year.
(iv) the number of permanent employees on the rolls of company;	At the beginning of the Financial Year there were no employees in the Company. At the end of the financial year the number of employees were 4.
(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 Capital Limited**



Rajamani Muthuchamy  
MD & CEO (DIN: 08080999)



Ramesh Ramanathan  
Chairman (DIN: 00163276)

Place: Chennai  
Date: 10.11.2020

Place: USA  
Date: 10.11.2020

## Annexure 4

### Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2019-20

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	As per CSR policy attached
2	Composition of CSR committee	The CSR committee comprises of the following Directors: 1. Mr. Ramesh Ramanathan (Chairperson) 2. Mr. S. V Ranganath (Member) 3. Mr. Rajamani Muthuchamy (Member)
3	Average net profit of the Company for last three financial years	Rs. 1,42,37,944.67
4	Prescribed CSR expenditure (two percent of the amount mentioned in item 3 above)	Rs. 2,84,758.89
<b>Details of CSR spent during the financial year</b>		
5	Total amount to be spent for the financial year	2,85,000
6	Amount unspent, if any	Nil
	Manner in which the amount spent during the financial year	An amount of Rs. 2,85,000 was provided to Vidyanikethan, a society registered under the Society Registration Act. During the year the Company spent the amount to needy children. The amount was spent to carry out various repair works on the building to make the building in liveable condition for the needy children.
7	Reasons for unspent CSR expenditure	Not applicable as the entire amount was spent on CSR during the year.

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	Repair work in Children's Hostel	Promoting Education	Local area	Rs. 2,85,000	Direct expenditure	Rs. 2,85,000	Vidyanikethan having Society Registration No 93/88-89

#### 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 Capital Limited**



Rajamani Muthuchamy  
MD & CEO (DIN: 08080999)

Place: Chennai  
Date: 10.11.2020



Ramesh Ramanathan  
Chairman of the Committee  
(DIN: 00163276)

Place: USA  
Date: 10.11.2020



**JANA CAPITAL LIMITED**

**POLICY ON CORPORATE SOCIAL RESPONSIBILITY**

**Company Overview**

The Company was incorporated on 26<sup>th</sup> March 2015 to carry on the business of an Investment Company and to invest, buy, sell, transfer, deal in and dispose any shares, stocks, debentures, whether perpetual or redeemable debentures, stocks, securities of any Government, Local Authority, Bonds and Certificates. The Company received a certificate of registration dated 24<sup>th</sup> March 2017 from the Reserve Bank of India as NBFC-CIC-ND-SI.

**Objective**

As per Section 135 (1), every company having a net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

135(3) The Corporate Social Responsibility Committee shall-

- (a) formulate and recommend to the Board, a policy on Corporate Social Responsibility which shall indicate the activities to be undertaken by the company in areas or subjects specified in Schedule VII;
- (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) monitor the implementation of Corporate Social Responsibility Policy of the company from time to time.

**Responsibilities, Roles and powers of the CSR committee:**

- Formulate CSR policy and seek approval from the Board of Directors of the company and review the policy on a yearly basis.
- Formulate and share the CSR action plan with budget for the year with the Board of Directors and seek approval if the requirement of spending arises in terms of Section 135(5) of the Companies Act 2013 and implement the activities either through the Implementation Partner or directly through its own team.
- Spend the allocated amount on CSR activities once approved by the Board of Directors and create a transparent monitoring mechanism of CSR initiatives.
- Submit periodic reports to the Board for the activities undertaken

**Responsibility of Board of Directors:**

In line with the provisions of Section 135 of the Act, the Board of Directors of the Company will be responsible for the following:

- Approve the CSR policy;
- Make sure the company spends, in every financial year, at least 2% of its average net profit during the three preceding financial years, in pursuance of this policy.

- Approve the CSR action plan and budget as proposed by the CSR committee in accordance with Schedule VII of the Companies Act, 2013
- Make disclosures in the Board report as per clause (o) of sub-section (3) of section 134 including particulars specified in Annexures to the CSR rules. If the company fails to spend the amount, reasons for not spending to be specified in the above report.

### **Amendments to the policy**

The Board of Directors on its own and/or as per the recommendations of the CSR committee can amend this policy, as and when deemed fit, any or all the provisions of this CSR policy, subject to the applicable provisions of the Companies Act, 2013 and any subsequent amendments made thereof from time to time.

### **Activities to be undertaken as and when the applicability along with spending arises as per Section 135 of the Companies Act 2013**

The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities. The broad framework of activities which may be undertaken by the CSR committee, when the applicability and spending requirements as per the Companies Act 2013 arise, is given below:

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

(iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

(v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents;

(vii) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports

(viii) contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(ix) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public-funded Universities, Indian Institute of Technology (IITs), National Laboratories and

Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

(x) rural development projects

(xi) slum area development.

Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

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**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 Core Investment Company and registered as NBFC with the RBI has no operations of its own except investment in its subsidiary company. The Company do not accept the deposits from public. However, the investment made by the Company has an impact on the basis of 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 Core Investment Company (CIC) having investment in its Wholly owned subsidiary 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 Capital Limited**



Rajamani Muthuchamy  
MD & CEO (DIN: 08080999)

Place: Chennai  
Date: 10.11.2020



Ramesh Ramanathan  
Chairman (DIN: 00163276)

Place: USA  
Date: 10.11.2020



### Secretarial Audit Report

To,  
The Members  
**Jana Capital Limited,**  
No.4/1 to 4/8, Meanee Avenue Road,  
Old Tank Road, Ulsoor,  
Bengaluru – 560042

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the further viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For JKS & Co.  
Company Secretaries

*Karthick*

**Karthick V.**  
Partner  
Membership No. ACS – 11910



Place : Bengaluru  
Date : November 10th 2020

**Form No. MR-3**

**Secretarial Audit Report**

**for the financial year ended March 31, 2020**

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

To,  
The Members  
**Jana Capital Limited,**  
No.4/1 to 4/8, Meanee Avenue Road,  
Old Tank Road, Ulsoor,  
Bengaluru – 560042

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Jana Capital Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in the manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and SEBI warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2020, generally 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:

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

- (i) The Companies Act, 2013 (the 'Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws 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. [the Company being an exclusively debt-listed Company, this Regulation is not applicable];

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [the Company being an exclusively debt-listed Company, this Regulation is not applicable];

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [the Company being an exclusively debt-listed Company, this Regulation is not applicable];

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 [Not Applicable to the Company during the audit period];

(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 as the Company is not registered as Registrar to Issue and Share Transfer Agent during the audit period];

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not Applicable as the Company has not delisted / proposed to delist its equity shares from any stock exchange during the audit period]; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 [the Company being an exclusively debt-listed Company, this Regulation is not applicable];

(vi) Other laws specifically applicable to the Company are:

- a) Reserve Bank of India Act, 1934;
- b) Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
- c) Master Directions – The Core Investment Companies (Reserve Bank) Directions, 2016
- d) Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions 2016 and Modifications thereof;
- e) Monitoring of Frauds in NBFCs (Reserve Bank) Directions 2016





**We 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;

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

And report that during the year under review, except as stated here under, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

- a) The provisions of Sec 152 of the Companies Act, 2013 relating to the retirement of directors by rotation is not duly complied. Further, provisions of the articles of association of the Company in this regard is not in consonance with the provisions of the Act.
- b) In respect of allotment of NCDs in October 2019, the transfer of money to the Company's Bank account is done one-day prior to filing of the Return of Allotment, which is not in compliance of Sec 42(4) of the Act.
- c) The Investor Grievance Report under Reg 13(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was filed with two days' delay.
- d) There were delays in compliance of adoption of certain policies as notified by the Reserve Bank of India ("RBI") vide Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016, the impact of which is minimal as the Company had listed the NCDs in November 2019 and the Company does not carry on any operations except investment.
- e) Form ALM-STD L for the quarter ended June, 2019 and Branch Info Return for the quarters ended June, 2019 and December, 2019, required to be filed with RBI were not filed and Form NBFCs-ND-SI was belatedly filed for quarters ended June, 2019, September, 2019 and March, 2020.

**We further report that**

Due to COVID -19 pandemic and lockdown, we were not able to physically verify few documents and registers during our Audit and in such cases we have carried out the audit based on electronic documents/soft copies provided to us.

The compliance of applicable Financial Laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

Subject to the report as stated above, 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 audit period 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 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 represented by the Company, all decisions at the Meetings of the Board of Directors and Board Committees are carried out unanimously or with requisite majority as recorded in the Minutes of the respective meetings as the case may be and no dissenting views were recorded.

**We 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.

**We further report that** during the audit period, :

1. Necessary Board resolution was passed to enable the Company for issuing 1,500 Unsecured, Rated, Non-Convertible Debentures (NCDs) on Private Placement basis aggregating to Rs. 150 Crores; The NCDs were allotted in October, 2019;
2. Necessary Board resolution was passed to further invest a sum not exceeding Rs. 149 Crores in its Wholly Owned Subsidiary Company; and
3. The above NCDs were listed on the Bombay Stock Exchange in November 2019.

Place : Bengaluru  
Date : November 10<sup>th</sup> 2020  
UDIN : A011910B001204123

For JKS & Co.  
Company Secretaries

*Karthick*



**Karthick V.**  
Partner  
Membership No. ACS – 11910  
C. P. No. – 4680

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Jana Capital Limited

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

#### **Opinion**

We have audited the standalone financial statements of Jana Capital Limited ("the Company"), which comprise the Balance sheet as at 31 March 2020, 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, 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, 2020, and loss, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter**

We draw attention to the following matters in the Notes to the standalone financial statements:

- i. We draw attention to Note 24 to the standalone financial statements which describes the extent to which the SARS-Cov-2 virus responsible for the COVID-19 Pandemic will impact the associate's financial statements. Consequentially, the impact on the carrying value of investment of associate in the books of the Company will depend on the future developments which the Company is unable to assess currently. Accordingly, no adjustments have been made to the financial statements.
- ii. We draw attention to Note 25 of the audited standalone financial statements, which describes the merger of the Company with its subsidiary Company, Jana Holdings Limited.

Our opinion is not modified in respect of these matters.

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## 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.

### Impairment testing of Investment

Refer Note 2 of Financial statement with respect to the disclosures of Investment in Jana Holdings Limited ("Subsidiary"). On March 31, 2020, Investment in Subsidiary amounts to Rs.1,37,88,972 thousand against which provision of Rs. 66,67,401 was made towards impairment in the books of account.

We have considered this as a key audit matter due to 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, forecast of future cash flows relating to the period covered by the Company's strategic business plan, normalized cash flows assumed as a basis for terminal value, as well as the long-term growth rates and discount rates applied to such forecasted cash flows.

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. Obtained valuation report of the Subsidiary provided by the external valuer.
- iii. Evaluated the appropriateness of the assumptions considered and key inputs used to arrive at the fair value of the investment.
- iv. Verified the infusion of funds by the independent third-party investor in the Associate to assess whether the fair value used for impairment is appropriate.
- v. Verified completeness, arithmetical accuracy and validity of the data used in the calculations.
- vi. Assessed the arithmetical accuracy of the calculations and evaluated the adequacy of the disclosures.

### 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 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 will 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.



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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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### **Other Matter**

The standalone financial statements of the Company for the year ended 31 March, 2019, were audited by another auditor whose report dated 03 September, 2019 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matter.

#### **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 "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) 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) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 2020.
    - 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. In our opinion, according to information, explanations given to us, the Company has not paid/provided for any managerial remuneration during the year. Accordingly, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company.

**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: 20118580AAAED8375

Place: Mumbai  
Date: 28 July, 2020

**ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF JANA CAPITAL LIMITED FOR THE YEAR ENDED 31 MARCH 2020.**

[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) According to the information and explanations given to us and on the basis of our examination of our records of the Company, the Company does not have Property, plant and equipment. Therefore, the provisions of Clause 3 (i) (a) and (b) of the Order are not applicable to the Company.
  - (b) 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 a Non-Banking Financial Company (NBFC) - Non-Deposit taking - Systematically Important- Core Investment Company (NBFC-ND-SI- CIC). 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 of 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.



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- (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. In our opinion, according to the information explanation provided to us, money raised by way of debentures during the year have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- 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 information, explanations given to us, the Company has not paid/provided for any managerial remuneration during the year. Accordingly, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company.
- 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 made private placement of Non-convertible debentures during the year and the requirements of Section 42 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.
- 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.

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- 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-SI-CIC.

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

*Tushar Kurani*

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Tushar Kurani  
Partner  
Membership No. 118580  
UDIN: 20118580AAAAED8375

Place: Mumbai  
Date: 28 July, 2020

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

[Referred to in paragraph 2(f) 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 Capital Limited ("the Company") as of 31 March 2020 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.

#### **Auditor's 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, adequate 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 2020, 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  
Partner  
Membership No. 118580  
UDIN: 20118580AAAED8375

Place: Mumbai  
Date: 28 July, 2020

JANA CAPITAL LIMITED  
Standalone Balance Sheet as at 31 March 2020

Particulars	Note	(Rs. In thousands)	
		As at 31-Mar-20	As at 31-Mar-19
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and cash equivalent	1(i)	7,549.75	6,442.95
(b) Bank Balance other than (a) above	1(ii)	3.39	-
(c) Investments	2	71,21,570.98	76,32,924.24
(d) Other financial assets	3	19.00	19.00
<b>(2) Non- Financial Assets</b>			
(a) Other non financial assets	4	177.25	-
Total Assets		<u>71,29,320.37</u>	<u>76,39,386.19</u>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) Trade payables	5	-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(b) Debt securities	6	263.23	5.40
(c) Other financial liabilities	7	15,95,794.01	-
		300.00	471.98
<b>(2) Non-Financial Liabilities</b>			
(a) Other non-financial liabilities	8	25.00	1.00
<b>(3) EQUITY</b>			
(a) Equity share capital	9	27,041.81	27,041.81
(b) Other equity	10	55,05,896.32	76,11,866.00
Total Liabilities and Equity		<u>71,29,320.37</u>	<u>76,39,386.19</u>

Summary of significant accounting policies

See accompanying notes to the standalone financial statements

1-30

As per our report of even date

For MSKC & Associates

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

Chartered Accountants

Firm Registration No.: 001595S



Tushar Kurani

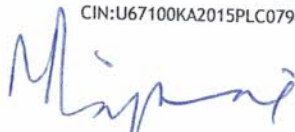
Partner

Membership No: 118580

Place: Mumbai

Date: 28 July 2020

For and on behalf of the Board of Directors of Jana Capital Limited  
CIN:U67100KA2015PLC079488



Rajamani Muthuchamy

Managing Director and CEO

DIN:08080999

Place: Bangalore

Date: 28 July 2020



Ramesh Ramanathan

Chairman

DIN:00163276

Place: Bangalore

Date: 28 July 2020



Gopalakrishnan S

Chief Financial officer

ICAI Membership No: 021783

Place: Bangalore

Date: 28 July 2020



Vidya Sridharan

Company Secretary

ICSI Membership No: A44354

Place: Bangalore

Date: 28 July 2020

Particulars	Note	For the year ended 31-March-2020	For the year ended 31-March-2019
<b>Revenue from Operations</b>			
(i) Dividend Income		-	-
(I) Total Revenue from Operations		-	-
(II) Other Income		-	-
(III) Total Income (I+II)		-	-
<b>Expenses</b>			
(i) Finance costs	11	99,356.01	-
(ii) Employee benefits expenses	12	377.93	-
(iii) Impairment on financial instruments	13	20,01,349.82	46,66,051.56
(iv) CSR expenditure	14	285.00	-
(v) Others expenses	15	4,600.92	1,990.80
(IV) Total Expenses (IV)		21,05,969.68	46,68,042.36
(V) Loss before tax (III -IV)		(21,05,969.68)	(46,68,042.36)
(VI) Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
(VII) Loss for the year (V-VI)		(21,05,969.68)	(46,68,042.36)
<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>		-	-
(IX) Total Comprehensive Loss for the period (VII+VIII)		(21,05,969.68)	(46,68,042.36)
(X) Earnings per equity share	16		
Basic (Rs.)		(778.78)	(1,726.23)
Diluted (Rs.)		(778.78)	(1,726.23)

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements 1-30

As per our report of even date

For MSKC &amp; Associates

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

Chartered Accountants

Firm Registration No.: 001595S



Tushar Kurani



Partner

Membership No: 118580

Place: Mumbai

Date: 28 July 2020

For and on behalf of the Board of Directors of Jana Capital Limited  
CIN:U67100KA2015PLC079488

  
Rajamani Muthuchamy  
Managing Director and CEO  
DIN:08080999
Place: Bangalore  
Date: 28 July 2020

  
Gopalakrishnan S  
Chief Financial officer  
ICAI Membership No: 021783
Place: Bangalore  
Date: 28 July 2020

  
Ramesh Ramanathan  
Chairman  
DIN:00163276
Place: Bangalore  
Date: 28 July 2020

  
Vidya Sridharan  
Company Secretary  
ICSI Membership No: A44354
Place: Bangalore  
Date: 28 July 2020



**JANA CAPITAL LIMITED**

Statement of standalone cash flows for the year ended 31 March 2020  
(Amount in INR thousands, unless otherwise stated)

	Year ended 31-Mar-20	Year ended 31-Mar-19
<b>Cash flow from operating activities</b>		
Loss for the year	(21,05,969.68)	(46,68,042.36)
Adjustments for:		
Impairment loss on financial instruments	20,01,349.82	46,66,051.56
Finance cost	99,356.01	-
<b>Operating Loss before working capital changes and adjustments</b>	<b>(5,263.85)</b>	<b>(1,990.80)</b>
<b>Changes in working capital</b>		
(Decrease) / Increase in payables	257.83	5.40
(Decrease) / Increase in other financial liabilities	(171.98)	(1,090.84)
(Decrease) / Increase in other non-financial liabilities	24.00	0.60
Decrease/ (increase) in other bank balances	(3.39)	2,471.15
Decrease/ (increase) in other financial assets	-	(18.00)
Decrease/ (increase) in other Non financial assets	(177.25)	-
<b>Cash used in operations before adjustments</b>	<b>(70.79)</b>	<b>1,368.31</b>
Taxes paid	-	-
<b>Net cash flows from (used in) operating activities (A)</b>	<b>(5,334.64)</b>	<b>(622.50)</b>
<b>Cash flow from Investing activities</b>		
Investment in subsidiary	(14,89,996.56)	-
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(14,89,996.56)</b>	<b>-</b>
<b>Cash flow from Financing activities</b>		
Dividend paid	-	(2,471.16)
Net Proceeds from Debt securities issued	14,96,438.00	-
<b>Net cash flow from financing activities (C)</b>	<b>14,96,438.00</b>	<b>(2,471.16)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,106.80</b>	<b>(3,093.66)</b>
Cash and cash equivalents at the beginning of the year	6,442.95	9,536.61
Cash and cash equivalents at the end of the year	7,549.75	6,442.95
<b>Cash and cash equivalents comprise (Refer note 1)</b>		
Balances with banks		
On current accounts	7,549.75	6,442.95
<b>Total cash and bank balances at end of the year</b>	<b>7,549.75</b>	<b>6,442.95</b>

The accompanying notes are an integral part of the financial statements 1-30

As per our report of even date  
For MSKC & Associates  
(Formerly known as R.K. Kumar & Co.)  
Chartered Accountants  
Firm Registration No.: 0015955



Tushar Kurani  
Partner  
Membership No: 118580


Place: Mumbai  
Date: 28 July 2020

For and on behalf of the Board of Directors of Jana Capital Limited  
CIN:U67100KA2015PLC079488



Rajamani Muthuchamy  
Managing Director and CEO  
DIN:08080999

Place: Bangalore  
Date: 28 July 2020

  
Gopalakrishnan S  
Chief Financial officer  
ICAI Membership No: 021783

Place: Bangalore  
Date: 28 July 2020



Ramesh Ramanathan  
Chairman  
DIN:00163276

Place: Bangalore  
Date: 28 July 2020

  
Vidya Sridharan  
Company Secretary  
ICSI Membership No: A44354

Place: Bangalore  
Date: 28 July 2020

JANA CAPITAL LIMITED

Statement of standalone changes in equity for the year ended 31 March 2020

(Amount in INR thousands, unless otherwise stated)

(A) Equity share capital

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

Opening balance

Add: Issued during the year

Closing balance

As at 31-Mar-20		As at 31-Mar-19	
No. of shares	Amount	No. of shares	Amount
27,04,181	27,041.81	27,04,181	27,041.81
-	-	-	-
27,04,181	27,041.81	27,04,181	27,041.81

(B) Other equity

01 April 2019 to 31 March 2020

Particulars				Total
	Securities Premium	Statutory Reserve	Retained Earnings	
Balance at the beginning of the reporting period	1,22,54,702.28	8,940.77	(46,51,777.05)	76,11,866.00
Net Loss for the current year	-	-	(21,05,969.68)	(21,05,969.68)
Balance at the end of the reporting period	1,22,54,702.28	8,940.77	(67,57,746.73)	55,05,896.32

01 April 2018 to 31 March 2019

Particulars				Total
	Securities Premium	Statutory Reserve	Retained Earnings	
Balance at the beginning of the reporting period	1,22,54,702.28	8,940.77	16,265.31	1,22,79,908.36
Net Loss for the current year	-	-	(46,68,042.36)	(46,68,042.36)
Balance at the end of the reporting period	1,22,54,702.28	8,940.77	(46,51,777.05)	76,11,866.00

The accompanying notes are an integral part of these financial statements 1-30

As per our report of even date

For MSKC & Associates

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

Chartered Accountants

Firm Registration No.: 0015955

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

CIN:U67100KA2015PLC079488



Tushar Kurani

Partner

Membership No: 118580

Place: Mumbai

Date: 28 July 2020



Rajamani Muthuchamy

Managing Director and CEO

DIN:08080999

Place: Bangalore

Date: 28 July 2020



Ramesh Ramanathan

Chairman

DIN:00163276

Place: Bangalore

Date: 28 July 2020



Gopalakrishnan S

Chief Financial officer

ICAI Membership No: 021783

Place: Bangalore

Date: 28 July 2020



Vidya Sridharan

Company Secretary

ICSI Membership No: A44354

Place: Bangalore

Date: 28 July 2020



**1 Company Overview**

**1.1 Background**

The Company was incorporated on March 26, 2015 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 debentures, stocks, securities of any Government, Local, Authority, Bonds and Certificates. The Company received a certificate of registration dated 24 March 2017 from the Reserve Bank of India as a Non-Banking Financial Institution - Non-Deposit taking - Systemically Important Core Investment Company ("NBFC-CIC-ND-SI") under section 45IA of the Reserve Bank of India Act, 1934.

The company holds 100% investments in its wholly owned subsidiary company - Jana Holdings Limited ('the Company'). The wholly owned subsidiary company holds 42.08% of Equity shares in Jana Small Finance Bank being the Associate company.

The Board in their meetings held on October 21, 2019, and December 9, 2019, have approved Fast track method for merging its wholly-owned subsidiary, Jana Holdings Limited with the Company. The Company has submitted the necessary documents to Jana Holdings Limited for submission to the RBI as required by them vide their letter dated October 2019. Jana Holdings Limited submitted the requisite documents to the RBI on January 9, 2020. As per the existing guidelines, the RBI has dispensed with the requirement of having a Non-Operating Financial Holding Company (NOFHC) for setting up of Small Finance Banks as well as Universal Banks. Further, such a merger of the subsidiary with 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 involves the merger of the wholly-owned subsidiary with the Holding Company. The Company will proceed to seek other approvals stipulated under the Companies Act, 2013 after the receipt of in-principle approval from the RBI.

**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.

**1.3 Basis of preparation**

The financial statements for the year ended 31 March 2020 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.

**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.

**2 Significant accounting policies**

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

**i. Revenue recognition**

Dividend is recognised when the right to receive the dividend is established.

Significant accounting policies (continued)

ii. 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.

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.

ii. Financial assets and liabilities (continued)

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.

**iii. 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.

**iv. 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.

**iv. Income taxes (continued)**

**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.

**v. 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.

**vi. 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.

**vii. 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.

**viii. 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 subsidiary 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.

**ix. 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 CODM include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis.



x. **Recent accounting pronouncement**

Following are the new standards and amendments to existing standards (as notified by Ministry of Corporate Affairs (MCA) on 30 March 2019) which are effective for annual period beginning after 1 April, 2019. The Company intends to adopt these standards or amendments from the effective date.

**Ind AS 116, Leases**

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases. The Company does not have any impact on account of this amendment.

**Amendment to Ind AS 12 Income Taxes: Appendix C - Uncertainty over Income Tax Treatments**

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or Company of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1 April 2019. The Company does not have any impact on account of this amendment.

**Amendments to Ind AS 12 Income Taxes**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company does not have any impact on account of this amendment.

**Amendments to Ind AS 19 Employee Benefits - plan amendment, curtailment or settlement**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognize in Statement of profit and loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company does not have any impact on account of this amendment.

**Amendments to Ind AS 109 Financial Instruments - Prepayment Features with Negative Compensation**

On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 109, as per the amendment a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. The Company does not have any impact on account of this amendment.

(Rs. In thousands)

		31-Mar-20	31-Mar-19
1	<u>Cash and Cash Equivalents</u>		
	Cash on hand		
	Balances with banks in current accounts	7,549.75	6,442.95
	<b>Total</b>	<b>7,549.75</b>	<b>6,442.95</b>
	(I)		
	<u>Bank Balance other than cash and cash equivalent</u>		
	Others	3.39	-
	<b>Total other bank balances</b>	<b>3.39</b>	<b>-</b>
	II		
	<b>Total Cash and bank balances</b>	<b>7,553.13</b>	<b>6,442.95</b>
	(I+II)		

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

**Cash and cash equivalents**

Balances with banks:

On current accounts	7,549.75	6,442.95
Cash on hand	-	-
<b>Sub Total</b>	<b>7,549.75</b>	<b>6,442.95</b>
Less: Bank overdrafts	-	-
<b>Total</b>	<b>7,549.75</b>	<b>6,442.95</b>

The Company has not taken bank overdraft, therefore the cash and cash equivalent for statement of cash flow is same as cash and for cash equivalent given above.

## 2 Investments

Particulars	As at 31 March 2020			As at 31 March 2019		
	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	4	5	6
Equity instruments	-	-	-	-	-	-
Jana Holdings Limited (Subsidiary)* Unquoted (fully paid-up of Rs. 10/- each)	1,37,88,972.36	-	-	1,22,98,975.80	-	-
Total - Gross (A)	1,37,88,972.36	-	-	1,22,98,975.80	-	-
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	1,37,88,972.36	-	-	1,22,98,975.80	-	-
Total (B)	1,37,88,972.36	-	-	1,22,98,975.80	-	-
Less: Allowance for Impairment loss (C) #	66,67,401.38	-	-	46,66,051.56	-	-
Total - Net D= (A)-(C)	71,21,570.98	-	-	76,32,924.24	-	-

\* 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 12 of Ind AS 36, there is an objective evidence of Impairment based on the observable data with respect to investment made by the company in Jana Holdings Limited (JHL) based on the below mentioned factors:

i. The Company has invested in Jana Holdings Limited (JHL) [ Wholly owned subsidiary] which is registered as Non Banking Financial Company - Non Operating Financial Holding Company (NOFHC) and JHL holds investments only in Jana Small Finance Bank (JSFB) ("the Bank").

ii. JHL has reported loss of Rs 1,995,789.22 thousands due to high debt burden as result of which there is a decline in net worth of JHL as compared to 31 March 2019.

iii. The fair value per share of JHL shares during the year ended 31 March 2020 has declined from INR 3,831.57 per share to Rs. 2,991.07 per share (based on valuation of equity shares by independent valuer using Book value method of valuation). In light of the above indicators, the Company has estimated the recoverable amount of the investment in JHL as Rs. 2,991.07 per share being less than its carrying amount i.e. Rs.3,831.57 per share.

The carrying amount has been reduced to its recoverable amount and the reduction which is an impairment loss has been recognized in the statement of profit and loss for the year ended 31 March 2020 as detailed below."

Details of Investments	As at March 31, 2020	As at March 31, 2019
Carrying value of Investment (A)	1,37,88,972.36	1,22,98,975.80
No. of Shares (B)	23,80,944	19,92,114
Book Value per share (C=A/B)	5,791.39	6,173.83
Fair Market Value per share (D)	2,991.07	3,831.57
Impairment loss per share (E=C-D)	2,800.32	2,342.26
Total Impairment loss	20,01,349.82	46,66,051.56

Particulars	Number of shares		Fair Value per share		Amount (in thousands)	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Investments in Equity Instruments Jana Holdings Limited (Wholly owned subsidiary)* Unquoted (fully paid-up of Rs. 10/- each)	23,80,944	19,92,114	2,991.07	3,831.57	71,21,570.98	76,32,924.24

JANA CAPITAL LIMITED

Notes forming part of the Financial Statements for the year ended 31st March , 2020

(Rs. In thousands)

3 Other financial assets

Security Deposits

Total

31-Mar-20	31-Mar-19
19.00	19.00
19.00	19.00



JANA CAPITAL LIMITED

Notes forming part of the Financial Statements for the year ended 31st March,2020

(Rs. In thousands)

4	Other Non-financial assets	31-Mar-20	31-Mar-19
		177.25	-
	Prepaid Expenses	177.25	-

(Rs. In thousands)

5 Trade Payables

	As at 31 March 2020	As at 31 March 2019
(a) Total outstanding dues of micro enterprises and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises *(Note-1)	263.23	5.40
	<u>263.23</u>	<u>5.40</u>

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.

**Note-1**

Above includes liabilities towards its related parties listed as under: Refer Note-18 on the detailed disclosure of related party transactions during the financial year and its comparatives

Name of the Party	Amount Outstanding as at 31 March 2020	Amount Outstanding as at 31 March 2019
(i) Jana Holdings Limited	139.17	-
(ii) Jana Small Finance Bank (Formerly known as Janalakshmi Financial Services Limited)	5.40	5.40
(iii) Janaadhar (India) Private Limited	5.18	-
<b>Total</b>	<b>149.75</b>	<b>5.40</b>

(Rs. In thousands)

**6 Debt Securities**

Particulars	As at March 31, 2020				As at March 31, 2019			
	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
Unsecured Non Convertible Debentures	15,95,794.01	-	-	15,95,794.01	-	-	-	-
<b>Total (A)</b>	<b>15,95,794.01</b>	<b>-</b>	<b>-</b>	<b>15,95,794.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Debt securities in India	-	-	-	-	-	-	-	-
Debt securities outside India	15,95,794.01	-	-	15,95,794.01	-	-	-	-
<b>Total (B)</b>	<b>15,95,794.01</b>	<b>-</b>	<b>-</b>	<b>15,95,794.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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*	Face Value	Balance as at 31 March 2020	Balance as at 31 March 2019	Issue Date	Maturity Date	XIRR
TPG ASIA VI India Markets Pte. Ltd	1,500	1,000.00	15,95,794.01	-	30-Oct-19	31-May-23	16.50%
<b>Total</b>			<b>15,95,794.01</b>	<b>-</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). The debentures are unsecured in nature with the maturity date being 31 May 2023. The amount raised by issue of non-convertible debentures (1500 NCD) amounts to Rs. 150 Crores. The debentures are amortized using Effective interest rate method.

The Redemption premium payable on NCD's are 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 INR 951.09 per share has been determined by Management based on external valuation report issued during the year. This per share valuation is also consistent with the equity share issuance done by JSFB in November 2019.

**7 Other Financial Liabilities**

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

31-Mar-20	31-Mar-19
200.00	472.00
100.00	
-	(0.02)
<b>300.00</b>	<b>471.98</b>

**8 Other Non - Financial Liabilities**

Statutory dues  
**Total**

31-Mar-20	31-Mar-19
25.00	1.00
<b>25.00</b>	<b>1.00</b>

(Rs. In thousands)

9 Equity Share capital

	31-Mar-20	31-Mar-19
<u>Authorized *</u>		
Equity Share Capital (As at 31 March 2020-Rs.30,000,000 (3,000,000 Equity shares at par value of Rs.10 each), As at 31 March 2019 : Rs.30,000,000 (3,000,000 Equity shares at par value of Rs.10 each)*)	30,000.00	30,000.00
<b>Total</b>	<b>30,000.00</b>	<b>30,000.00</b>
<u>Issued, subscribed and paid up</u>		
Equity Share Capital (As at 31 March 2020-Rs.27,041,810 (2,704,181 Equity shares at par value of Rs.10 each), (As at 31 March 2019 : Rs.27,041,810 (2,704,181 Equity shares at par value of Rs.10 each)*)	27,041.81	27,041.81
<b>Total</b>	<b>27,041.81</b>	<b>27,041.81</b>

	31-Mar-20		31-Mar-19	
(a) <b>Reconciliation of shares outstanding at the beginning and at the end of the year</b>				
	<u>Number of shares</u>	<u>Amount</u>	<u>Number of shares</u>	<u>Amount</u>
Outstanding at the beginning of the year	27,04,181	27,041.81	27,04,181	27,041.81
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>27,04,181</b>	<b>27,041.81</b>	<b>27,04,181</b>	<b>27,041.81</b>

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

Terms/ rights attached to equity shares:

The Company has only one class of equity shares 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.

(c) **Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of the shareholder	31-Mar-20		31-Mar-19	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
<b>Equity Shares</b>				
Jana Urban Foundation	11,87,686	43.92%	11,87,686	43.92%
TPG Asia VI SF Pte Ltd	5,40,574	19.99%	5,40,574	19.99%
Caladium Investment Pte. Ltd	5,40,574	19.99%	5,40,574	19.99%
North Haven Private Equity Asia Platinum Pte Ltd	2,35,656	8.71%	2,35,656	8.71%
QRG Enterprises Ltd	1,72,025	6.36%	1,72,025	6.36%

**Shares allotted as fully paid-up without payment being received in cash / by way of bonus shares:**

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

10 Other Equity

	31-Mar-20	31-Mar-19
(a) <b>Securities Premium Account</b>		
Opening balance	1,22,54,702.28	1,22,54,702.28
Add : Securities premium credited on share issue	-	-
Less : Premium utilized for various reasons	-	-
<b>Closing balance</b>	<b>1,22,54,702.28</b>	<b>1,22,54,702.28</b>
(b) <b>Statutory Reserve</b>		
Opening balance	8,940.77	8,940.77
Add: Transferred during the year	-	-
Less: Utilization on account of transfer	-	-
<b>Closing balance</b>	<b>8,940.77</b>	<b>8,940.77</b>



## (c) Retained Earning and Surplus/(deficit) in the Statement of Profit and Loss

Opening balance		
Add: Net Loss for the current year	(46,51,777.05)	16,265.31
Transfer from reserves	(21,05,969.68)	(46,68,042.36)
Less: Proposed dividends	-	-
Interim dividends	-	-
Closing balance	<u>(67,57,746.73)</u>	<u>(46,51,777.05)</u>
Total Reserves and surplus	<u>55,05,896.32</u>	<u>76,11,866.00</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 2020 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) Contingent Liabilities and commitments

## i Contingent Liabilities

	31-Mar-20	31-Mar-19
Claims against the NBFC not acknowledged as debt	-	-
Guarantees excluding financial guarantees	-	-
Other money for which the NBFC is contingently Liabe	-	-
Total	<u>-</u>	<u>-</u>

ii Commitments - Note-1

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>

## iii Penalties imposed by RBI

There has been no penalties imposed by RBI for the year ended 31 March 2020 (Previous Year: Nil).

**\*Note-1**

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. As at year end, the Company does not have any long term contracts (including derivative contracts) for which there were material foreseeable losses.

**11 Finance Cost**

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Interest on debt securities	99,356.01	-
<b>Total</b>	<b>99,356.01</b>	<b>-</b>

**12 Employee Benefit Expenses**

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Salaries and wages	377.93	-
<b>Total</b>	<b>377.93</b>	<b>-</b>

**13 Impairment on Financial Instruments**

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Investments in Equity Shares of Wholly Owned Subsidiary (Jana Holdings Limited)	20,01,349.82	46,66,051.56
<b>Total</b>	<b>20,01,349.82</b>	<b>46,66,051.56</b>

**14 CSR Expenditure**

The Company has contributed towards CSR expenditure in accordance with Section 135 of the Companies Act 2013. The contribution has been made to Vidyanikethan - A Society for Education and Social development, Regd. Under Society Registration No 93/88-89 having their office at Jaraganahalli, J.P Nagar 6th Phase, Bangalore - 560 078. The contribution has been made towards performing the following activities:

- **1. Plastering work, Waterproofing and painting:** The roof of the building had developed leakage due to which the rooms have started cracks and there is leakage during the rainy season where the children reside which is creating hardship and quite risky for Children. Plastering and waterproofing the roof top and the inner rooms was carried out, thus leakage was avoided. Two doors of toilets were replaced. Water pipes were changed to enable free flow of water.
- **2. Replacement of water tank:** Present water tank installed in the roof has developed leakage and hence the water is not flowing downwards. Hence, there was a need for replacing the water tank and entire water connection from the roof top.

**A) Gross Amount Required to be spent during the year**

The amount to be contributed for the FY 2019-2020 towards CSR expenditure in accordance with Section 135 of the Companies Act 2013 is as under:

(Rs. In thousands)

Particulars	31-Mar-17	31-Mar-18	31-Mar-19
Net Profit Before Tax (A)	34,409.42	10,294.42	-1,990.00
Average Net Profit Before Tax (B)			14,237.94
Amount to be Set Aside for CSR (2% of Average Net profit before tax) (C)			<b>284.76</b>

**B) Amount Spent during the year on:**

Particulars	31-Mar-20			31-Mar-19		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
(i) Construction / Acquisition of any asset	285.00	-	285.00	-	-	-
(ii) On purposes other than (i) above* (Note-1)	-	-	-	-	-	-
<b>Total</b>	<b>285.00</b>	<b>-</b>	<b>285.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note-1**

The amount paid in cash amounting to Rs.1,65,000 for the FY 2019-2020 has been paid by its wholly owned subsidiary Jana Holdings Limited (JHL) on behalf during the FY 2019-2020. It is pertinent to note that JCL had not availed for e-banking facility and due to COVID 19 impact the entity could not make e-payments to the party and hence the same was made by JHL on behalf of JCL. The same has been paid subsequently to JHL.

C) The contribution as made to the party Vidyanikethan towards CSR expenses is not a related party transaction in accordance with IND AS 24.

D) The company has contributed the entire sum to be spent as per Section 135 of the Companies Act 2013 and hence no provision has been created for the same for the financial year 2019-2020.

(Rs. In thousands)

15 Other Expenses

	For the year ended 31-March-2020	For the year ended 31-March-2019
a) Rent, taxes and energy costs	64.69	23.99
Printing and stationery	10.24	-
Director's fees, allowances and expenses	413.00	177.00
Auditor's fees and expenses	625.00	639.15
Legal and Professional charges	3,270.23	887.87
Subscription Fees	7.85	253.31
Insurance	65.62	-
Bank Charges	0.05	6.49
Filing Fee	83.83	3.00
Travelling expenses	5.30	-
Internal Audit	50.00	-
Other expenditure	5.11	-
<b>Total</b>	<b>4,600.92</b>	<b>1,990.80</b>

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

(Rs. In thousands)

	For the year ended 31-March-2020	For the year ended 31-March-2019
b) As auditor:		
As Statutory Auditor	350.00	521.15
For other services	275.00	118.00
<b>Total</b>	<b>625.00</b>	<b>639.15</b>

Notes forming part of the Financial Statements for the year ended 31 March , 2020  
(Amount in INR thousands, unless otherwise stated)

## 16 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-20	31-Mar-19
Net Loss as per the statement of Profit and Loss	(21,05,969.68)	(46,68,042.36)
Less: preference dividend after-tax (Refer Note 14(f))	-	-
Loss attributable to equity holders after preference dividend	(21,05,969.68)	(46,68,042.36)
Add: Interest on convertible preference shares	-	-
Loss attributable to equity holders adjusted for the effect of dilution	(21,05,969.68)	(46,68,042.36)
Weighted average number of equity shares for basic EPS*	27,04,181.00	27,04,181.00
Effect of dilution:	-	-
Rights Shares Issued	-	-
Weighted average number of equity shares adjusted for the effect of dilution	27,04,181.00	27,04,181.00
Basic loss per share (INR)	(778.78)	(1,726.23)
Diluted loss per share (INR)	(778.78)	(1,726.23)

## 17 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 INDAS 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.4,050 per month only, thereby the said payments has been recognised as an expense in the statement of profit and loss for the financial year 2019-2020. This is in line with the treatment adopted by the entity for the previous financial year 2018-2019.



18 Related Party Disclosures: 31 March 2020

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 parties	Nature of Relationship
i. Jana Holdings Limited	Wholly Owned Subsidiary
ii. Jana Small finance Bank (formerly Janalakshmi Financial Services Limited)	Group 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. Nirav Mehta	Non-Executive Director
vii. Mr. Puneet Bhatia	Non-Executive Director
viii. Mr. Anil Rai Gupta	Non-Executive Director
ix. Mr. Gaurav Trehan	Non-Executive Director
x. Mr. S V Ranganath	Independent Director
xi. Mr. Abraham Chacko	Independent Director (w.e.f 14 Feb 2020)
xii. Mrs. Saraswathy Athmanathan	Independent Director (w.e.f 14 Feb 2020)
xiii. Mr. Rajamani Muthuchamy	Managing Director and CEO (w.e.f 14 Feb 2020)
xiv. Mr. Krishnan Iyer	KMP - Chief Financial Officer (w.e.f 9th December 2019 and upto 30th March 2020)
xv. Mr. Gopalakrishnan S	KMP - Chief Financial Officer (w.e.f 01st March 2020)
xvi. 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 Holdings Limited	Wholly Owned Subsidiary
ii. Jana Small finance Bank (formerly Janalakshmi Financial Services Limited)	Group Company
iii. Janaadhar (India) Private Limited	Group Company
iv. S.V Ranganath	Independent Director
v. Mr. Krishnan Iyer	KMP - Chief Financial Officer (w.e.f 9th December 2019 and upto 30th March 2020)
vi. Mr. Gopalakrishnan S	KMP - Chief Financial Officer (w.e.f 01st March 2020)
vii. Ms. Vidya Sridharan	KMP - Company Secretary (w.e.f 01st October 2019)

B) Nature of Transactions entered with related parties

(Amount in INR thousands)					
Name of Related Party	Nature of Transaction	Transaction Value for the FY 2019-2020	Amount Outstanding as at 31 March 2020	Transaction Value for the FY 2018-2019	Amount Outstanding as at 31 March 2019
<b>A) Related Entities</b>					
i) Jana Holdings Limited (JHL)	Amount invested in shares of JHL (No of Shares: 388830, Share price is 3832, Face Value: 10/- and Share Premium is Rs.3822)	(14,89,996.56)	-	-	-
	Investment in equity shares (net of impairment loss)	-	71,21,570.98	-	76,32,924.24
	Insurance Expenses paid by JCL on behalf of JHL	(161.83)	161.83	-	-
	Salary Expenses paid by JCL on behalf of JHL on Oct-2019	(57.45)	-	-	-
	Repayment of October-2019 Salary Expenses to JCL which was paid earlier on behalf of JHL	57.45	-	-	-
	Payment of Salary by JHL on behalf of JCL The same has been repaid subsequently by JCL	-	(136.00)	-	-
	Payment of CSR Expenses by JHL on behalf of JCL for the FY 2019-2020. The same has been repaid subsequently by JCL.	-	(165.00)	-	-
ii) Jana Small Finance Bank (formerly known as Janalakshmi Financial Services Limited)	Amount paid towards professional services	(68.26)	(5.40)	(68.23)	(5.40)
	Amount paid towards statutory payments	(262.38)	-	-	-
iii. Janaadhar (India) Private Limited	Rent and Maintenance charges paid	(56.95)	(5.18)	(23.99)	-
<b>B) Key Management Personnel</b>					
i) Mr. Krishnan Iyer	Salary paid	(100.81)	-	-	-
ii) Mr. Gopalakrishnan S	Salary paid by JHL on behalf of JCL	(99.80)	-	-	-
iii) Ms. Vidya Sridharan	Salary paid	(118.15)	-	-	-
	Salary paid on behalf of JHL - Oct-2019	(57.45)	-	-	-
	Repayment of Salary by JHL paid on behalf of JHL - Oct-2019	57.45	-	-	-
	Salary paid by JHL on behalf of JCL	(24.80)	-	-	-
<b>C) Directors</b>					
i. Mr.S.V Ranganath	Payment of Sitting fees	(315.00)	-	-	-
ii Mr. Rajamani Muthuchamy	Salary	(0.00)	-	-	-
	Salary paid by JHL on behalf of JCL	(0.00)	-	-	-

19 Fair values of financial assets and financial liabilities

The fair value of other financial assets, cash and cash equivalents, investments, other payables, and other financial liabilities approximate the carrying amounts because of the nature of these financial instruments and their recorded amounts approximate fair values or are receivables or payables on demand.

The Debt securities has been amortized using the EIR method of measurement of financial liabilities.

## 20 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).

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, 2020

Particulars	Level 1	Level 2	Level 3	(Amount are in INR thousands)	
				Total Fair Value	Total Carrying Amount
<b>Financial Assets</b>					
Cash and cash equivalents	7,549.75	-	-	7,549.75	7,549.75
Bank balance other than cash and cash equivalents	3.39	-	-	3.39	3.39
Investment	-	-	71,21,570.98	71,21,570.98	71,21,570.98
Other Financial Assets	-	-	19.00	19.00	19.00
<b>Financial Liabilities</b>					
Payables	-	-	263.23	263.23	263.23
Debt securities	-	-	15,95,794.01	15,95,794.01	15,95,794.01
Other financial liabilities	-	-	300.00	300.00	300.00

### Fair value measurement hierarchy of assets as at March 31, 2019

Particulars	Level 1	Level 2	Level 3	(Amount are in INR thousands)	
				Total Fair Value	Total Carrying Amount
<b>Financial Assets</b>					
Cash and cash equivalents	6,442.95	-	-	6,442.95	6,442.95
Bank balance other than cash and cash equivalents	-	-	-	-	-
Investment	-	-	76,32,924.24	76,32,924.24	76,32,924.24
Other Financial Assets	-	-	19.00	19.00	19.00
<b>Financial Liabilities</b>					
Payables	-	-	5.40	5.40	5.40
Debt securities	-	-	-	-	-
Other financial liabilities	-	-	471.98	471.98	471.98

The carrying amount of cash and cash equivalents, other financial assets, other payables, other financial liabilities 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.



## 21 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 its wholly owner subsidiary 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 an 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 wholly owned subsidiary & 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 the performance of its investments in wholly owned subsidiary.

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

31-Mar-20		(Amount in thousands)		
Particulars	Asset Group	Carrying Amount	Allowance for Impairment Loss	Carrying Amount and net of provision
Investments in Wholly Owned Subsidiary	Investments at amortized cost	91,22,920.80	20,01,349.82	71,21,570.98

31-Mar-19		(Amount in thousands)		
Particulars	Asset Group	Carrying Amount	Allowance for Impairment Loss	Carrying Amount and net of provision
Investments in Wholly Owned Subsidiary	Investments at amortized cost	1,22,98,975.80	46,66,051.56	76,32,924.24

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

31-Mar-20 (Amount in thousands)			
Particulars	Maximum Exposure to Credit risk	Fair Value of Collateral	Net Exposure
<b>Financial Asset</b>			
Cash and cash equivalents	7,549.75	-	7,549.75
Bank balance other than cash and cash equiv	3.39	-	3.39
Investment in Wholly owned Subsidiary	71,21,570.98	-	71,21,570.98
Other Financial Assets	19.00	-	19.00
<b>Total</b>	<b>71,29,143.11</b>	<b>-</b>	<b>71,29,143.11</b>

31-Mar-19 (Amount in thousands)			
Particulars	Maximum Exposure to Credit risk	Fair Value of Collateral	Net Exposure
<b>Financial Asset</b>			
Cash and cash equivalents	6,442.95	-	6,442.95
Bank balance other than cash and cash equiv	-	-	-
Investment in Wholly owned Subsidiary	76,32,924.24	-	76,32,924.24
Other Financial Assets	19.00	-	19.00
<b>Total</b>	<b>76,39,386.19</b>	<b>-</b>	<b>76,39,386.19</b>

#### Expected credit loss on other financial assets

Other financial assets represents security deposits and prepaid insurance. 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. Such receivables carry insignificant probability of default, hence the credit risk is also very low. Prepaid insurance shall be amortized over the period of insurance.

#### Cash and cash equivalents and Bank balance

The Company holds cash and cash equivalents and bank balance of INR 7,549.76 thousands at 31 March 2020 (31 March 2019: INR 6,442.95 thousands). The cash and cash equivalents are held with bank and financial institution counterparties with acceptable credit ratings.

Other bank balances represents amount held towards Debenture subscription account amounting to INR 3.39 thousands as at 31 March 2020, (31 March 2019-NIL).

Notes forming part of the Financial Statements for the year ended 31 March , 2020

Note-21 continued

(Amount in INR thousands, unless otherwise stated)

## 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 unfavorable 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-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	5	263.23	263.23	-	-	263.23	-	-	-	-	-
Debt securities	6	15,95,794.01	15,95,794.01	-	-	-	-	-	-	15,95,794.01	-
Other financial liabilities	7	300.00	300.00	100.00	-	-	200.00	-	-	-	-
<b>Total</b>		<b>15,96,357.23</b>	<b>15,96,357.23</b>	<b>100.00</b>	<b>-</b>	<b>263.23</b>	<b>200.00</b>	<b>-</b>	<b>-</b>	<b>15,95,794.01</b>	<b>-</b>
<b>Financial assets</b>											
Cash and cash equivalents	1(i)	7,549.75	7,549.75	7,549.75	-	-	-	-	-	-	-
Bank balance other than cash and cash equivalents	1(ii)	3.39	3.39	-	-	-	-	-	-	3.39	-
Investments	2	71,21,570.98	71,21,570.98	-	-	-	-	-	-	15,95,794.01	55,25,776.97
Other financial assets	3	19.00	19.00	-	-	-	-	-	-	-	19.00
<b>Total</b>		<b>71,29,143.11</b>	<b>71,29,143.11</b>	<b>7,549.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,95,797.39</b>	<b>55,25,795.97</b>

31-Mar-19

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	5	5.40	5.40	-	5.40	-	-	-	-	-	-
Debt securities	6	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	7	471.98	471.98	-	-	-	471.98	-	-	-	-
<b>Total</b>		<b>477.38</b>	<b>477.38</b>	<b>-</b>	<b>5.40</b>	<b>-</b>	<b>471.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Financial assets											
Cash and cash equivalents	1(i)	6,442.95	6,442.95	6,442.95	-	-	-	-	-	-	-
Bank balance other than cash and cash equivalents	1(ii)	-	-	-	-	-	-	-	-	-	-
Investments	2	76,32,924.24	76,32,924.24	-	-	-	-	-	-	-	76,32,924.24
Other financial assets	3	19.00	19.00	-	-	-	-	-	-	-	19.00
<b>Total</b>		<b>76,39,386.19</b>	<b>76,39,386.19</b>	<b>6,442.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,32,943.24</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.in crores)	% of Total deposits	% of Total Liabilities
1	1	159.58	NA	22.38%

(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 (Rs.in crores)	% of Total borrowings
1	TPG ASIA VI India Markets Pte. Ltd	159.58	100.00%
<b>Total</b>		<b>159.58</b>	<b>100.00%</b>

(iv) Funding Concentration based on significant instrument/product

S.No	Name of the instrument/product	Amount (Rs.in crores)	% of Total Liabilities
1	Non Convertible Debentures	159.58	22.38%

(v) Stock Ratios

S.No	Particulars	Ratio
1	Commercial paper as a % of total liabilities	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	NIL
4	Non-convertible debentures (original maturity of less than 1 year) as a % of total assets	NIL
5	Other short term liabilities, if any as a % of total liabilities	0.01%
6	Other short term liabilities, if any as a % of total assets	0.01%

(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.

## 22 Segment Reporting

The Company is a NBFC-ND-SI-CIC and has classified this as its business segment and accordingly there are no separate reportable segments in accordance with Ind AS 108 "Operating Segment"

## 23 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	-

## 24 Disclosure on COVID-19

The SARS-COV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets. Governments including the bank, have introduced a variety of measures to contain the spread of virus.

The company being a Core Investment Company (CIC) does not perform any operations and its primarily into the business to invest, buy, sell, transfer, deal in and dispose of any shares, stocks, debentures, whether perpetual or redeemable debentures, stocks, securities of any Government, Local, Authority, Bonds and Certificates. The company holds 100% investments in its wholly owned subsidiary company - Jana Holdings Limited ('the Company'). The wholly owned subsidiary company holds 42.08% of Equity shares in Jana Small Finance Bank being the Associate company.. The company has issued NCD which is the primary debt incurred and the funds realizable from its Investment in subsidiary company (Jana Holdings Limited) shall be utilized to repay 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 wholly owned subsidiary (JHL) and in turn the company.

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).

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

Apart from the Investment in wholly owned subsidiary (JHL) the company is not impacted in valuing and realizing the assets and liabilities as at March 31, 2020 due to COVID-19 pandemic.

## 25 Disclosure on Proposed Merger with Wholly Owned Subsidiary

The Board in their meetings held on October 21, 2019, and December 9, 2019, have approved Fast track method for merging its wholly-owned subsidiary, Jana Holdings Limited with the Company. The Company has submitted the necessary documents to Jana Holdings Limited for submission to the RBI as required by them vide their letter dated October 2019. Jana Holdings Limited submitted the requisite documents to the RBI on January 9, 2020. As per the existing guidelines, the RBI has dispensed with the requirement of having a Non-Operating Financial Holding Company (NOFHC) for setting up of Small Finance Banks as well as Universal Banks. Further, such a merger of the subsidiary with 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 involves the merger of the wholly-owned subsidiary with the Holding Company. The Company will proceed to seek other approvals stipulated under the Companies Act, 2013 after the receipt of in-principle approval from the RBI.



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

\*represents adjustments on account of EIR/ECL

[illegible]

## 27 Capital Management

The Reserve Bank of India (RBI) sets and monitors capital adequacy requirements for the Company from time to time. The Core Investment Companies (Reserve Bank) Directions, 2016, stipulate that the Adjusted Net Worth of a CIC-ND-SI shall at no point in time be less than 30% its risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items as on date of the last audited balance as at the end of the financial year. (Refer Note-1 for the computation)

The Core Investment Companies (Reserve Bank) Directions, 2016, further stipulate that the outside liabilities of a CIC-ND-SI shall at no point of time exceed 2.5 times its Adjusted Net Worth as on date of the last audited balance as at the end of the financial year. (Refer Note-2 for the computation)

The Company has complied with minimum stipulated capital requirements the basis of which has been disclosed as under:

## Note-1:

## A) Computation of Capital Adequacy Ratio (CAR)

(Amounts are in INR thousands)

Particulars	31-Mar-20	31-Mar-19
Adjusted Net Worth (A)	55,32,938.13	76,38,907.81
Risk Weighted Assets (B)	71,21,767.23	76,32,943.24
Capital Adequacy Ratio (C) = A/B	77.69%	100.08%

## B) Computation of Adjusted Net Worth

(Amounts are in INR thousands)

Particulars	31-Mar-20	31-Mar-19
Paid Up Equity Capital	27,041.81	27,041.81
Other Equity	55,05,896.32	76,11,866.00
Adjusted Net Worth	55,32,938.13	76,38,907.81

## C) Computation of Risk Weighted Assets

(Amounts are in INR thousands)

Particulars	Risk Weight	31-Mar-20		31-Mar-19	
		Asset Value	Risk Asset Value	Asset Value	Risk Asset Value
Assets					
Cash and Cash Equivalents	0%	7,549.75	-	6,442.95	-
Bank balance (other than (a) above)	0%	3.39	-	-	-
Investments	100%	71,21,570.98	71,21,570.98	76,32,924.24	76,32,924.24
Other assets	100%	196.25	196.25	19.00	19.00
Total		71,29,320.36	71,21,767.23	76,39,386.19	76,32,943.24

## Note-2:

## A) Outside Liabilities

(Amounts are in INR thousands)

Particulars	31-Mar-20	31-Mar-19
Other Payables	263.23	5.40
Debt Securities	15,95,794.01	-
Other financial liabilities	300.00	471.98
Total Outside Liabilities	15,96,357.23	477.38

## B) Outside Liabilities to Adjusted Net Worth

Particulars	31-Mar-20	31-Mar-20
Outside Liabilities	15,96,357.23	477.38
Adjusted Net Worth	55,32,938.13	76,38,907.81
Ratio of Outside Liabilities to Adjusted Net Worth	28.85%	0.01%

## 28 Maturity analysis of assets and liabilities (Based on RBI guidelines)

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 2020			31 March 2019		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
	<b>Financial assets</b>						
(a)	Cash and cash equivalents	7,549.75	-	7,549.75	6,442.95	-	6,442.95
(b)	Bank balance other than cash and cash equivalents	-	3.39	3.39	-	-	-
(c)	Investments	-	71,21,570.98	71,21,570.98	-	76,32,924.24	76,32,924.24
(d)	Other financial assets	-	19.00	19.00	-	19.00	19.00
	<b>Total Financial assets</b>	<b>7,549.75</b>	<b>71,21,593.37</b>	<b>71,29,143.11</b>	<b>6,442.95</b>	<b>76,32,943.24</b>	<b>76,39,386.19</b>
	<b>Non-Financial assets</b>						
(a)	Other non-financial assets	177.25	-	177.25	-	-	-
	<b>Total Non-financial assets</b>	<b>177.25</b>	<b>-</b>	<b>177.25</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Assets</b>	<b>7,727.00</b>	<b>71,21,593.37</b>	<b>71,29,320.36</b>	<b>6,442.95</b>	<b>76,32,943.24</b>	<b>76,39,386.19</b>
	<b>Liabilities and Equity</b>						
	<b>Liabilities</b>						
	<b>Financial liabilities</b>						
(a)	Payables						
	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	263.23	-	263.23	5.40	-	5.40
(b)	Debt Securities	-	15,95,794.01	15,95,794.01	-	-	-
(c)	Other financial liabilities	300.00	-	300.00	471.98	-	471.98
	<b>Total Financial liabilities</b>	<b>563.23</b>	<b>15,95,794.01</b>	<b>15,96,357.23</b>	<b>477.38</b>	<b>-</b>	<b>477.38</b>
	<b>Non-Financial liabilities</b>						
(a)	Other non-financial liabilities	25.00	-	25.00	1.00	-	1.00
	<b>Total Non-financial liabilities</b>	<b>25.00</b>	<b>-</b>	<b>25.00</b>	<b>1.00</b>	<b>-</b>	<b>1.00</b>
	<b>Equity</b>						
(a)	Equity share capital	-	27,041.81	27,041.81	-	27,041.81	27,041.81
(b)	Other equity	-	55,05,896.32	55,05,896.32	-	76,11,866.00	76,11,866.00
	<b>Total Equity</b>	<b>-</b>	<b>55,32,938.13</b>	<b>55,32,938.13</b>	<b>-</b>	<b>76,38,907.81</b>	<b>76,38,907.81</b>
	<b>Total Liabilities and Equity</b>	<b>588.23</b>	<b>71,28,732.14</b>	<b>71,29,320.37</b>	<b>478.38</b>	<b>76,38,907.81</b>	<b>76,39,386.19</b>
	<b>Difference</b>	<b>7,138.77</b>	<b>-7,138.77</b>	<b>-0.01</b>	<b>5,964.56</b>	<b>-5,964.57</b>	<b>-0.01</b>



## 29. Schedule to the Balance Sheet of the non-deposit taking Core Investment Non-Banking Financial Company

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

## a) Exposures

## (i) Exposure to Real Estate Sector

		(Amounts are in INR thousands)	
Category		31 March 2020	31 March 2019
Direct Exposure			
(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	-	-
Total Exposure to Real Estate Sector		-	-

## (ii) Exposure to Capital Market

Particulars		31 March 2020	31 March 2019
(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)	-	-
Total Exposure to Capital Market		-	-

## Schedule to the Balance Sheet of the non-deposit taking Non-Banking Financial Company

29. Disclosure of details as required by RBI/DNBR/2016-17/39 i.e Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 dated August 25, 2016 (Updated as on June 07, 2018)

## Schedule to the Balance Sheet of the non-deposit taking Non-Banking Financial Company

## Liabilities side :

(Amounts are in INR thousands)

(i) Loans and advances availed by company inclusive of interest accrued thereon but not	As at 31 March 2020		As at 31 March 2019	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(a) Debentures#	-	-	-	-
Secured*	-	-	-	-
Unsecured (other than falling within the meaning of public deposits)	15,95,794.01	-	-	-
(b) Deferred credits	-	-	-	-
(c) Term loans	-	-	-	-
(d) Inter-corporate loans and borrowings	-	-	-	-
(e) Commercial paper	-	-	-	-
(f) Other loans	-	-	-	-
	15,95,794.01	-	-	-

(ii) deposits inclusive of interest accrued thereon but not paid:	As at 31 March 2020		As at 31 March 2019	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
(a) In the form of Unsecured Debentures	-	-	-	-
(b) In the form of partly secured Debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-
	-	-	-	-

\*This amount comprises of face value of Non Convertible Debentures, redemption premium and interest accrued as on date.

# Balances as per financials as computed under IND AS under Effective Interest Rate ('EIR').

## Assets side :

(Amounts are in INR thousands)

(iii) Break-up of loans and advances including bills receivable	As at 31 March 2020	As at 31 March 2019
	Amount outstanding	Amount outstanding
(a) Secured	-	-
(b) Unsecured	-	-
	-	-

(iv) Break up of leased assets and stock on hire and other assets counting towards Asset Finance Company activities	As at 31 March 2020	As at 31 March 2019
	Amount outstanding	Amount outstanding
(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 AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

## (v) Break-up of investments :

(Amounts are in INR thousands)

Current investments	As at 31 March 2020	As at 31 March 2019
	Amount outstanding	Amount outstanding
1. Quoted		
(i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-

(v) Others (please specify)	-	-
<b>2. Unquoted</b>		
(i) Shares :		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others (please specify)	-	-

(Amounts are in INR thousands)

Long-term investments	As at 31 March 2020	As at 31 March 2019
	Amount outstanding	Amount outstanding
<b>1. Quoted</b>		
(i) Shares :		
(a) Equity*	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
<b>2. Unquoted</b>		
(i) Shares :		
(a) Equity*	71,21,570.98	76,32,924.24
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-

\* Net of impairment loss, refer note 2 on Investment for details

(Amounts are in INR thousands)

(vi) Borrower group-wise classification of assets financed as in (iii) and (iv)	As at 31 March 2020		
	Amount net of provisions		
	Secured	Unsecured	Total
<b>1. Related parties</b>			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
<b>2. Other than related parties</b>	-	-	-
	-	-	-

(Amounts are in INR thousands)

Borrower group-wise classification of assets financed as in (iii) and (iv)	As at 31 March 2019		
	Amount net of provisions		
	Secured	Unsecured	Total
<b>1. Related parties</b>			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
<b>2. Other than related parties</b>	-	-	-
	-	-	-



(vii) Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted):

(Amounts are in INR thousands)

Category	As at 31 March 2020		As at 31 March 2019	
	Book Value (Net of impairment)	Market value/ Break up or fair value or NAV *	Book Value (Net of impairment)	Market value/ Break up or fair value or NAV *
1. Related parties				
(a) Subsidiaries	71,21,570.98	71,21,570.98	76,32,924.24	76,32,924.24
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	-	-	-	-
	71,21,570.98	71,21,570.98	76,32,924.24	76,32,924.24

\*Market value / Break up value / fair value / NAV of unquoted non current investments is considered to be the same as their book value (net of impairment)

(viii) Other information

(Amounts are in INR thousands)


Particulars	As at 31 March 2020	As at 31 March 2019
(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	-	-

30 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  
Firm Registration No.: 001595S

For and on behalf of the Board of Directors of Jana Capital Limited  
CIN:U67100KA2015PLC079488

  
Tushar Kurani  
Partner  
Membership No: 118580


  
Rajamani Muthuchamy  
Managing Director and CEO  
DIN:08080999

  
Ramesh Ramanathan  
Chairman  
DIN:00163276

Place: Mumbai  
Date: 28 July 2020

Place: Bangalore  
Date: 28 July 2020

Place: Bangalore  
Date: 28 July 2020

  
Gopalakrishnan S  
Chief Financial officer  
ICAI Membership No: 021783

Place: Bangalore  
Date: 28 July 2020

  
Vidya Sridharan  
Company Secretary  
ICSI Membership No: A44354

Place: Bangalore  
Date: 28 July 2020

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Jana Capital Limited**

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

### **Qualified Opinion**

We have audited the accompanying consolidated financial statements of Jana Capital Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), its associate, which comprise the Consolidated Balance Sheet as at 31 March, 2020, 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 Group and its associate, as at 31 March 2020, consolidated loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

### **Basis for Qualified Opinion**

- i. Jana Holdings Limited ('subsidiary') is a Non Operating Financial Holding Company ('NOFHC') of Jana Small Finance Bank Limited ('JSFB' or 'the Bank'). As per the terms and conditions of the license issued to the Bank to commence small finance bank business under Section 22 of the Banking Regulation Act, 1949, the subsidiary is required to comply with Capital Adequacy Requirements ('CAR') on a consolidated basis as per RBI guidelines.

For the year ended 31 March 2020, the subsidiary is in breach of the regulatory minimum CAR on a consolidated basis. Capital adequacy computed on a consolidated basis as on 31 March 2020, is in - 4.06 %, 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 audited Consolidated financial statements)

- ii. The terms and conditions of the Certificate of registration issued to the subsidiary by the RBI vide letter no. N-02.00275 dated 27 January 2017, requires subsidiary 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 subsidiary as on 31 March 2020, is in a deficit of Rs. 1,24,66,741 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. The terms and conditions of the license issued to the Bank to commence small finance bank business under Section 22 of the Banking Regulation Act, 1949 requires the subsidiary to comply with the provisions of paragraph 2(H)(i) of the Guidelines for Licensing of New Banks in the Private Sector dated 22 February 2013, which refers to compliance of regulatory threshold of leverage ratio on a standalone basis by the NOFHC as per RBI guidelines. For the year ended 31 March 2020, the subsidiary had a leverage ratio of 1.85 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)

The matter stated under (i) above was also qualified in the report of the predecessor auditors on the consolidated financial statements for the year ended March 31, 2019.

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 Group 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 no. 34 of the consolidated financial statements, which states that the group has accumulated losses amounting to Rs. 1,28,84,461 thousand as on 31 March 2020 which has fully eroded its net worth. Such event/condition, along with other matters as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on group's ability to continue as a going concern. However, as stated in the note, group's management has concluded the appropriateness of going concern assumption in the preparation of financials, based on key changes in the Associate, such as return to profitability, raising of further equity capital and maintenance of adequate liquidity surplus on an ongoing basis. Accordingly, the consolidated financial statements have been prepared under the going concern assumption.

Our opinion is not qualified in respect of this matter.

#### **Emphasis of Matter**

We draw attention to the following matters in the Notes to the consolidated financial statements:

- i. We draw attention to Note 29 to the consolidated financial statements which describes the extent to which the SARS-Cov-2 virus responsible for the COVID-19 Pandemic will impact the associate's financial statements. Consequentially, the impact on the carrying value of investment of associate in the books of the Company will depend on the future developments which the Company is unable to assess currently. Accordingly, no adjustments have been made to the financial statements.
- ii. We draw attention to Note 30 of the audited consolidated financial statements, which describes the merger of the Company with its subsidiary Company, Jana Holdings Limited.

Our opinion is not qualified in respect of these matters.

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

The Holding 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 of consolidated financial statements with respect to the disclosures of Investment in Jana Small Finance Bank Limited ("Associate"). On 31 March 2020, Investment in Associate amounts to Rs.18,92,078 thousand.

We have considered this as a key audit matter due to 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, forecast of future cash flows relating to the period covered by the Company's strategic business plan, normalized cash flows assumed as a basis for terminal value, as well as the long-term growth rates and discount rates applied to such forecasted cash flows.

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. Obtained valuation report of the Associate provided by the external valuer.
- iii. Evaluated the appropriateness of the assumptions considered and key inputs used to arrive at the value of the investment.

- iv. Verified the infusion of funds by the independent third-party investor in the Associate to assess whether the value used for impairment is appropriate.
- v. Verified completeness, arithmetical accuracy and validity of the data used in the calculations.
- vi. Assessed the arithmetical accuracy of the calculations and evaluated the adequacy of the disclosures.

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

The Holding 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 Group 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 respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate 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 respective Board of Directors of the Company included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group 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 Group 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 Group 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 entities or business activities within the Group 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. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding 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.

#### **Other Matter**

The consolidated financial statements of the Group for the year ended 31 March 2019, were audited by another auditor. They had qualified their report dated 23 September 2019 with respect to breach of regulatory minimum capital adequacy requirements on a consolidated basis.

Our opinion is not qualified in respect of this matter.

#### **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 Companies (Indian Accounting Standards) Rules, 2015.
  - 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 Group.
  - f. On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2020 taken on record by the Board of Directors of the Holding Company, Subsidiary Company and the reports of the statutory auditors of its associate Company, none of the directors of the Group companies, its associate company is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.



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- 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 financial statements of the Group 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 Group, its associate. Refer Note 14(d) to the consolidated financial statements.
  - ii. The Group 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 Holding Company, and its subsidiary and associate companies 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 Group and its associate 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: 20118580AAAHD9142

Place: Mumbai

Date: 10 November 2020

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JANA CAPITAL 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 Capital Limited on the consolidated Financial Statements for the year ended 31 March 2020]

**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 2020, we have audited the internal financial controls with reference to consolidated financial statements of Jana Capital Limited (hereinafter referred to as "the Holding Company") and its subsidiary company and its associate company as of that date.

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

The respective 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.

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### 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 Holding Company, its subsidiary 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 31 March 2020, 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: 001595S



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Tushar Kurani

Partner

Membership No. 118580

UDIN: 20118580AAAHD9142

Place: Mumbai

Date: 10 November 2020

**JANA CAPITAL LIMITED**  
**Consolidated Balance Sheet as at 31 March 2020**  
(Amount in INR thousands, unless otherwise stated)

Particulars	Note	As at 31-Mar-20	As at 31-Mar-19
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and Cash Equivalent	1(i)	38,044.50	51,926.22
(b) Bank Balance other than (a) above	1(ii)	3.40	327.37
(c) Investments	2	18,92,078.49	21,36,710.83
(d) Other Financial Assets	3	160.87	20.00
<b>(2) Non- Financial Assets</b>			
(a) Current tax assets (Net)	4	33.44	73.19
(b) Property, Plant and Equipment	5	332.66	120.23
(c) Other Intangible assets	6	44.11	19.49
(d) Other Non Financial Assets	7	329.26	-
(e) Goodwill on consolidation		17,985.00	12,415.00
<b>Total Assets</b>		<b>19,49,011.73</b>	<b>22,01,612.33</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) 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	8	1,120.33	1,394.85
(b) Debt Securities	9	1,48,04,363.38	1,12,41,091.12
(c) Other financial liabilities	10	630.00	571.98
<b>(2) Non-Financial Liabilities</b>			
(a) Other non-financial liabilities	11	177.46	931.09
(b) Provisions	12	139.59	-
<b>(4) EQUITY</b>			
(a) Equity Share capital	13	27,041.81	27,041.81
(b) Other Equity*	14	-1,28,84,460.84	-90,69,418.52
<b>Total Liabilities and Equity</b>		<b>19,49,011.73</b>	<b>22,01,612.33</b>

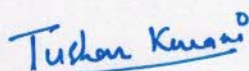
Summary of significant accounting policies

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

As per our report of even date

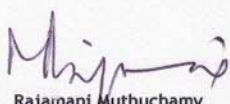
**For MSKC & Associates**  
(Formerly known as R.K. Kumar & Co.)  
Chartered Accountants  
Firm Registration No.: 0015955

For and on behalf of the Board of Directors of **Jana Capital Limited**  
CIN:U67100KA2015PLC079488



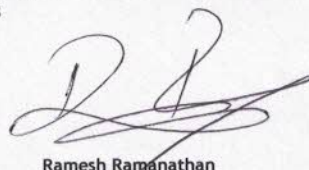
**Tushar Kurani**  
Partner  
Membership No: 118580

Place: Mumbai  
Date: 10-11-2020



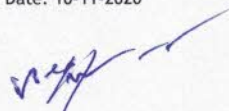
**Rajamani Muthuchamy**  
Managing Director and CEO  
DIN:08080999

Place: Chennai  
Date: 10-11-2020



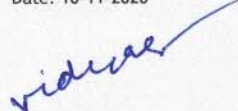
**Ramesh Ramanathan**  
Director and Chairman  
DIN:00163276

Place: USA  
Date: 10-11-2020



**Gopalakrishnan S**  
Chief Financial officer  
ICAI Membership No: 021783

Place: Bangalore  
Date: 10-11-2020



**Vidya Sridharan**  
Company Secretary  
ICSI Membership No: A44354

Place: Bangalore  
Date: 10-11-2020



## JANA CAPITAL LIMITED

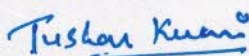
## Statement of Consolidated Profit and Loss for the year ended 31 March 2020

(Amount in INR thousands, unless otherwise stated)

Particulars	Note	For the year ended 31-March-2020	For the year ended 31-March-2019
Revenue from Operations			
(i) Interest Income	15	337.35	731.84
(I) Total Revenue from Operations		337.35	731.84
(II) Other Income		-	-
(III) Total Income (I+II)		337.35	731.84
Expenses			
(i) Finance Costs	16	20,79,814.25	13,50,451.34
(ii) Employee Benefits Expenses	17	9,066.59	2,059.44
(iii) Impairment on financial instruments	18	-	-
(iv) Depreciation and amortization	19	123.68	15.48
(v) CSR Expenditure	20	285.00	-
(vi) Others expenses	21	11,456.90	6,525.69
(IV) Total Expenses (IV)		21,00,746.42	13,59,051.95
(V) Loss before exceptional and extraordinary items and tax (III - IV)		(21,00,409.07)	(13,58,320.11)
(VI) Exceptional items		-	-
(VII) Loss before tax and share of loss of Associate (V-VI)		(21,00,409.07)	(13,58,320.11)
(VIII) Share of Profit/(loss) of the associate accounted for using equity method		(16,96,615.53)	(28,79,699.52)
(IX) Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
(X) Loss for the year (VII-VIII-IX)		(37,97,024.60)	(42,38,019.63)
(XI) Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss (Specify items and amounts)		-	-
(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 (specify items and amounts)		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other Comprehensive Income (A + B)		-	-
(XII) Total Comprehensive Loss for the period (IX+X) (Comprising Loss and other Comprehensive income for the period)		(37,97,024.60)	(42,38,019.63)
(XIII) Earnings per equity share (for continuing operations)	22		
Basic (Rs.)		(1,404.13)	(1,567.21)
Diluted (Rs.)		(1,404.13)	(1,567.21)

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

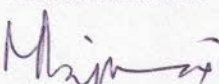
As per our report of even date  
For MSKC & Associates  
(Formerly known as R.K. Kumar & Co.)  
Chartered Accountants  
Firm Registration No.: 0015955



Tushar Kurani  
Partner  
Membership No: 118580


Place: Mumbai  
Date: 10-11-2020

For and on behalf of the Board of Directors of Jana Capital Limited  
CIN:U67100KA2015PLC079488



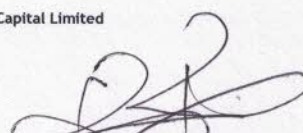
Rajamani Muthuchamy  
Managing Director and CEO  
DIN:08080999

Place: Chennai  
Date: 10-11-2020



Gopalakrishnan S  
Chief Financial officer  
ICAI Membership No: 021783

Place: Bangalore  
Date: 10-11-2020



Ramesh Ramanathan  
Director and Chairman  
DIN:00163276

Place: USA  
Date: 10-11-2020



Vidya Sridharan  
Company Secretary  
ICSI Membership No: A44354

Place: Bangalore  
Date: 10-11-2020



**JANA CAPITAL LIMITED**

**Statement of Consolidated cash flows for the year ended 31 March 2020**

(Amount in INR thousands, unless otherwise stated)

	Year ended 31-Mar-20	Year ended 31-Mar-19
<b>Cash flow from operating activities</b>		
Profit / Loss before tax	(37,97,024.60)	(42,38,019.63)
Adjustments for:		
Impairment on financial instruments	-	-
Share of Profit/(loss) of the associate accounted for using equity method	16,96,615.53	28,79,699.52
Depreciation, amortisation and impairment*	123.68	15.48
Provision	139.59	-
Finance cost	20,66,834.25	13,50,451.34
<b>Operating Loss before working capital changes and adjustments for interest received, interest paid and dividend received</b>	<b>(33,311.55)</b>	<b>(7,853.29)</b>
<b>Changes in working capital</b>		
(Decrease) / Increase in payables	(274.51)	1,385.17
(Decrease) / Increase in other financial liabilities	58.02	(1,844.84)
(Decrease) / Increase in other non-financial liabilities	(753.63)	874.69
Decrease/ (increase) in other bank balances	(3.40)	2,471.15
Decrease/ (increase) in other financial assets	(140.87)	(18.00)
Decrease/ (increase) in other Non financial assets	(329.26)	-
<b>Cash used in operations before adjustments for interest received, interest paid and dividend received</b>	<b>(1,443.65)</b>	<b>2,868.17</b>
<b>Income tax paid / Current tax assets (net)</b>	<b>39.75</b>	<b>(73.19)</b>
<b>Net cash flows from (used in) operating activities (A)</b>	<b>(34,715.45)</b>	<b>(5,058.31)</b>
<b>Cash flow from Investing activities</b>		
Purchase of investment at amortised cost	(14,70,000.90)	(29,83,201.35)
Purchase of property, plant and equipment	(360.73)	(155.20)
Purchase of intangible	-	-
<b>Net cash flow from / (Used in) investing activities (B)</b>	<b>(14,70,361.63)</b>	<b>(29,83,356.55)</b>
<b>Cash flow from Financing activities</b>		
Dividend (paid) / received including taxes thereon	-	(2,471.16)
Net Proceeds from Debt securities issued	14,96,438.00	29,25,649.04
Receipt on account of transfer of funds earmarked for interim dividend	327.36	-
Share Issue Expenses	(5,570.00)	-
<b>Net cash flow from financing activities (C)</b>	<b>14,91,195.36</b>	<b>29,23,177.87</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(13,881.72)</b>	<b>(65,236.99)</b>
Cash and cash equivalents at the beginning of the year	51,926.22	1,17,163.21
Cash and cash equivalents at the end of the year	38,044.50	51,926.22
<b>Cash and cash equivalents comprise (Refer note 1)</b>		
Balances with banks		
On current accounts	38,044.50	51,926.22
<b>Total cash and bank balances at end of the year</b>	<b>38,044.50</b>	<b>51,926.22</b>

See accompanying notes to the consolidated financial statements

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

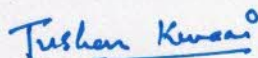
As per our report of even date

For MSKC & Associates

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

Chartered Accountants

Firm Registration No.: 0015955



Tushar Kurani

Partner

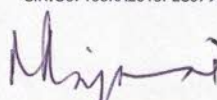
Membership No: 118580

Place: Mumbai

Date: 10-11-2020

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

CIN:U67100KA2015PLC079488



Rajamani Muthuchamy

Managing Director and CEO

DIN:08080999

Place: Chennai

Date: 10-11-2020



Gopalakrishnan S

Chief Financial officer

ICAI Membership No: 021783

Place: Bangalore

Date: 10-11-2020



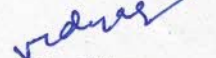
Ramesh Ramanathan

Director and Chairman

DIN:00163276

Place: USA

Date: 10-11-2020



Vidya Sridharan

Company Secretary

ICSI Membership No: A44354

Place: Bangalore

Date: 10-11-2020

**JANA CAPITAL LIMITED**

**Consolidated Statement of changes in equity for the year ended 31 March 2020**

(Amount in INR thousands, unless otherwise stated)

**(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-20		As at 31-Mar-19	
No. of shares	Amount	No. of shares	Amount
27,04,181	27,041.81	27,04,181	27,041.81
27,04,181	27,041.81	27,04,181	27,041.81

**(B) Other equity**

01 April 2019 to 31 March 2020

Particulars				Other comprehensive income	Total
	Securities Premium	Statutory Reserve	Retained Earnings		
Balance at the beginning of the reporting period	1,22,54,702.28	39,279.92	(2,13,63,400.72)	-	(90,69,418.52)
Net Loss for the current year	-	-	(37,97,024.60)	(18,017.72)	(38,15,042.32)
Balance at the end of the reporting period	1,22,54,702.28	39,279.92	(2,51,60,425.32)	(18,017.72)	(1,28,84,460.84)

01 April 2018 to 31 March 2019

Particulars				Other comprehensive income	Total
	Securities Premium	Statutory Reserve	Retained Earnings		
Balance at the beginning of the reporting period	1,22,54,702.28	39,279.92	(1,71,25,381.42)	-	(48,31,399.22)
Net Loss for the current year	-	-	(42,38,019.30)	-	(42,38,019.30)
Balance at the end of the reporting period	1,22,54,702.28	39,279.92	(2,13,63,400.72)	-	(90,69,418.52)

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

Firm Registration No.: 001595S



Tushar Kurani

Partner

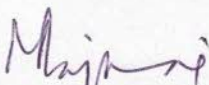
Membership No: 118580

Place: Mumbai

Date: 10-11-2020

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

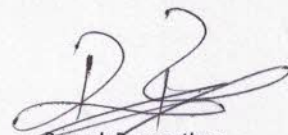
CIN:U67100KA2015PLC079488



Rajaman Muthuchamy  
Managing Director and CEO  
DIN:08080999

Place: Chennai

Date: 10-11-2020



Ramesh Ramanathan  
Director and Chairman  
DIN:00163276

Place: USA

Date: 10-11-2020



Gopalakrishnan S  
Chief Financial officer  
ICAI Membership No: 021783

Place: Bangalore

Date: 10-11-2020



Vidya Sridharan  
Company Secretary  
ICSI Membership No: A44354

Place: Bangalore

Date: 10-11-2020



**1 Company Overview****1.1 Reporting Entity**

The Company was incorporated on March 26, 2015 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 debentures, stocks, securities of any Government, Local, Authority, Bonds and Certificates. The Company received a certificate of registration dated 24 March 2017 from the Reserve Bank of India as a Non-Banking Financial Institution - Non-Deposit taking - Systemically Important Core Investment Company ("NBFC-CIC-ND-SI") under section 45IA of the Reserve Bank of India Act, 1934.

The company holds 100% investments in its wholly owned subsidiary company - Jana Holdings Limited ('the Company'). The wholly owned subsidiary company holds 42.08% of Equity shares in Jana Small Finance Bank being the Associate company.

**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.

**1.3 Basis of preparation**

The consolidated financial statements for the year ended 31 March 2020 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.

**1.4 Principles of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiary together referred to as ("Group") and Associates as at and for the year ended 31 March 2020. The Company consolidates a subsidiary when it controls it. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group 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 Group member'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, 2020.

**1.5 Consolidation procedure:**

- i. Combine like items of assets, liabilities, equity, income, and expenses of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies in line with the Company's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

The financial statements of the following subsidiary company have been consolidated as per Ind AS 110 - Consolidated Financial Statements. Below mentioned subsidiary has been incorporated in India

Name of Subsidiary	Proportion of Ownership Interest (%)	
	31 March 2020	31 March 2019
Jana Holdings Limited	100%	100%



**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 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 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.

**Estimation of uncertainties relating to the global health**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

**2 Significant accounting policies**

The Group 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 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.

#### 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 Group 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 Group 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 Group 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.

**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 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.



**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.

**iii. 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.

**iv. 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.



**v. 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.

**vi. 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.

**vii. 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.

**viii. 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.

**Investment in associate:**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The results, 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 Group'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 Group 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'.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal, is recognised in profit or loss. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in OCI are reclassified to profit or loss where appropriate. Changes in investor's interest in other component of equity in such cases are being directly recognised in Equity.

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

**ix. 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 CODM include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis.



**x. Leases**

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116

**The Company as a lessee**

The Company enters into an arrangement for lease. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract

conveys the right to -

- a) control the use of an identified asset,
- b) obtain substantially all the economic benefits from use of the identified asset, and
- c) direct the use of the identified asset

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Company applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss. Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. The MCA has notified below amendments on July 24 2020 which would be effective from annual reporting periods beginning on or after April 1, 2020.

- a. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Error: Refined definition of term 'material'.
  - b. Ind AS 103, Business Combinations: Revised definition of a 'business' and introduction of an optional concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Ind AS 116, Leases: Practical expedient which permits lessees not to account for COVID-19 related rent concessions as a lease modification.
  - c. Ind AS 109, Financial Instruments: Modification to some specific hedge accounting requirements to provide relief to the potential effects of uncertainty caused by the interest rate benchmark (IBOR) reform.
  - d. 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.
- The impact on account of above applicable amendments is insignificant to the financial statements.

**Xii. New Accounting standards adopted by the Company:**

On April 1, 2019, the Company has adopted Ind AS 116, Leases, which, applied to all lease contracts outstanding as at April 1, 2019. The impact was insignificant.

**1 Cash and Cash Equivalents**

		31-Mar-20	31-Mar-19
Cash on hand			
Balances with banks in Current Accounts (of the nature of cash and cash equivalents)		17,743.52	51,926.22
Others (Fixed Deposits with Banks) - *(Refer Note-1		20,300.98	
<b>Total</b>	<b>(I)</b>	<b>38,044.50</b>	<b>51,926.22</b>
<b><u>Bank Balance other than cash and cash equivalent</u></b>			
Earmarked balances with banks (for example, for unpaid dividend)			327.37
Debentures subscription account		3.40	-
<b>Total other bank balances</b>	<b>II</b>	<b>3.40</b>	<b>327.37</b>
<b>Total Cash and bank balances</b>	<b>(I+II)</b>	<b>38,047.90</b>	<b>52,253.59</b>

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

**Cash and cash equivalents**

Balances with banks:			
On current accounts		38,047.90	52,253.59
Cash on hand		-	-
<b>Sub Total</b>		<b>38,047.90</b>	<b>52,253.59</b>
Less: Bank overdrafts		-	-
<b>Total</b>		<b>38,047.90</b>	<b>52,253.59</b>

The Company has not taken bank overdraft, therefore the cash and cash equivalent for statement of cash flow is same as cash and for cash equivalent given above.



## 2 Investments

Particulars	As at 31 March 2020			As at 31 March 2019		
	Measured at cost (accounted for using equity method)	At Fair Value		Measured at cost (accounted for using equity method)	At Fair Value	
		Through Other Comprehensive Income	Through Profit or Loss		Through Other Comprehensive Income	Through Profit or Loss
	1	2	3	4	5	6
Equity instruments	-	-	-	-	-	-
Jana Small Finance Bank Limited (Associate)* Unquoted (fully paid-up of Rs. 10/- each) (31 March 2020 : 21,344,374 31 March 2019 : 19,798,778)	21,36,710.83	-	-	20,33,208.89	-	-
Investment made during the year	14,70,000.91			29,83,201.46		
Share in the loss of associates	-16,96,615.53			-28,79,699.52		
Share in Other comprehensive Income	-18,017.72			-		
Dividend from Jana small finance bank	-			-		
Total - Gross (A)	18,92,078.49	-	-	21,36,710.83	-	-
(i) Investments outside India	-	-	-	-	-	-
(ii) Investments in India	18,92,078.49	-	-	21,36,711	-	-
Total (B)	18,92,078.49	-	-	21,36,711	-	-
Less: Allowance for Impairment loss (C )		-	-		-	-
Total - Net D= (A)-(C)	18,92,078.49	-	-	21,36,711	-	-

The Company has subscribed to rights shares being 1,545,596 equity shares during the current year amounting to INR 1,470,000.89 thousands at INR 951.09 per share (previous year: 2,156,396 equity shares amounting to INR 2,983,201.35 thousands at INR 1,383.42 per share) of Jana Small Finance Bank (formerly known as Janalakshmi Financial Services Limited). The Investment in associate was accounted under equity method.

Name of Associate	Nature of Business	As at	Original cost of Investment	Amount of goodwill / (capital reserve) in original cost	Share of post acquisition Reserves & Surplus	Carrying amount of Investment
Jana Small Finance Bank Limited (Associate)	Banking	31-03-2020	2,32,41,678	1,35,258	-2,12,14,341	18,92,079
	Banking	31-03-2019	2,17,71,677	1,35,258	-1,94,99,708	21,36,711

Jana Small Finance Bank Ltd. for the purposes of its statutory compliance prepares and presents its financial statements under the historical cost convention and accrual basis of accounting in accordance with Generally Accepted Accounting Principles in India ('GAAP'), statutory requirements prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time, Accounting Standards ('AS') specified under Section 133 of the Companies Act, 2013, read together with relevant rules, in so far as they apply to banks. These financial statements are largely referred to as the Indian GAAP ('IGAAP') financial statements of the Bank. The Ministry of Corporate Affairs, India, in its press release dated January 18, 2016, had issued a roadmap for implementation of IFRS converged Indian Accounting Standards ('Ind-AS'). The timelines for the said implementation have since been deferred.

Jana Small Finance Bank Ltd, being an associate of Jana Capital Limited ("Holding company"), has prepared this consolidated financial information ('fit- for consolidation information'), in accordance with the recognition and measurement principles of IND-AS as specified under Section 133 of the Companies Act, 2013, for the purposes of preparing the consolidated financial statements of the Holding company.

(Rs. In thousands)

		31-Mar-20	31-Mar-19
<b>3 Other financial assets</b>			
Security Deposits	(I)	20.00	20.00
<b>(II) Others Receivables</b>			
Considered good -Unsecured from related parties		139.18	-
Considered good -Unsecured other than related parties		1.69	-
		<u>140.87</u>	<u>-</u>
Less: Impairment loss allowance		-	-
<b>Total Other receivables</b>	(II)	<u>140.87</u>	<u>-</u>
<b>Total</b>		<u>160.87</u>	<u>20.00</u>
		<b>31-Mar-20</b>	<b>31-Mar-19</b>
<b>4 Current tax assets (net)</b>			
TDS receivable		33.44	73.19
<b>Total</b>		<u>33.44</u>	<u>73.19</u>



## JANA HOLDINGS LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended 31st March , 2020

(Rs. In thousands)

5 Property, Plant and Equipment-Tangible assets

	Gross block				Depreciation				Net block	
	As at 01-Apr-19	Additions/ Adjustments	Deductions/ Adjustments	Up to 31-Mar-20	As at 01-Apr-19	For the year	On Deductions/ Adjustments	Up to 31-Mar-20	As at 31-Mar-20	As at 31-Mar-19
Owned assets										
Computers and Printers	133.97	318.25	-	452.22	13.73	105.82	-	119.55	332.66	120.23
<b>Total</b>	<b>133.97</b>	<b>318.25</b>	<b>-</b>	<b>452.22</b>	<b>13.73</b>	<b>105.82</b>	<b>-</b>	<b>119.55</b>	<b>332.66</b>	<b>120.23</b>

6 Other - Intangible assets

(Rs. In thousands)

	Gross block				Amortization				Net block	
	As at 01-Apr-19	Additions/ Adjustments	Deductions/ Adjustments	Up to 31-Mar-20	As at 01-Apr-19	For the year	On Deductions/ Adjustments	Up to 31-Mar-20	As at 31-Mar-20	As at 31-Mar-19
Computer Software	21.24	42.48	-	63.72	1.75	17.86	-	19.61	44.11	19.49
<b>Total</b>	<b>21.24</b>	<b>42.48</b>	<b>-</b>	<b>63.72</b>	<b>1.75</b>	<b>17.86</b>	<b>-</b>	<b>19.61</b>	<b>44.11</b>	<b>19.49</b>

JANA CAPITAL LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended 31st March , 2020

(Rs. In thousands)

7 Other Non-financial assets	31-Mar-20	31-Mar-19
Prepaid Expenses	326.76	-
Advance to suppliers	2.50	-
	329.26	-



**8 Trade Payables**

	<u>As at 31 March 2020</u>	<u>As at 31 March 2019</u>
(a) Total outstanding dues of micro enterprises and small enterprises	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises *(Note-1)	1,120.33	1,394.85
	<u>1,120.33</u>	<u>1,394.85</u>

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.

**Note-1**

The said amount includes liabilities towards its related parties listed as under: Refer Note-18 on the detailed disclosure of related party transactions during the financial year and its comparatives

Name of the Party	Amount Outstanding as at 31 March 2020	Amount Outstanding as at 31 March 2019
(i) Jana Small Finance Bank (Formerly known as Janalakshmi Financial Services Limited)	5.40	5.40
(ii) Janaadhar (India) Private Limited	5.18	-
<b>Total</b>	<b>10.58</b>	<b>5.40</b>

JANA CAPITAL LIMITED

Notes forming part of the Consolidated Financial Statements for the year ended 31st March , 2020

(Rs. In thousands)

9 Debt Securities

Particulars	As at March 31, 2020				As at March 31, 2019			
	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	1,48,04,363.38	-	-	1,48,04,363.38	1,12,41,091.12	-	-	1,12,41,091.12
<b>Total (A)</b>	<b>1,48,04,363.38</b>	<b>-</b>	<b>-</b>	<b>1,48,04,363.38</b>	<b>1,12,41,091.12</b>	<b>-</b>	<b>-</b>	<b>1,12,41,091.12</b>
Debt securities in India	58,50,092.89	-	-	58,50,092.89	49,29,008.02	-	-	49,29,008.02
Debt securities outside India	89,54,270.49	-	-	89,54,270.49	63,12,083.10	-	-	63,12,083.10
<b>Total (B)</b>	<b>1,48,04,363.38</b>	<b>-</b>	<b>-</b>	<b>1,48,04,363.38</b>	<b>1,12,41,091.12</b>	<b>-</b>	<b>-</b>	<b>1,12,41,091.12</b>

Particulars	31-Mar-20	31-Mar-19
Debt securities in India (Secured)	40,78,062.82	49,29,008.02
Debt securities in India (Unsecured)	17,72,030.07	-
Debt securities outside India (Secured)	-	63,12,083.10
Debt securities outside India (Unsecured)	89,54,270.49	-
<b>Total</b>	<b>1,48,04,363.38</b>	<b>1,12,41,091.12</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*	Face Value	Balance as at 31 March 2020	Balance as at 31 March 2019	Issue Date	Maturity Date	XIRR
TPG ASIA VI India Markets Pte. Ltd	1,500	1,000.00	15,95,794.01	-	30-Oct-19	31-May-23	16.50%
Manipal Health Systems Private Limited	1,450	1,000.00	17,72,030.07	15,19,100.70	30-Nov-18	30-Nov-23	16.50%
TPG ASIA VI India Markets Pte. Ltd (400 NCD) & Government of Singapore (100 NCD)	500	1,000.00	7,32,206.76	6,28,046.40	28-Sep-17	27-May-23	16.50%
TPG ASIA VI India Markets Pte. Ltd	600	1,000.00	8,78,648.11	7,53,655.68	28-Sep-17	27-May-23	16.50%
Government of Singapore	600	1,000.00	8,78,648.20	7,53,655.68	28-Sep-17	27-May-23	16.50%
TPG ASIA VI India Markets Pte. Ltd (800 NCD) & Government of Singapore (200 NCD)	1,000	1,000.00	14,64,413.52	12,56,092.80	28-Sep-17	27-May-23	16.50%
TPG ASIA VI India Markets Pte. Ltd (400 NCD) & Government of Singapore (100 NCD)	500	1,000.00	7,32,206.76	6,28,046.40	28-Sep-17	27-May-23	16.50%
TPG ASIA VI India Markets Pte. Ltd	1,000	1,000.00	14,60,302.26	12,52,779.32	06-Oct-17	27-May-23	16.50%
TPG ASIA VI India Markets Pte. Ltd	830	1,000.00	12,12,050.88	10,39,806.83	06-Oct-17	27-May-23	16.50%



**JANA CAPITAL LIMITED**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March , 2020

(Rs. In thousands)

ECL Finance Limited	1,550	1,000.00	22,51,339.95	18,68,436.14	27-Mar-18	26-May-23	20.35%
Centrum Financial Services Limited (280 NCD) & Centrum Retail Services Limited (220 NCD)	500	1,000.00	5,91,587.69	4,98,945.59	21-Dec-18	21-Dec-21	16.61%
Centrum Retail Services Limited	400	1,000.00	4,72,525.31	3,98,807.47	27-Dec-18	21-Dec-21	16.61%
Centrum Retail Services Limited	400	1,000.00	4,70,790.68	3,97,350.16	04-Jan-19	04-Jan-22	16.61%
Centrum Financial Services Limited (100 NCD) & Centrum Retail Services Limited (50 NCD)	150	1,000.00	1,75,642.06	1,48,316.28	17-Jan-19	17-Jan-22	16.61%
Centrum Retail Services Limited	100	1,000.00	1,16,177.13	98,051.68	01-Feb-19	01-Feb-22	16.61%
<b>Total</b>			<b>1,48,04,363.38</b>	<b>1,12,41,091.12</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). The debentures are unsecured in nature with the maturity date being 31 May 2023. The amount raised by issue of non-convertible debentures (1500 NCD) amounts to Rs. 150 Crores. The debentures are amortized using EIR method

As per Paragraph 4.3 of IND AS 109 An embedded derivative is a component of a hybrid contract that also includes a non-derivative host—with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

**10 Other Financial Liabilities**

 Audit Fee Payable  
 Provision for Professional fees  
 Dividend Payable / (Receivable)  
**Total**

31-Mar-20	31-Mar-19
430.00	572.00
200.00	
-	(0.02)
<b>630.00</b>	<b>571.98</b>

**11 Other Non - Financial Liabilities**

 Statutory dues  
**Total**

31-Mar-20	31-Mar-19
177.46	931.09
<b>177.46</b>	<b>931.09</b>

**12 Other Non - Financial Liabilities (to be Specified)**

 Provision for Leave Encashment (Refer note-17 for details)  
**Total**

31-Mar-20	31-Mar-19
139.59	-
<b>139.59</b>	<b>-</b>

		(Rs. In thousands)	
13	Equity Share capital	31-Mar-20	31-Mar-19
	<b>Authorized *</b>		
	Equity Share Capital (As at 31 March 2020-Rs.30,000,000 (3,000,000 Equity shares at par value of Rs.10 each), As at 31 March 2019 : Rs.30,000,000 (3,000,000 Equity shares at par value of Rs.10 each)*)	30,000.00	30,000.00
	<b>Total</b>	<b>30,000.00</b>	<b>30,000.00</b>
	<b>Issued, subscribed and paid up</b>		
	Equity Share Capital (As at 31 March 2020-Rs.27,041,810 (2,704,181 Equity shares at par value of Rs.10 each), (As at 31 March 2019 : Rs.27,041,810 (2,704,181 Equity shares at par value of Rs.10 each)*)	27,041.81	27,041.81
	<b>Total</b>	<b>27,041.81</b>	<b>27,041.81</b>

		(Rs. In thousands)			
(a)	Reconciliation of shares outstanding at the beginning and at the end of the year	31-Mar-20		31-Mar-19	
		Number of shares	Amount	Number of shares	Amount
	Outstanding at the beginning of the year	27,04,181	27,041.81	27,04,181	27,041.81
	Add: Issued during the year	-	-	-	-
	Outstanding at the end of the year	27,04,181	27,041.81	27,04,181	27,041.81

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

Terms/ rights attached to equity shares:

The Company has only one class of equity shares 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.

## (c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	31-Mar-20		31-Mar-19	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
<b>Equity Shares</b>				
Jana Urban Foundation	11,87,686	43.92%	11,87,686	43.92%
TPG Asia VI SF Pte Ltd	5,40,574	19.99%	5,40,574	19.99%
Caladium Investment Pte. Ltd	5,40,574	19.99%	5,40,574	19.99%
North Haven Private Equity Asia Platinum Pte Ltd	2,35,656	8.71%	2,35,656	8.71%
QRG Enterprises Ltd	1,72,025	6.36%	1,72,025	6.36%

## Shares allotted as fully paid-up without payment being received in cash / by way of bonus 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.



(Rs. In thousands)

14 Other Equity	31-Mar-20	31-Mar-19
<b>(a) Securities Premium Account</b>		
Opening balance	1,22,54,702.28	1,22,54,702.28
Add : Securities premium credited on share issue	-	-
Less : Premium utilized for various reasons	-	-
Premium on redemption of debentures	-	-
For issuing bonus shares	-	-
<b>Closing balance</b>	<b>1,22,54,702.28</b>	<b>1,22,54,702.28</b>
<b>(b) Statutory Reserve</b>		
Opening balance	39,279.92	39,279.92
Add: Transferred during the year	-	-
Less: Utilization on account of / Transfer to	-	-
<b>Closing balance</b>	<b>39,279.92</b>	<b>39,279.92</b>
<b>(c) Retained Earning and Surplus/(deficit) in the Statement of Profit and Loss</b>		
Opening balance	(2,13,63,400.72)	(1,71,25,381.42)
Add: Net Profit/ (Net Loss) for the current year	(37,97,024.60)	(42,38,019.30)
Transfer from reserves	-	-
Less: Proposed dividends	-	-
Interim dividends	-	-
<b>Closing balance</b>	<b>(2,51,60,425.32)</b>	<b>(2,13,63,400.72)</b>
<b>(D) Other comprehensive income</b>		
Add: Net Profit/ (Net Loss) for the current year	(18,017.72)	-
Transfer from reserves	-	-
<b>Closing balance</b>	<b>(18,017.72)</b>	<b>-</b>
<b>Total Reserves and surplus</b>	<b>(1,28,84,460.84)</b>	<b>(90,69,418.52)</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 2020 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) Contingent Liabilities and commitments including associates****a Contingent Liabilities**

	31-Mar-20	31-Mar-19
Income tax liability	3,59,100	3,88,500
Guarantees excluding financial guarantees	12,500	1,27,500
Other money for which the NBFC is contingently Liable	-	-
<b>Total</b>	<b>3,71,600</b>	<b>5,16,000</b>

**b Commitments**

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>

**c Penalties imposed by RBI**

There has been no penalties imposed by RBI for the year ended 31 March 2020 (Previous Year: Nil).

**\*Note-1**

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. As at year end, the Company does not have any long term contracts (including derivative contracts) for which there were material foreseeable losses.

**15 Other Income**

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Interest on deposit with Banks	334.42	731.84
Interest on Income tax refund	2.93	-
<b>Total</b>	<b>337.35</b>	<b>731.84</b>

**16 Finance Cost**

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Interest on debt securities	20,66,834.25	13,50,451.34
Other Finance cost charges *(Refer Note-1 below)	12,980.00	-
<b>Total</b>	<b>20,79,814.25</b>	<b>13,50,451.34</b>

\* The amount pertains to Compensation Charges + 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-2020	For the year ended 31-March-2019
Salaries and wages	8,926.99	2,059.44
Provision for Leave Encashment (Refer Note-1 below)	139.60	-
<b>Total</b>	<b>9,066.59</b>	<b>2,059.44</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 5 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.

During the current financial year the earned leave for eligible employees of the company where carried forward and accordingly leave encashment provision to such effect has been provided.

**18 Impairment on Financial Instruments**

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
Investments in Equity Shares of Wholly Owned Subsidiary (Jana Holdings Limited)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**19 Depreciation and amortization expense**

Particulars	For the year ended 31-March-2020	For the year ended 31-March-2019
on tangible assets (Refer note 6)	105.82	13.73
on intangible assets (Refer note 7)	17.86	1.75
<b>Total Depreciation and amortization expense</b>	<b>123.68</b>	<b>15.48</b>

**20 CSR Expenditure**

The Company has contributed towards CSR expenditure in accordance with Section 135 of the Companies Act 2013. The contribution has been made to Vidyanikethan - A Society for Education and Social development, Regd. Under Society Registration No 93/88-89 having their office at Jaraganahalli, J.P Nagar 6th Phase, Bangalore - 560 078. The contribution has been made towards performing the following activities:

- During the year the CSR amount was spent to carry out various repair works on the Hostel building to make the building in liveable condition for the needy children.

## A) Gross Amount Required to be spent during the year

The amount to be contributed for the FY 2019-2020 towards CSR expenditure in accordance with Section 135 of the Companies Act 2013 is as under:

(Rs. In thousands)			
Particulars	31-Mar-17	31-Mar-18	31-Mar-19
Net Profit Before Tax (A)	34,409.42	10,294.42	-1,990.00
Average Net Profit Before Tax (B)			14,237.94
Amount to be Set Aside for CSR (2% of Average Net profit before tax) (C)			284.76

## B) Amount Spent during the year on:

Particulars	31-Mar-20			31-Mar-19		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
(i) Construction / Acquisition of any asset	285.00	-	285.00	-	-	-
(ii) On purposes other than (i) above* (Note-1)	-	-	-	-	-	-
<b>Total</b>	<b>285.00</b>	<b>-</b>	<b>285.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Note-1

The amount paid in cash amounting to Rs.1,65,000 for the FY 2019-2020 has been paid by its wholly owned subsidiary Jana Holdings Limited (JHL) on behalf during the FY 2019-2020. It is pertinent to note that JCL had not availed for e-banking facility and due to COVID 19 impact the entity could not make e-payments to the party and hence the same was made by JHL on behalf of JCL. The same has been paid subsequently to JHL.

C) The contribution as made to the party Vidyaniketan towards CSR expenses is not a related party transaction in accordance with IND AS 24.

D) The company has contributed the entire sum to be spent as per Section 135 of the Companies Act 2013 and hence no provision has been created for the same for the financial year 2019-2020.

## 21 Other Expenses

(Rs. In thousands)

	For the year ended 31-March-2020	For the year ended 31-March-2019
a) Rent, taxes and energy costs	508.34	244.47
Repairs and maintenance	10.79	99.12
Communication Costs	28.87	1.19
Printing and stationery	33.96	9.14
Advertisement and publicity	39.43	-
Director's fees, allowances and expenses	1,121.00	1,239.00
Auditor's fees and expenses	1,200.60	873.18
Legal and Professional charges	7,220.81	1,834.23
Subscription Fees	14.37	253.31
Insurance	114.83	-
Bank Charges	0.68	52.19
Stamps and Franking Charges	1.56	22.10
Surveillance Fee	970.55	1,106.25
Filing Fee	83.83	3.00
Travelling expenses	73.21	492.38
Acceptance Fee	-	275.60
Other expenditure	34.07	20.53
<b>Total</b>	<b>11,456.90</b>	<b>6,525.69</b>

\* Any item under the subhead 'Others expenditure' which exceeds one per cent of the total income to be presented separately.

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

(Rs. In thousands)

	For the year ended 31-March-2020	For the year ended 31-March-2019
b) As auditor:		
As Statutory Auditor	879.24	672.00
For Internal Audit	130.00	-
For other services	118	118.00
for reimbursement of expenses	73.36	83.18
<b>Total</b>	<b>1,200.60</b>	<b>873.18</b>



**22 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:

	(Rs. In thousands)	
	31-Mar-20	31-Mar-19
Net Loss as per the statement of Profit and Loss	(37,97,024.60)	(42,38,019.63)
Less: preference dividend after-tax (Refer Note 14(f))	-	-
Loss attributable to equity holders after preference dividend	(37,97,024.60)	(42,38,019.63)
Add: Interest on convertible preference shares	-	-
Loss attributable to equity holders adjusted for the effect of dilution	(37,97,024.60)	(42,38,019.63)
Weighted average number of equity shares for basic EPS*	27,04,181.00	27,04,181.00
Effect of dilution:	-	-
Rights Shares Issued	-	-
Weighted average number of equity shares adjusted for the effect of dilution	27,04,181.00	27,04,181.00
Basic loss per share (INR)	(1,404.13)	(1,567.21)
Diluted loss per share (INR)	(1,404.13)	(1,567.21)

**23 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 INDAS 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.4,050 per month only, thereby the said payments has been recognised as an expense in the statement of profit and loss for the financial year 2019-2020. This is in line with the treatment adopted by the entity for the previous financial year 2018-2019.



**JANA CAPITAL LIMITED**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March , 2020

**24 Related Party Disclosures: 31 March 2020****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 parties	Nature of Relationship
i. Jana Holdings Limited	Wholly Owned Subsidiary
ii. Jana Small finance Bank (formerly known as Janalakshmi Financial Services Limited)	Group 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. Nirav Mehta	Non-Executive Director
vii. Mr. Puneet Bhatia	Non-Executive Director
viii. Mr. Anil Rai Gupta	Non-Executive Director
ix. Mr. Gaurav Trehan	Non-Executive Director
x. Mr. S V Ranganath	Independent Director
xi. Mr. Abraham Chacko	Independent Director (w.e.f 14 Feb 2020)
xii. Mrs. Saraswathy Athmanathan	Independent Director (w.e.f 14 Feb 2020)
xiii. Mr. Rajamani Muthuchamy	Managing Director and CEO (w.e.f 14 Feb 2020)
xiv. Mr. Krishnan Iyer	KMP - Chief Financial Officer (w.e.f 9th December 2019 and upto 30th March 2020)
xv. Mr. Gopalakrishnan S	KMP - Chief Financial Officer (w.e.f 01st March 2020)
xvi. 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 Holdings Limited	Wholly Owned Subsidiary
ii. Jana Small finance Bank (formerly known as Janalakshmi Financial Services Limited)	Group Company
iii. Janaadhar (India) Private Limited	Group Company
iv. S.V Ranganath	Independent Director
v. Mr. Krishnan Iyer	KMP - Chief Financial Officer (w.e.f 10th December 2019 and upto 28th Feb 2020)
vi. Mr. Gopalakrishnan S	KMP - Chief Financial Officer (w.e.f 01st March 2020)
vii. Ms. Vidya Sridharan	KMP - Company Secretary (w.e.f 01st October 2019)

**JANA CAPITAL LIMITED**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March , 2020

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

(Rs. In thousands)

Name of Related Party	Nature of Transaction	Transaction Value for the FY 2019-2020	Amount Outstanding as at 31 March 2020	Transaction Value for the FY 2018-2019	Amount Outstanding as at 31 March 2019
<b>A) Related Entities</b>					
i) Jana Holdings Limited (JHL)	Amount invested in shares of JHL (No of Shares: 388830, Share price is 3832, Face Value: 10/- and Share Premium is Rs.3822)	(14,89,996.56)	-	-	-
	Investment in equity shares (net of impairment loss)	-	18,92,078.49	-	21,36,710.83
	Insurance Expenses paid by JCL on behalf of JHL	(161.83)	161.83	-	-
	Salary Expenses paid by JCL on behalf of JHL on Oct-2019	(57.45)	-	-	-
	Repayment of October-2019 Salary Expenses to JCL which was paid earlier on behalf of JHL	57.45	-	-	-
	Payment of Salary by JHL on behalf of JCL The same has been repaid subsequently by JCL	-	(136.00)	-	-
	Payment of CSR Expenses by JHL on behalf of JCL for the FY 2019-2020. The same has been repaid subsequently by JCL.	-	(165.00)	-	-
ii) Jana Small Finance Bank (formerly known as Janalakshmi Financial Services Limited)	Amount paid towards professional services	(68.26)	(5.40)	(68.23)	(5.40)
	Amount paid towards statutory payments	(262.38)	-	-	-
iii. Janaadhar (India) Private Limited	Rent and Maintenance charges paid	(56.95)	(5.18)	(23.99)	-
<b>B) Key Management Personnel</b>					
i) Mr. Krishnan Iyer	Salary paid	(100.81)	-	-	-
ii) Mr. Gopalakrishnan S	Salary paid by JHL on behalf of JCL	(99.80)	-	-	-
iii) Ms. Vidya Sridharan	Salary paid	(118.15)	-	-	-
	Salary paid on behalf of JHL - Oct-2019	(57.45)	-	-	-
	Repayment of Salary by JHL paid on behalf of JHL - Oct-2019	57.45	-	-	-
	Salary paid by JHL on behalf of JCL	(24.80)	-	-	-
<b>C) Directors</b>					
i. Mr.S.V Ranganath	Payment of Sitting fees	(315.00)	-	-	-
ii Mr. Rajamani Muthuchamy	Salary	(0.00)	-	-	-
	Salary paid by JHL on behalf of JCL	(0.00)	-	-	-

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

The fair value of other financial assets, cash and cash equivalents, investments, other payables, and other financial liabilities approximate the carrying amounts because of the nature of these financial instruments and their recorded amounts approximate fair values or are receivables or payables on demand.

The Debt securities has been amortized using the EIR method of measurement of financial liabilities.



**JANA CAPITAL LIMITED**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March , 2020

**26 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).

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, 2020**

Fair value measurement hierarchy of assets as at March 31, 2020					(Rs. In thousands)
Particulars	Level 1	Level 2	Level 3	Total Fair Value	Total Carrying Amount
<b>Financial Assets</b>					
Cash and cash equivalents	38,044.50	-	-	38,044.50	38,044.50
Bank balance other than cash and cash equivalents	3.40	-	-	3.40	3.40
Investment	-	-	18,92,078.49	18,92,078.49	18,92,078.49
Other Financial Assets	-	-	160.87	160.87	160.87
<b>Financial Liabilities</b>					
Payables	-	-	1,120.33	1,120.33	1,120.33
Debt securities	-	-	1,48,04,363.38	1,48,04,363.38	1,48,04,363.38
Other financial liabilities	-	-	630.00	630.00	630.00

**Fair value measurement hierarchy of assets as at March 31, 2019**

Fair value measurement hierarchy of assets as at March 31, 2019					(Rs. In thousands)	
Particulars	Level 1	Level 2	Level 3	Total Fair Value	Total Carrying Amount	
<b>Financial Assets</b>						
Cash and cash equivalents	51,926.22	-	-	51,926.22	51,926.22	
Bank balance other than cash and cash equivalents	327.37	-	-	327.37	327.37	
Investment	-	-	21,36,710.83	21,36,710.83	21,36,710.83	
Other Financial Assets	-	-	20.00	20.00	20.00	
<b>Financial Liabilities</b>						
Payables	-	-	1,394.85	1,394.85	1,394.85	
Debt securities	-	-	1,12,41,091.12	1,12,41,091.12	1,12,41,091.12	
Other financial liabilities	-	-	571.98	571.98	571.98	

The carrying amount of cash and cash equivalents, other financial assets, other payables, other financial liabilities 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.

**27 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 its wholly owned subsidiary 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 an 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 wholly owned subsidiary & 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 the performance of its investments in wholly owned subsidiary.

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

(Rs. In thousands)				
31-Mar-20				
Particulars	Asset Group	Carrying Amount	Allowance for Impairment Loss	Carrying Amount and net of provision
Investments in Wholly Owned Subsidiary	Investments at amortized cost	91,22,920.80	20,01,349.82	71,21,570.98

(Rs. In thousands)				
31-Mar-19				
Particulars	Asset Group	Carrying Amount	Allowance for Impairment Loss	Carrying Amount and net of provision
Investments in Wholly Owned Subsidiary	Investments at amortized cost	1,22,98,975.80	46,66,051.56	76,32,924.24



**JANA CAPITAL LIMITED**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March , 2020

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

			(Rs. In thousands)
31-Mar-20			
Particulars	Maximum Exposure to Credit risk	Fair Value of Collateral	Net Exposure
Financial Asset			
Cash and cash equivalents	38,044.50	-	38,044.50
Bank balance other than cash and cash equivalents	3.40	-	3.40
Investment in Wholly owned Subsidiary	18,92,078.49	-	18,92,078.49
Other Financial Assets	160.87	-	160.87
<b>Total</b>	<b>19,30,287.26</b>	<b>-</b>	<b>19,30,287.26</b>

			(Rs. In thousands)
31-Mar-19			
Particulars	Maximum Exposure to Credit risk	Fair Value of Collateral	Net Exposure
Financial Asset			
Cash and cash equivalents	51,926.22	-	51,926.22
Bank balance other than cash and cash equivalents	327.37	-	327.37
Investment in Wholly owned Subsidiary	21,36,710.83	-	21,36,710.83
Other Financial Assets	20.00	-	20.00
<b>Total</b>	<b>21,88,984.42</b>	<b>-</b>	<b>21,88,984.42</b>

**Expected credit loss on other financial assets**

Other financial assets represents security deposits and prepaid insurance. 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. Such receivables carry insignificant probability of default, hence the credit risk is also very low. Prepaid insurance shall be amortized over the period of insurance.

**Cash and cash equivalents and Bank balance**

The Company holds cash and cash equivalents and bank balance of INR 7,549.76 thousands at 31 March 2020 (31 March 2019: INR 6,442.95 thousands). The cash and cash equivalents are held with bank and financial institution counterparties with acceptable credit ratings.

Other bank balances represents amount held towards Debenture subscription account amounting to INR 3.39 thousands as at 31 March 2020, (31 March 2019-NIL).

**JANA CAPITAL LIMITED**

Notes forming part of the Consolidated Financial Statements for the year ended 31st March , 2020

**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 unfavorable 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.

(Rs. In thousands)

31-Mar-20

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	5	1,120.33	1,120.33	-	-	1,120.33	-	-	-	-	-
Debt securities	6	15,95,794.01	15,95,794.01	-	-	-	-	-	-	15,95,794.01	-
Other financial liabilities	7	630.00	630.00	200.00	-	-	430.00	-	-	-	-
<b>Total</b>		<b>15,97,544.34</b>	<b>15,97,544.34</b>	<b>200.00</b>	<b>-</b>	<b>1,120.33</b>	<b>430.00</b>	<b>-</b>	<b>-</b>	<b>15,95,794.01</b>	<b>-</b>
<b>Financial assets</b>											
Cash and cash equivalents	1(i)	17,743.52	17,743.52	17,743.52	-	-	-	-	-	-	-
Bank balance other than cash and cash equivalents	1(ii)	3.40	3.40	-	-	-	-	-	-	3.40	-
Investments	2	18,92,078.49	18,92,078.49	-	-	-	-	-	-	15,95,794.01	2,96,284.48
Other financial assets	3	20.00	20.00	-	-	-	-	-	-	-	20.00
<b>Total</b>		<b>19,09,845.41</b>	<b>19,09,845.41</b>	<b>17,743.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,95,797.41</b>	<b>2,96,304.48</b>

(Rs. In thousands)

31-Mar-19

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	5	1,394.85	1,394.85	-	1,394.85	-	-	-	-	-	-
Debt securities	6	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	7	571.98	571.98	-	-	-	571.98	-	-	-	-
<b>Total</b>		<b>1,966.83</b>	<b>1,966.83</b>	<b>-</b>	<b>1,394.85</b>	<b>-</b>	<b>571.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial assets</b>											
Cash and cash equivalents	1(i)	51,926.22	51,926.22	51,926.22	-	-	-	-	-	-	-
Bank balance other than cash and cash equivalents	1(ii)	327.37	327.37	-	-	-	-	327.37	-	-	-
Investments	2	21,36,710.83	21,36,710.83	-	-	-	-	-	-	-	21,36,710.83
Other financial assets	3	20.00	20.00	-	-	-	-	-	-	-	20.00
<b>Total</b>		<b>21,88,984.42</b>	<b>21,88,984.42</b>	<b>51,926.22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>327.37</b>	<b>-</b>	<b>-</b>	<b>21,36,730.83</b>



**28 Segment Reporting**

The Company is a NBFC-ND-SI-CIC 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 Disclosure on COVID-19**

The SARS- CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended by 46 days up till May 31, 2020 across the country to contain the spread of the virus.

The Group has investment which comprises Investment made in associate, Jana Small Finance Bank Limited ("the Bank"). Numerous government and companies, including our associate, have introduced a variety of measures to contain the spread of virus. Further, in accordance with the RBI guidelines relating to 'COVID-19 Regulatory Package' dated March 27, 2020 and April 17, 2020, the Bank has 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. This will be further extended based on the latest RBI guidelines dated May 22, 2020.

The extent to which the COVID-19 pandemic will impact the Bank's results will depend on future developments, which are incapable of assessment at this point in time, 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. During the period of lockdown, the Company has implemented work from home in respect of all its employees in a secure IT environment and has complied with all statutory and regulatory reporting requirements.

There is no material impact of COVID-19 on the Company other than the fall in the market value of its investment in Bank. The Company has adequate liquidity and resources to service its obligations in the near future. Consequentially, the impact on the carrying value of Investment in associate in the books of the Company will depend on the future developments which the Company is unable to assess currently.

**30 Disclosure on Proposed Merger with Wholly Owned Subsidiary**

The Board in their meetings held on October 21, 2019, and December 9, 2019, have approved Fast track method for merging its wholly-owned subsidiary, Jana Holdings Limited with the Company. The Company has submitted the necessary documents to Jana Holdings Limited for submission to the RBI as required by them vide their letter dated October 2019. Jana Holdings Limited submitted the requisite documents to the RBI on January 9, 2020. As per the existing guidelines, the RBI has dispensed with the requirement of having a Non-Operating Financial Holding Company (NOFHC) for setting up of Small Finance Banks as well as Universal Banks. Further, such a merger of the subsidiary with 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 involves the merger of the wholly-owned subsidiary with the Holding Company. The Company had filed an application with Reserve Bank of India ("RBI") on January 9 2020, for its in principle approval. The company has obtained an in principle approval from RBI dated 10-August-2020 for merger with its wholly owned subsidiary company Jana Holdings Limited and is in the process of enabling the necessary compliances in relation to the merger.

- 31** The Subsidiary of the Company, Jana Holdings Limited 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 the terms and conditions of the license issued to the Bank to commence small finance bank business under Section 22 of the Banking Regulation Act, 1949 vide letter DBR.NBD.(SFB-JFS) No. 12881/16.13216/2016-17 dated 28 April 2017 ('Licensing letter'), the Subsidiary is required to comply with the provisions of paragraph 2(H)(ii) of the Guidelines for Licensing Of New Banks in the Private Sector dated 22 February 2013 which refers to Capital Adequacy ('CAR') compliance on a consolidated basis by the NOFHC as per RBI guidelines. For the year ended 31 March 2020, the subsidiary 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 subsidiary and invested as equity in bank, which are not considered as capital on a consolidated basis. In order to resolve the issue, the subsidiary has evaluated merger option with Company and had filed an application with regulatory authorities and approval is presently awaited.



32 The Subsidiary of the Company, Jana Holdings Limited 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 subsidiary 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 Subsidiary has shortfall of the prescribed minimum net owned fund as of March 31, 2020. The main reason for shortfall is on account of accumulated losses which consists of cost of borrowings.

In order to resolve the issue, the subsidiary has evaluated merger option with Company and had filed an application with regulatory authorities and approval is presently awaited.

33 The Subsidiary of 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 the terms and conditions of the license issued to the Bank to commence small finance bank business under Section 22 of the Banking Regulation Act, 1949 vide letter DBR.NBD.(SFB-JFS) No. 12881/16.13216/2016-17 dated 28 April 2017 ('Licensing letter'), the subsidiary is required to comply with the provisions of paragraph 2(H)(i) of the Guidelines for Licensing Of New Banks in the Private Sector dated 22 February 2013 which refers to compliance of regulatory threshold of leverage ratio on a standalone basis by the NOFHC as per RBI guidelines. For the year ended 31 March 2020, the subsidiary had a leverage ratio of 1.85 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 subsidiary 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 subsidiary has evaluated merger option with Company and had filed an application with regulatory authorities and approval is presently awaited.

#### 34 Going concern assertion

The Consolidated network of the Group is negative for the year ended 31 March 2020 mainly on account of continuing losses of associate entity 'Jana Small Finance Bank' ('the Bank'). In this context, the Group and its associate management has concluded the appropriateness of the going concern assumption in the preparation of the consolidated financial statement, based on the key actions undertaken at the bank level such as return to operating profitability, raising of further equity capital and maintenance of adequate liquidity surplus on an ongoing basis. During the year ended March 31 2020, the Bank has raised equity capital of Rs.339 crores from the existing investors through rights issue.

35 Previous year figures have been re-grouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.


As per our report of even date

For MSKC & Associates

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

Chartered Accountants

Firm Registration No.: 0015955



Tushar Kurani

Partner

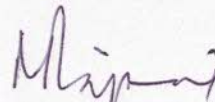
Membership No: 118580

Place: Mumbai

Date: 10-11-2020

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

CIN:U67100KA2015PLC079488



Rajamani Muthuchamy

Managing Director and CEO

DIN:08080999

Place: Chennai

Date: 10-11-2020



Gopalakrishnan S

Chief Financial officer

ICAI Membership No: 021783

Place: Bangalore

Date: 10-11-2020



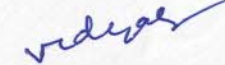
Ramesh Ramanathan

Director and Chairman

DIN:00163276

Place: USA

Date: 10-11-2020



Vidya Sridharan

Company Secretary

ICSI Membership No: A44354

Place: Bangalore

Date: 10-11-2020