

## ANNEXURE I

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

#### Standalone Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2026 [Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] (Rupees in Thousands)

I	Sl. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	2,504.73	2,504.73
	2.	Total Expenditure	95,90,331.64	95,90,331.64
	3.	Exceptional Item	95,69,846.75	-
	4.	Net Profit/(Loss)	-17,980.15	-95,87,826.91
	5.	Earnings Per Share	-6.65	-3,545.56
	6.	Total Assets	46,140.94	96,15,987.69
	7.	Total Liabilities	46,140.94	96,15,987.69
	8.	Net Worth	12,216.72	-95,57,630.03
	9.	Any other financial item(s) (as felt appropriate by the management)	NIL	NIL

#### **II Audit Qualification (each audit qualification separately):**

##### **A. Details of Audit Qualification:**

- i. The Core Investment Companies (Reserve Bank) Directions, 2016, further stipulate that the outside liabilities of a CIC-ND-SI shall at no point in 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. During the year ended March 31, 2026 the ratio stands at 2.78 times thereby exceeding the prescribed limits.

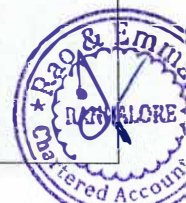
Accordingly, we are unable to evaluate the impact of these adjustments and its subsequent effects on the financial results due to the breach of regulatory covenants.

- ii. The Company's investment amounting to Rs.33,534.50 thousand as at March 31, 2026, represented by its investment in the wholly owned subsidiary, Jana Holding Limited. The Subsidiary Company, Jana Holding Limited, acts as the Non-Operating Financial Holding Company (NOFHC) for Jana Small Finance Bank Limited (JSFB or the Bank). As per the terms and conditions of the banking license granted under Section 22 of the Banking Regulation Act, 1949, the NOFHC is required to comply with paragraph 2(H)(i) of the RBI's Guidelines for Licensing of New Banks in the Private Sector dated February 22, 2013. This provision mandates that the NOFHC maintain the prescribed regulatory leverage ratio on a standalone basis.

For the year ended March 31, 2026, the NOFHC reported a leverage ratio of 247.09 times, which exceeds the regulatory threshold of 1.25 times. Since the NOFHC is a wholly owned subsidiary, any adverse consequences arising from this non-compliance at the subsidiary level could directly impact the Company's investment in the said Subsidiary. However, the consequential impact of such non-compliances on the financial results is presently unascertainable.

- iii. The NCDs were accounted at Amortized cost initially. As per the communication received from the Debenture Trustee regarding the modification of the debenture terms, the repayment of these NCDs is contingent upon the realizable value of the underlying investments, after deducting operational expenses, statutory liabilities, taxes, and other dues.

In reference to the Debenture Trustee's communication and in accordance with Ind AS 109 - Financial Instruments, the Company has assessed the modification of the original NCD terms and concluded that it constitutes a substantial modification. Consequently, the Company has derecognized the carrying amount of the original financial liability and recognized a new financial liability at the fair value of the underlying investments. This new liability has been



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designated at Fair Value Through Profit or Loss to eliminate the accounting mismatch, in accordance with the requirements of Ind AS 109 – Financial Instruments. The difference between the carrying amount of the original liability and the fair value of the new liability has been recognized in the Statement of Profit and Loss as a gain on extinguishment of financial liability, presented as an exceptional item. The total gain recognized on account of this extinguishment and recognition amounts to Rs. 95,69,846.75 thousand.

The commercial intent behind the modification is to assist Jana Small Finance Bank, an Associate Company, to obtain certain regulatory approvals which requires its holding company and other group companies maintain a positive net worth, rather than to provide a direct benefit to the Company. The Company itself does not have any revenue-generating operations except for holding investment in its subsidiary.

The modification of the terms of NCDs represents a material change. However, the communication of this arrangement to the relevant regulatory authorities, including SEBI, is still pending, along with the completion of the associated legal documentation. Consequently, the impact of this matter, particularly with respect to regulatory compliance and legal enforceability remains unascertainable as of the reporting date. Due to this uncertainty, we are unable to determine the full effect on the Company's financial position, leading us to qualify our audit opinion.

Had this modification in the terms of the NCDs not occurred, the Company would have incurred a net loss after tax of Rs. 95,87,826.91 thousand, and its net worth would have been negative Rs. 95,57,630.03 thousand.

- iv. The Company has not assessed the impact of deferred tax arising from the temporary differences related to the gain on extinguishment of the original liability. Since the new financial liability is designated at fair value through profit or loss (FVTPL) and its value changes in line with the underlying investments, the Company has not yet evaluated the deferred tax charges or gains in accordance with Ind AS 12 – Income Taxes.
- v. The Company has not deducted tax at source under the provisions of the Income-tax Act, 1961 on accrued interest relating to Non-Convertible Debentures (NCDs) during the year. The resultant TDS liability not deducted amounts to Rs. 7,10,240.30 thousand as at March 31, 2026.

Further, the Company has not recognised consequential interest and penalty, if any, arising from such non-compliance, the impact of which has not been ascertained.

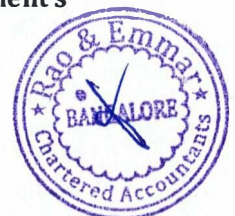
Had the aforesaid liability and related consequences been recognised, the profit for the year and other equity would have been impacted to that extent.

Above impact has resulted in understatement of TDS liability and over statement of Debenture liability by Rs. 7,10,240.30 thousand.

**B. Type of Audit Qualification:** Qualified opinion.

**C. Frequency of qualification:** Repetitive.

**D. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Does not arise.



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**E. For Audit Qualification(s) where the impact is not quantified by the auditor:**

- (i) Management's estimation on the impact of audit qualification: Cannot be estimated.
- (ii) If management is unable to estimate the impact, reasons for the same: The management cannot estimate the impact for the following reasons.
- a. The Company is a Core Investment Company and does not carry out any business activity except making investments in the associate company through its wholly owned subsidiary.
  - b. Main purpose of creating this structure is to act as a conduit for investment in Jana Small Finance Bank, the target company.
  - c. The performance of this company is entirely dependent on the wholly owned subsidiary whose performance, in turn, depends on Jana Small finance Bank, its Associate Company.
  - d. In the recent years, the performance of the target company was impacted by unforeseen events that were external to it and the target company had no control over them.
  - e. Losses due to interest accruals on the NCDs and operating costs incurred by the wholly owned subsidiary have an impact on the net worth of the company. In addition to this in the year 2024-25, the shares of target company were listed and the market price as on balance sheet date was lower than book value resulting in "Impairment Loss on Investment" in the books of subsidiary which got added to the operating loss. Moreover, the company also accrues interest on the NCDS issued and incurs operating costs that further impact its net worth. The said losses caused the breaches in Capital Requirements on a consolidated basis and Leverage Ratio on a standalone basis.

**(iii) Auditors' Comments on (i) or (ii) above:**

The qualification matters stated in the audit report were pertaining to non-compliances with the certain conditions specified in the RBI guidelines and notifications (regulations) mentioned in our audit report. The monetary implications of such non-compliances are not mentioned in the relevant regulations. Accordingly, consequential impact of such non-compliance on the financial results is presently unascertainable.

**II For Jana Capital Limited For Jana Capital Limited For Jana Capital Limited**

sd/-

Rajamani Muthuchamy  
CEO and Managing Director  
DIN: 08080999

Place: Bengaluru  
Date: 29-05-2026

For RAO & EMMAR  
Chartered Accountants  
Firm Registration Number: 0030845

**B J Praveen**  
Partner  
Membership Number: 215713  
UDIN: 26215713TECRSW8397  
Place: Bengaluru  
Date: 29-05-2026



sd/-

Srinivas N R  
Chief Financial Officer  
ICAI Mem. No: 021783

Place: Bengaluru  
Date: 29-05-2026

sd/-

Ranganath S V  
Audit Committee  
Chairman DIN: 00323799

Place: Bengaluru  
Date: 29-05-2026

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

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2026</b> <i>[Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]</i> <b>(Rupees in Thousands)</b>				
<b>I</b>	<b>Sl. No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications)</b>	<b>Adjusted Figures (audited figures after adjusting for qualifications)</b>
	1.	Turnover / Total income	53,242.50	53,242.50
	2.	Total Expenditure	89,37,127.77	89,37,127.77
	3.	Exceptional Items	99,66,664.58	-
		Share of profit of Associate company	1,12,269.95	1,12,269.95
	3.	Net Profit/(Loss)	11,95,049.26	-87,71,615.32
	4.	Earnings Per Share	-441.93	-3,243.72
	5.	Total Assets	76,39,227.23	1,76,05,891.81
	6.	Total Liabilities	76,39,227.23	1,76,05,891.81
	7.	Net Worth	-6,83,594.93	-1,06,50,259.51
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
<b>II</b>	<b>Audit Qualification (each audit qualification separately):</b>			
	<b>A. Details of Audit Qualification:</b>			
	<p>i. Referring to the notes financial Statement, the outside liabilities of the Holding Company on a standalone basis as at March 31, 2026 are 2.78 times of its Adjusted Net Worth as against the permissible limit of 2.5 times prescribed under the applicable RBI Directions for Core Investment Companies. Accordingly, the Company is not in compliance with the said Directions.</p> <p>ii. The Group's investment (Net of Impairment) amounting to Rs. 75,73,063.27 thousand as at March 31, 2026, represented by its investment in the Jana Small Finance Bank. The Subsidiary Company, Jana Holding Limited, acts as the Non-Operating Financial Holding Company (NOFHC) for Jana Small Finance Bank Limited (JSFB or the Bank). As per the terms and conditions of the banking license granted under Section 22 of the Banking Regulation Act, 1949, the NOFHC is required to comply with paragraph 2(H)(i) of the RBI's Guidelines for Licensing of New Banks in the Private Sector dated February 22, 2013. This provision mandates that the NOFHC maintain the prescribed regulatory leverage ratio on a standalone basis. For the year ended March 31, 2026, the NOFHC reported a leverage ratio of 247.09 times as reported by the Independent Auditors of the Subsidiary, which exceeds the regulatory threshold of 1.25 times. The consequential impact of such non-compliances on the Consolidated financial results is presently unascertainable.</p> <p>iii. The settlement terms of the Non-Convertible Debentures (NCDs) issued by Jana Capital Limited. Initially, these NCDs were accounted for at amortized cost. However, as per the communication received from the Debenture Trustee concerning the arrangement of the debenture terms, the repayment of these NCDs is contingent upon the realizable value of the underlying investments, after deducting operational expenses, statutory liabilities, taxes, and other dues.</p>			
	Based on the Debenture Trustee's communication and in accordance with Ind AS 109 - Financial Instruments, the Holding Company has derecognized the carrying amount of the			



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original financial liability and recognized a new financial liability at the fair value of the underlying investments. This new liability has been designated as Fair Value Through Profit or Loss (FVTPL). The resulting difference between the carrying amount of the original liability and the fair value of the new liability has been recognized in the Statement of Profit and Loss as a gain on extinguishment of financial liability, reported as an exceptional item. The total gain recognized from this extinguishment during the current period amounts to Rs. 99,66,664.58 thousand.

Our audit procedures and the information and explanations obtained indicate that the Holding Company has based this accounting treatment solely on direct confirmations received from the Debenture Trustee. However, the Holding Company has not made any changes to the contractual terms.

In this context, since there have been no changes made to the contractual terms and the accounting treatment being purely based on the Trustee's confirmation, we are unable to ascertain the full impact of this accounting treatment on the Group's financial position.

Had this accounting treatment not been carried out, the financial results would have reported a Consolidated net loss after tax of Rs. 1,05,30,292.10 thousand for the year ended March 31, 2026 and a negative net worth of Rs. 1,06,48,963.17 thousand.

- iv. The impact of deferred tax arising from the temporary differences related to the gain on extinguishment of the original liability is not assessed. Since the new financial liability is designated at fair value through profit or loss (FVTPL) and its value changes in line with the underlying investments, the Consequent impact has not been made in the Consolidated financial results.
- v. The Holding Company has initially recognized goodwill on acquisition of the Subsidiary amounting to Rs. 17,985 thousand, whose net worth has eroded and has an accumulated losses amounting to Rs. 2,36,96,724.02 thousand as at March 31, 2026. Further the Holding Company has not performed any test of Impairment of Goodwill. Accordingly in view of the current financial position of the Subsidiary and in the absence of sufficient and appropriate audit evidence, we are unable to comment on the carrying value of the Goodwill.
- vi. The terms and conditions of the Certificate of registration issued to the Subsidiary Company by the RBI vide letter no. N-02.00275 dated 27 January 2017, requires 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 1st September 2016. In Our Opinion, The Net Owned Funds of the Subsidiary Company on a standalone basis as on 31 March 2026, is in a Deficit of Rs. 82,49,971.55 thousand, which is below the regulatory minimum of Rs. 50,000 Lakhs. The consequential impact of such non-compliance on the Consolidated financial results is presently unascertainable.
- vii. The Company has not deducted tax at source under the provisions of the Income-tax Act, 1961 on accrued interest relating to Non-Convertible Debentures (NCDs) during the year. The resultant TDS liability not deducted amounts to Rs. 17,80,801.75 thousand as at March 31, 2026.

Further, the Company has not recognised consequential interest and penalty, if any, arising from such non-compliance, the impact of which has not been ascertained.



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Had the aforesaid liability and related consequences been recognised, the profit for the year and other equity would have been impacted to that extent.

Above impact has resulted in understatement of TDS liability and over statement of Debenture liability by Rs. 17,80,801.75 thousand.

**B. Type of Audit Qualification:** Qualified opinion.

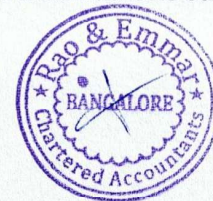
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	<p>(iii) <b>Auditors' Comments on (i) or (ii) above:</b></p> <p>The qualification matters stated in the audit report were pertaining to non-compliances with the certain conditions specified in the RBI guidelines and notifications (regulations) mentioned in our audit report. The monetary implications of such non-compliance are not mentioned in the relevant regulations. Accordingly, the consequential impact of such non-compliance on the financial results is presently unascertainable.</p>		
<b>I I</b>	<p><b>For Jana Capital Limited</b></p> <p><b>sd/-</b> Rajamani Muthuchamy CEO and Managing Director DIN: 08080999 Place: Bengaluru Date: 29-05-2026</p>	<p><b>For Jana Capital Limited</b></p> <p><b>sd/-</b> Srinivas NR Chief Financial Officer ICAI Membership No: 021783 Place: Bengaluru Date: 29-05-2026</p>	<p><b>For Jana Capital Limited</b></p> <p><b>Sd/-</b> Ranganath S V Audit Committee Chairman DIN: 00323799 Place: Bengaluru Date: 29-05-2026</p>
	<p>For <b>RAO &amp; EMMAR</b> Chartered Accountants Firm Registration Number: 0030845</p> <p> <b>B J Praveen</b> Partner Membership Number: 215713 UDIN: 26215713AADCOO1195 Place: Bengaluru Date: 29-05-2026</p> <p></p>		