

ANNEXURE I

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023 <i>[Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</i> (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	43.36	43.36
	2.	Total Expenditure	35,70,336.91	35,70,336.91
	3.	Net Profit/(Loss)	(35,70,293.56)	(35,70,293.56)
	4.	Earnings Per Share	(1,320.29)	(1,320.29)
	5.	Total Assets	1,700.67	1,700.67
	6.	Total Liabilities	33,88,194.78	33,88,194.78
	7.	Net Worth	(33,86,494.11)	(33,86,494.11)
	8.	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:			
	<p>i. Adjusted Net Worth of a CIC shall at no point in time be less than 30% of its aggregate risk weighted assets on balance sheet and risk adjusted value of off-balance sheet items as on the date of last audited balance sheet as at the end of the financial year. The Company has shortfall of the prescribed minimum requirement which is at Negative 558829.60% as of March 31, 2023.</p> <p>ii. 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 of its Adjusted Net Worth as on date of the last audited balance as at the end of the financial year. During the period ended March 31, 2023, the limit has been exceeded by negative 1 times.</p>			
	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.			
	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, 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.			

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	<p>(iii) Auditors' Comments on (i) or (ii) above:</p> <p>The qualification matters stated in the audit report were pertaining to non-compliances with the certain conditions specified in the RBI guidelines and notifications (regulations) mentioned in our audit report. The monetary implications of such non-compliances are not mentioned in the relevant regulations. Accordingly, consequential impact of such non-compliance on the financial results is presently unascertainable.</p>		
II	For Jana Capital Limited	For Jana Capital Limited	For Jana Capital Limited
	Rajamani Muthuchamy CEO and Managing Director DIN: 08080999	Gopalakrishnan S Chief Financial Officer ICAI Membership No: 021783	Ranganath S V Audit Committee Chairman DIN: 00323799
	Place: Bangalore Date: 29.05.2023	Place: Bangalore Date: 29.05.2023	Place: Bangalore Date: 29.05.2023
	For K.S. Rao & Co., Chartered Accountants ICAI Firm Registration No.: 003109S		
	Hitesh Kumar P Partner Membership No: 233734		
	Place: Bangalore Date: 29.05.2023		